

# PRIMO WATER CORP /CN/

FORM	1	0-	Q
(Quarterly		_	-

## Filed 11/10/10 for the Period Ending 10/02/10

- Address 4221 W. BOY SCOUT BLVD.
  - SUITE 400
    - TAMPA, FL, 33607
- Telephone 813-313-1732
  - CIK 0000884713
  - Symbol PRMW
- SIC Code 2086 Bottled and Canned Soft Drinks and Carbonated Waters
  - Industry Non-Alcoholic Beverages
  - Sector Consumer Non-Cyclicals
- Fiscal Year 12/28

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# United States Securities and Exchange Commission

Washington, D.C. 20549

## **FORM 10-Q**

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended: October 2, 2010

□ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_to \_\_\_

Commission File Number: 001-31410

# **COTT CORPORATION**

(Exact name of registrant as specified in its charter)

CANADA (State or Other Jurisdiction of Incorporation or Organization)

6525 VISCOUNT ROAD MISSISSAUGA, ONTARIO 5519 WEST IDLEWILD AVE TAMPA, FLORIDA (Address of principal executive offices) 98-0154711 (IRS Employer Identification No.)

> L4V 1H6 33634 (Zip Code)

Registrant's telephone number, including area code: (905) 672-1900 and (813) 313-1800

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  $\boxtimes$  No  $\square$ 

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  $\Box$  No  $\Box$ 

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  $\Box$ 

Non-accelerated filer  $\Box$  (do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes 🗆 No 🖾

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, no par value per share

Outstanding at November 9, 2010 94,750,120 shares

Accelerated filer

Smaller reporting company

X

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#### **PART I – FINANCIAL INFORMATION**

#### **Financial Statements** Item 1.

#### **Cott Corporation**

**Consolidated Statements of Operations** (*in millions of U.S. dollars, except per share amounts*) Unaudited

	For the Three Months Ended			For the Nine Months Ended				
	Octo	ber 2, 2010	Septem	ber 26, 2009	Oct	ober 2, 2010	Sep	tember 26, 2009
Revenue, net	\$	490.6	\$	404.9	\$	1,278.2	\$	1,210.7
Cost of sales		419.8		341.1		1,076.7		1,015.4
Gross profit		70.8		63.8		201.5		195.3
Selling, general and administrative expenses		47.3		36.9		114.2		106.7
Loss on disposal of property, plant & equipment		0.3		_		0.4		_
Restructuring and asset impairments								
Restructuring						(0.5)		1.6
Asset impairments								3.5
Operating income		23.2		26.9		87.4		83.5
Other expense, net		1.3		3.2		3.6		0.5
Interest expense, net		10.3		7.6		22.6		22.7
Income before income taxes		11.6		16.1		61.2		60.3
Income tax (benefit) expense		1.9	<u>.</u>	0.9		15.1		(10.7)
Net income	\$	9.7	\$	15.2	\$	46.1	\$	71.0
Less: Net income attributable to non-controlling interests		1.4		1.3		4.0		3.5
Net income attributed to Cott Corporation	\$	8.3	\$	13.9	\$	42.1	\$	67.5
Net income per common share attributed to Cott Corporation								
Basic	\$	0.10	\$	0.18	\$	0.51	\$	0.93
Diluted	\$	0.09	\$	0.18	\$	0.50	\$	0.92
Weighted average outstanding shares (millions) attributed to Cott Corporation								
Basic		87.2		76.6		82.7		72.5
Diluted		89.0		77.0		83.5		73.1

The accompanying notes are an integral part of these consolidated financial statements.

# Cott Corporation Consolidated Balance Sheets

(in millions of U.S. dollars, except share amounts) Unaudited

ASSETS         S         35.4         S         30.9           Carrent assets         237.8         152.3         Income tasses recoverable         8.2         20.8           Income tasses recoverable         206.2         99.7         152.3         Inventorics         206.2         99.7           Prepaid expenses and other assets         19.0         16.88         343.0         127.1         30.6           Cookvill         127.1         30.6         320.5         97         54.3         343.0           Goodwill         127.1         30.6         320.5         97.9         155.5         152.7         154.4         127.1         30.6           Intangibles and other assets         379.9         155.5         154.6         7.9         54.4           Other tas receivable         6.7         18.8         143.8         169.3         169.3           Intalibilities         313.8         169.3         17.6         Accounts payable and accrued liabilities         370.0         207.1           Current abilities         313.8         169.3         169.3         169.3         169.3         169.3         169.3         169.3         169.3         169.3         169.3         169.3         169.3 <t< th=""><th></th><th><u>October 2, 2010</u></th><th>January 2, 2010</th></t<>		<u>October 2, 2010</u>	January 2, 2010
S         35.4         \$         30.9           Accounts receivable, net of allowance of \$7.4 (\$5.9 as of January 2, 2010)         237.8         152.3           Income taxes recoverable         8.2         20.8           Inventorics         206.2         99.7           Prepaid expenses and other assets         19.0         16.8           Total current assets         506.6         320.5           Property, plant and equipment         508.8         343.0           Goodwill         127.1         30.6           Intangibles and other assets         79.9         155.5           Deferred income taxes         7.9         5.4           Other tax receivable         6.7         18.8           Total assets         \$         1.537.0         \$         873.8           LIABILITIES AND EQUITY         Current itabilities         313.8         169.3           Current mutrities of long-term debt         5.9         17.6         Accounts payable and accrued liabilities         313.8         169.3           Total current liabilities         313.8         169.3         12.2         14.7           Deferred income taxes         18.5         17.5         Other long-term debt         606.6         233.2           Defer	ASSETS		
Accounts receivable       237.8       152.3         Income taxes recoverable       82       20.8         Inventories       206.2       99.7         Prepaid expenses and other assets       19.0       16.8         Total current assets       506.6       320.5         Property, plant and equipment       508.8       343.0         Goodwill       127.1       30.6         Intangibles and other assets       79       5.4         Other tax receivable       6.7       18.8         Total assets       7.9       5.4         Other tax receivable       6.7       18.8         Total assets $$ 1.537.0$ $$ 873.8$ LLABILLTTES AND EQUITY       Current liabilities $$ 59.1$ Current maturities of long-term debt $$ 59.3$ $$ 20.2$ Current maturities of long-term debt $$ 59.17.6$ $$ 20.2$ Current maturities of long-term debt $$ 59.17.6$ $$ 20.2$ Current maturities of long-term debt $$ 313.8 169.3$ $$ 169.3$ Deferred income taxes $$ 313.8 169.3$ $$ 169.3$ Deferred income taxes $$ 313.8 169.3$ $$ 169.3$ Other long-term liabilities			
Income taxes recoverable         8.2         20.8           Inventories         206.2         99.7           Prepaid expenses and other assets         19.0         16.8           Total current assets         506.6         320.5           Property, plant and equipment         508.8         343.0           Goodwill         127.1         30.6           Intrangibles and other assets         379.9         15.5           Deferred income taxes         7.9         5.4           Other tax receivable         6.7         18.8           Total assets         § 1.537.0         § 873.8           LIABILITIES AND EQUITY         5.9         17.6           Current liabilities         5.9         17.6           Short-term borrowings         5.9         17.6           Current mutrities of long-term debt         5.9         17.6           Accounts payable and accrued liabilities         313.8         169.3           Total current liabilities         1.014.9         472.5           Other long-term liabilities         1.014.9         472.5           Deferred income taxes         18.5         17.5           Other labilities         1.014.9         472.5           Contingencies and Commitments			
Inventories         206.2         99.7           Prepaid expenses and other assets         19.0         16.8           Total current assets         506.6         320.5           Property, plant and equipment         508.8         343.0           Goodwill         127.1         30.6           Intangibles and other assets         379.9         155.5           Deferred income taxes         7.9         5.4           Other tax receivable         6.7         18.8           Total assets         § 1,537.0         § 873.8           LIABILITIES AND EQUITY         5.9         17.6           Current liabilities         313.8         169.3           Short-tern borrowings         \$ 50.3         \$ 20.2           Current liabilities         313.8         169.3           Total current liabilities         313.8         169.3           Total current liabilities         313.8         169.3           Total current liabilities         19.8         14.7           Long-term debt         606.6         233.2           Deferred income taxes         18.5         17.5           Other long-term liabilities         19.8         14.7           Total liabilities         19.8         3			
Prepaid expenses and other assets         19.0         16.8           Total current assets         506.6         320.5           Property, plant and equipment         508.8         343.0           Goodwill         127.1         30.6           Intangibles and other assets         379.9         155.5           Deferred income taxes         7.9         5.4           Other tax receivable         6.7         18.8           Total assets         \$ 1,537.0         \$ 873.8           LLABILITIES AND EQUITY         Current Itabilities         \$ 20.2           Current maturities of long-term debt         5.9         17.6           Short-term borrowings         \$ 50.3         \$ 20.2           Current maturities of long-term debt         5.9         17.6           Accounts payable and accrued liabilities         313.8         160.3           Total current liabilities         313.8         160.3           Deferred income taxes         18.5         17.5           Other long-term labilities         19.8         14.7           Contingencies and Commitments - Note 11         19.8         14.7           Equity         39.5         32.2         (4.4)           Additional paid-in-capital         39.1 <t< td=""><td>Income taxes recoverable</td><td></td><td></td></t<>	Income taxes recoverable		
Total current assets         506.6         320.5           Property, plant and equipment         508.8         343.0           Godwill         127.1         30.6           Intangibles and other assets         379.9         155.5           Deferred income taxes         7.9         5.4           Other tax receivable         6.7         18.8           Total assets         § 1,537.0         § 873.8           LIABILITIES AND EQUITY         5.9         17.6           Current liabilities         5.9         17.6           Short-term borrowings         \$ 50.3         \$ 20.2           Current liabilities         313.8         169.3           Total current liabilities         313.8         169.3           Total current liabilities         370.0         207.1           Long-term debt         606.6         233.2           Deferred income taxes         18.5         17.5           Other long-term liabilities         19.8         14.7           Total liabilities         313.8         169.3           Deferred income taxes         19.8         14.7           Total liabilities         19.8         14.7           Total liabilities         19.8         32.5 <td></td> <td></td> <td>99.7</td>			99.7
Property, plant and equipment         508.8         343.0           Goodwill         127.1         30.6           Intangibles and other assets         379.9         155.5           Deferred income taxes         7.9         5.4           Other tax receivable         6.7         18.8           Total assets         § 1,537.0         § 873.8           LLABILITIES AND EQUITY         5.9         17.6           Current liabilities         5.9         17.6           Accounts payable and accrued liabilities         313.8         169.3           Total current liabilities         19.3         14.7           Total current liabilities         19.8         14.7           Total liabilities         19.8         14.7           Total liabilities         19.4         472.5           Contingencies and Commitments - Note 11         19.4         472.5           Capital shares,	Prepaid expenses and other assets	<u> </u>	16.8
Goodwill       127.1       30.6         Intargibles and other assets       379.9       155.5         Deferred income taxes       7.9       5.4         Other tax receivable       6.7       18.8         Total assets       \$ 1,537.0       \$ 873.8         LIABILITIES AND EQUITY       5.9       17.6         Current liabilities       5.9       17.6         Short-term borrowings       \$ 50.3       \$ 20.2         Current maturities of long-term debt       5.9       17.6         Accounts payable and accrued liabilities       313.8       169.3         Total current liabilities       370.0       207.1         Long-term debt       606.6       233.2         Deferred income taxes       18.5       17.5         Other long-term liabilities       19.8       14.7         Total current liabilities       19.8       14.7         Total liabilities       1014.9       472.5         Contingencies and Commitments - Note 11       1014.9       472.5         Capital shares, no par - 94,750,120 (January 2, 2010 - 81,331,330) shares issued       395.6       322.5         Treasury shares       33.9       31.8       7.7.4         Retained carnings       39.1       37.	Total current assets	506.6	320.5
Goodwill         127.1         30.6           Intangibles and other assets         379.9         155.5           Deferred income taxes         7.9         5.4           Other tax receivable         6.7         18.8           Total assets         \$ 1,537.0         \$ 873.8           LIABILITIES AND EQUITY         5.9         17.6           Current liabilities         \$ 50.3         \$ 20.2           Current maturities of long-term debt         5.9         17.6           Accounts payable and accrued liabilities         313.8         169.3           Total current liabilities         370.0         207.1           Long-term debt         606.6         233.2           Deferred income taxes         18.5         17.5           Other long-term liabilities         19.8         14.7           Total liabilities         19.8         14.7           Total liabilities         19.8         14.7           Total liabilities         19.8         14.7           Capital hares, no par - 94,750,120 (January 2, 2010 - 81,331,330) shares issued         395.6         322.5           Treasury shares         (3.2)         (4.4)           Additional paid-in-capital         39.1         37.4	Property, plant and equipment	508.8	343.0
Deferred income taxes         7.9         5.4           Other tax receivable         6.7         18.8           Total assets         § 1,537.0         § 873.8           LIABILITIES AND EQUITY         S         873.8           Current liabilities         50.3         \$ 20.2           Short-term borrowings         \$ 50.3         \$ 20.2           Current matrities of long-term debt         5.9         17.6           Accounts payable and accrued liabilities         313.8         169.3           Total current liabilities         313.8         169.3           Deferred income taxes         18.5         17.5           Other long-term liabilities         19.8         14.7           Total liabilities         19.8         14.7           Contingencies and Commitments - Note 11         10.14.9         472.5           Capital shares, no par - 94,750,120 (January 2, 2010 - 81,331,330) shares issued         395.6         322.5           Treasury shares         93.9         51.8         33.3         386.0           Accumul		127.1	30.6
Deferred income taxes         7.9         5.4           Other tax receivable         6.7         18.8           Total assets         § 1,537.0         § 873.8           LIABILITIES AND EQUITY         S         873.8           Current liabilities         50.3         \$ 20.2           Short-term borrowings         \$ 50.3         \$ 20.2           Current matrities of long-term debt         5.9         17.6           Accounts payable and accrued liabilities         313.8         169.3           Total current liabilities         313.8         169.3           Deferred income taxes         18.5         17.5           Other long-term liabilities         19.8         14.7           Total liabilities         19.8         14.7           Contingencies and Commitments - Note 11         10.14.9         472.5           Capital shares, no par - 94,750,120 (January 2, 2010 - 81,331,330) shares issued         395.6         322.5           Treasury shares         93.9         51.8         33.3         386.0           Accumul	Intangibles and other assets	379.9	155.5
Total assets         \$ 1,537.0         \$ 873.8           LLABILITTES AND EQUITY		7.9	5.4
Total assets         \$ 1,537.0         \$ 873.8           LLABILITIES AND EQUITY	Other tax receivable	6.7	18.8
Current liabilities         \$ 50.3         \$ 20.2           Short-term borrowings         \$ 50.3         \$ 20.2           Current maturities of long-term debt         5.9         17.6           Accounts payable and accrued liabilities         313.8         169.3           Total current liabilities         370.0         207.1           Long-term debt         606.6         233.2           Deferred income taxes         18.5         17.5           Other long-term liabilities         19.8         14.7           Total liabilities         19.8         14.7           Total liabilities         19.8         14.7           Total liabilities         10.14.9         472.5           Contingencies and Commitments - Note 11         2         42.5           Equity         2         2         44.4           Capital shares, no par - 94,750,120 (January 2, 2010 - 81,331,330) shares issued         395.6         322.5           Treasury shares         (3.2)         (4.4)           Additional paid-in-capital         39.1         37.4           Retained earnings         93.9         51.8         386.0           Non-controlling interests         11.9         (21.3)         (21.3)           Total Cott Corporati	Total assets	<u>\$ 1,537.0</u>	\$ 873.8
Current liabilities         \$ 50.3         \$ 20.2           Short-term borrowings         \$ 50.3         \$ 20.2           Current maturities of long-term debt         5.9         17.6           Accounts payable and accrued liabilities         313.8         169.3           Total current liabilities         370.0         207.1           Long-term debt         606.6         233.2           Deferred income taxes         18.5         17.5           Other long-term liabilities         19.8         14.7           Total liabilities         19.8         14.7           Total liabilities         19.8         14.7           Total liabilities         10.14.9         472.5           Contingencies and Commitments - Note 11         2         42.5           Equity         2         2         44.4           Capital shares, no par - 94,750,120 (January 2, 2010 - 81,331,330) shares issued         395.6         322.5           Treasury shares         (3.2)         (4.4)           Additional paid-in-capital         39.1         37.4           Retained earnings         93.9         51.8         386.0           Non-controlling interests         11.9         (21.3)         (21.3)           Total Cott Corporati	LIABILITIES AND EQUITY		
Short-term borrowings       \$ 50.3       \$ 20.2         Current maturities of long-term debt       5.9       17.6         Accounts payable and accrued liabilities       313.8       169.3         Total current liabilities       370.0       207.1         Long-term debt       606.6       233.2         Deferred income taxes       18.5       17.5         Other long-term liabilities       19.8       14.7         Total liabilities       1,014.9       472.5         Contingencies and Commitments - Note 11       70.0       205.0         Equity       70.0       201.1       395.6         Capital shares, no par - 94,750,120 (January 2, 2010 - 81,331,330) shares issued       395.6       322.5         Treasury shares       (3.2)       (4.4)         Additional paid-in-capital       39.1       37.4         Retained earnings       93.9       51.8         Accumulated other comprehensive loss       (17.1)       (21.3)         Total Cott Corporation equity       508.3       386.0         Non-controlling interests       13.8       15.3         Total equity       522.1       401.3			
Current maturities of long-term debt         5.9         17.6           Accounts payable and accrued liabilities         313.8         169.3           Total current liabilities         370.0         207.1           Long-term debt         606.6         233.2           Deferred income taxes         18.5         17.5           Other long-term liabilities         19.8         14.7           Total liabilities         19.8         14.7           Total liabilities         1,014.9         472.5           Contingencies and Commitments - Note 11         200.1         200.1           Equity         200.1         200.1         200.1           Capital shares, no par - 94,750,120 (January 2, 2010 - 81,331,330) shares issued         395.6         322.5           Treasury shares         (3.2)         (4.4)           Additional paid-in-capital         39.1         37.4           Retained earnings         93.9         51.8           Accumulated other comprehensive loss         (17.1)         (21.3)           Total Cott Corporation equity         508.3         386.0           Non-controlling interests         13.8         15.3           Total equity         522.1         401.3		\$ 50.3	\$ 20.2
Accounts payable and accrued liabilities       313.8       169.3         Total current liabilities       370.0       207.1         Long-term debt       606.6       233.2         Deferred income taxes       18.5       17.5         Other long-term liabilities       19.8       14.7         Total liabilities       1,014.9       472.5         Contingencies and Commitments - Note 11       Equity       395.6       322.5         Treasury shares       (3.2)       (4.4)         Additional paid-in-capital       39.1       37.4         Retained earnings       93.9       51.8         Accumulated other comprehensive loss       (17.1)       (21.3)         Total Cott Corporation equity       508.3       386.0         Non-controlling interests       13.8       15.3         Total equity       522.1       401.3			
Total current liabilities         370.0         207.1           Long-term debt         606.6         233.2           Deferred income taxes         18.5         17.5           Other long-term liabilities         19.8         14.7           Total liabilities         1.014.9         472.5           Contingencies and Commitments - Note 11			169.3
Long-term debt         606.6         233.2           Deferred income taxes         18.5         17.5           Other long-term liabilities         19.8         14.7           Total liabilities         19.8         14.7           Total liabilities         1,014.9         472.5           Contingencies and Commitments - Note 11         7         7           Equity         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         1			
Deferred income taxes         18.5         17.5           Other long-term liabilities         19.8         14.7           Total liabilities         1,014.9         472.5           Contingencies and Commitments - Note 11         7         7           Equity         7         7           Capital shares, no par - 94,750,120 (January 2, 2010 - 81,331,330) shares issued         395.6         322.5           Treasury shares         (3.2)         (4.4)           Additional paid-in-capital         39.1         37.4           Retained earnings         93.9         51.8           Accumulated other comprehensive loss         (17.1)         (21.3)           Total Cott Corporation equity         508.3         386.0           Non-controlling interests         13.8         15.3           Total equity         522.1         401.3	Total current liabilities	370.0	207.1
Other long-term liabilities         19.8         14.7           Total liabilities         1,014.9         472.5           Contingencies and Commitments - Note 11         7         7           Equity         7 </td <td>Long-term debt</td> <td></td> <td></td>	Long-term debt		
Total liabilities       1,014.9       472.5         Contingencies and Commitments - Note 11	Deferred income taxes	18.5	17.5
Contingencies and Commitments - Note 11         Equity         Capital shares, no par - 94,750,120 (January 2, 2010 - 81,331,330) shares issued       395.6       322.5         Treasury shares       (3.2)       (4.4)         Additional paid-in-capital       39.1       37.4         Retained earnings       93.9       51.8         Accumulated other comprehensive loss       (17.1)       (21.3)         Total Cott Corporation equity       508.3       386.0         Non-controlling interests       13.8       15.3         Total equity       522.1       401.3	Other long-term liabilities	<u> </u>	14.7
Contingencies and Commitments - Note 11         Equity         Capital shares, no par - 94,750,120 (January 2, 2010 - 81,331,330) shares issued       395.6       322.5         Treasury shares       (3.2)       (4.4)         Additional paid-in-capital       39.1       37.4         Retained earnings       93.9       51.8         Accumulated other comprehensive loss       (17.1)       (21.3)         Total Cott Corporation equity       508.3       386.0         Non-controlling interests       13.8       15.3         Total equity       522.1       401.3	Total liabilities	1.014.9	472.5
Equity       395.6       322.5         Capital shares, no par - 94,750,120 (January 2, 2010 - 81,331,330) shares issued       395.6       322.5         Treasury shares       (3.2)       (4.4)         Additional paid-in-capital       39.1       37.4         Retained earnings       93.9       51.8         Accumulated other comprehensive loss       (17.1)       (21.3)         Total Cott Corporation equity       508.3       386.0         Non-controlling interests       13.8       15.3         Total equity       522.1       401.3		-,	
Capital shares, no par - 94,750,120 (January 2, 2010 - 81,331,330) shares issued <b>395.6</b> 322.5         Treasury shares       (3.2)       (4.4)         Additional paid-in-capital <b>39.1</b> 37.4         Retained earnings <b>93.9</b> 51.8         Accumulated other comprehensive loss       (17.1)       (21.3) <b>Total Cott Corporation equity 508.3</b> 386.0         Non-controlling interests <b>13.8</b> 15.3 <b>Total equity 522.1</b> 401.3			
Treasury shares       (3.2)       (4.4)         Additional paid-in-capital       39.1       37.4         Retained earnings       93.9       51.8         Accumulated other comprehensive loss       (17.1)       (21.3)         Total Cott Corporation equity       508.3       386.0         Non-controlling interests       13.8       15.3         Total equity       522.1       401.3		205.6	200 5
Additional paid-in-capital       39.1       37.4         Retained earnings       93.9       51.8         Accumulated other comprehensive loss       (17.1)       (21.3)         Total Cott Corporation equity       508.3       386.0         Non-controlling interests       13.8       15.3         Total equity       522.1       401.3			
Retained earnings       93.9       51.8         Accumulated other comprehensive loss       (17.1)       (21.3)         Total Cott Corporation equity       508.3       386.0         Non-controlling interests       13.8       15.3         Total equity       522.1       401.3			
Accumulated other comprehensive loss(17.1)(21.3)Total Cott Corporation equity508.3386.0Non-controlling interests13.815.3Total equity522.1401.3			
Total Cott Corporation equity508.3386.0Non-controlling interests13.815.3Total equity522.1401.3			
Non-controlling interests13.815.3Total equity522.1401.3	1		
<b>Total equity 522.1</b> 401.3			
· ·	Non-controlling interests	13.8	15.3
Total liabilities and equity         \$ 1,537.0         \$ 873.8	Total equity	522.1	401.3
	Total liabilities and equity	<u>\$ 1,537.0</u>	<u>\$ 873.8</u>

The accompanying notes are an integral part of these consolidated financial statements.



# **Cott Corporation Consolidated Statements of Cash Flows** (*in millions of U.S. dollars*)

Unaudited

		e Months Ended		e Months Ended
	October 2, 2010	September 26, 2009	October 2, 2010	September 26, 2009
perating Activities				
Net income	\$ 9.7	\$ 15.2	\$ 46.1	\$ 71.0
Depreciation & amortization	19.1	16.4	49.9	49.7
Amortization of financing fees	0.6	0.4	1.6	1.(
Share-based compensation expense	1.1	0.4	2.8	1.2
Increase in deferred income taxes	9.7	—	9.6	2.9
Decrease in other income tax liabilities	—	(0.1)	—	(16.6
Write-off of financing fees	1.4	_	1.4	_
Loss on disposal of property, plant & equipment	0.3	—	0.4	—
Gain on buyback of Notes	—	0.2	0.1	0.2
Asset impairments	—	—		3.:
Lease contract termination loss	—	—	(0.4)	—
Lease contract termination payments	(0.6)	(0.9)	(5.4)	(2.8
Other non-cash items	0.1	2.9	4.3	1.8
Change in operating assets and liabilities, net of				
acquisition:				
Accounts receivable	17.4	37.2	(28.9)	1.
Inventories	(3.8)	7.7	(20.5)	2.1
Prepaid expenses and other current assets	(0.5)	1.5	1.9	(1.
Other assets	—	0.5	(1.1)	0.
Accounts payable and accrued liabilities	8.3	(24.4)	16.1	(0.
Income taxes recoverable	2.7	(0.2)	27.1	0.
Net cash provided by operating activities	65.5	56.8	105.0	115.
vesting Activities				
Acquisition	(507.7)	_	(507.7)	_
Additions to property, plant & equipment	(11.4)	(5.3)	(29.5)	(18.
Additions to intangibles	(0.2)	_	(3.6)	
Proceeds from sale of property, plant & equipment	0.5	0.1	0.9	1.
Net cash used in investing activities	(518.8)	(5.2)	(539.9)	(17.
nancing Activities				
Payments of long-term debt	(1.2)	(22.7)	(17.3)	(26.
Issuance of long-term debt	375.0	—	375.0	
Borrowings under ABL	165.7	48.9	307.7	679.
Payments under ABL	(126.2)	(115.5)	(277.8)	(788.
Distributions to non-controlling interests	(2.8)	(2.6)	(5.5)	(4.
Issuance of common shares, net of offering fees	71.1	47.4	71.1	47.
Financing fees	(14.0)	(1.1)	(14.2)	(1.
Other financing activities		(0.2)		(0.
Net cash (used in) provided by financing activities	467.6	(45.8)	439.0	(94.
fect of exchange rate changes on cash	0.8	<u> </u>	0.4	0.
et increase in cash & cash equivalents	15.1	5.8	4.5	4.
ash & cash equivalents, beginning of period	20.3	13.2	30.9	14.
ash and cash equivalents, end of period	<u>\$ 35.4</u>	\$ 19.0	<u>\$ 35.4</u>	\$ 19.
pplemental Noncash Investing and Financing Activities:				
		*	* • •	ф.
	<b>\$</b> —	\$	\$ 2.4	\$
Capital lease additions	\$	\$	\$ 2.4 13.1	\$
	\$ — 13.1 52.5	\$ 	\$ 2.4 13.1 52.5	\$

Supplemental disclosures of cash flow information:

Cash paid for interest	\$ 1.2	\$ 2.1	\$ 12.8	\$ 16.7
Cash paid (received) for income taxes, net	(10.0)	3.5	(21.8)	3.3

The accompanying notes are an integral part of these consolidated financial statements.

**Cott Corporation Consolidated Statements of Equity** (*in millions of U.S. dollars, except share data*) Unaudited

			Cott Co	orporation Eq	uity					
	Number of	Number of			Additional	Retained		ulated her	Non-	
	Common Shares	Treasury Shares	Common	Treasury	Paid-in-	Earnings	Compre	hensive	Controlli	ing Total
	(In thousands)	(In thousands)	Shares	Shares	Capital	(Deficit)	Le		Interest	ts Equity
Balance at December 27, 2008	71,871	2,307	\$ 275.0	(\$ 6.4)	\$ 38.1	(\$ 29.7)	(\$	<b>47.8</b> )	\$ 17	4.3 \$246.5
Treasury shares issued		(396)		1.1	(1.1)	) —			_	
Common shares issued	9,435		47.4			—		—	_	- 47.4
Share-based compensation		_	—	—	1.2	—		—	_	- 1.2
Reclassified share-based										
compensation to liabilities		—	—	—	(0.1)	) —		—	_	- (0.1)
Distributions to non-controlling										
interests		_	—	—	—	—		—	(4	.9) (4.9)
Comprehensive income										
Currency translation										
adjustment		_	—	—	—	—		20.3	(0	0.1) 20.2
Pension liabilities		_		—	—	—		0.5		0.0
Net income						67.5				<u>8.5</u> 71.0
Balance at September 26, 2009	81,306	1,911	\$ 322.4	<u>(\$ 5.3</u> )	\$ 38.1	<u>\$ 37.8</u>	(\$	27.0)	<u>\$ 15</u>	5 <u>.8</u> \$381.8
Balance at January 2, 2010	81,331	1,504	\$ 322.5	(\$ 4.4)	\$ 37.4	\$ 51.8	(\$	21.3)	\$ 15	5.3 \$401.3
Common shares issued	13,340		71.1						_	- 71.1
Treasury shares issued - PSU Plan		(437)		1.2	(1.2)	) —		—	_	
Tax Impact of Common Shares										
Issuance			2.0					—	_	- 2.0
Treasury Shares issued - EISPP		(1)		—		—			_	- —
Common Shares issued -										
Directors' Share Award	79	—		—	0.7				_	- 0.7
Share-based compensation					2.2			—	_	- 2.2
Distributions to non-controlling interests									(5	5.5) (5.5)
Comprehensive income									(5	.5) (5.5)
Currency translation										
adjustment						_		3.9	_	- 3.9
Pension liabilities			_			_		0.3	_	- 0.3
Net income			_			42.1			Δ	46.1
						12.1				
Balance at October 2, 2010	94,750	1,066	\$ 395.6	(\$ 3.2)	\$ 39.1	\$ 93.9	(\$	17.1)	\$ 13	<b>3.8 \$522.1</b>

The accompanying notes are an integral part of these consolidated financial statements.

**Cott Corporation Condensed Consolidated Statements of Comprehensive Income** (*in millions of U.S. dollars*)

Unaudited

	For the Three Months Ended			ded	For the Nine Months Ended			
	Octob	er 2, 2010	Septeml	ber 26, 2009	Octob	per 2, 2010	1	mber 26, 2009
Net income (loss)	\$	9.7	\$	15.2	\$	46.1	\$	71.0
Other comprehensive income (loss), net of tax:								
Net currency translation		10.5		3.2		3.9		20.2
Pension benefit plan, net of tax		0.1		0.1		0.3		0.5
Unrealized gains on derivative instruments		(0.1)						—
Total other comprehensive income (loss), net of tax		10.5		3.3		4.2		20.7
Comprehensive income	\$	20.2	\$	18.5	\$	50.3	\$	91.7
Less: Net income attributable to non-controlling interests		1.4		1.3		4.0		3.5
Comprehensive income attributed to Cott Corporation	\$	18.8	\$	17.2	\$	46.3	\$	88.2

The accompanying notes are an integral part of these consolidated financial statements.

#### Cott Corporation Notes to the Consolidated Financial Statements Unaudited

#### Note 1 – Business and Recent Accounting Pronouncements

#### **Description of Business**

Cott Corporation, together with its consolidated subsidiaries ("Cott," "the Company," "our Company," "Cott Corporation," "we," "us," or "our"), is the world's largest retailer brand beverage company. In addition to carbonated soft drinks ("CSDs"), our product lines include clear, still and sparkling flavored waters, energy-related drinks, juice, juice-based products, bottled water and ready-to-drink teas.

#### **Basis of Presentation**

The accompanying interim unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X and in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial reporting. Accordingly, they do not include all information and notes presented in the annual consolidated financial statements in conformity with U.S. GAAP. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of our results of operations for the interim periods reported and of our financial condition as of the date of the interim balance sheet have been included. This Quarterly Report on Form 10-Q should be read in conjunction with the annual audited consolidated financial statements and accompanying notes in our Annual Report on Form 10-K for the year ended January 2, 2010. The accounting policies used in these interim consolidated financial statements.

The presentation of these interim consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes.

#### **Recent Accounting Pronouncements**

#### ASC No. 810 – Variable Interest Entity (formerly SFAS No. 167)

In June 2009, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") No. 810, "Amendments to FASB Interpretation No. 46(R)", which amends FASB Interpretation No. 46 (revised December 2003), to address the elimination of the concept of a qualifying special purpose entity. ASC 810 also replaces the quantitative-based risks and rewards calculation for determining which enterprise has a controlling financial interest in a variable interest entity with an approach focused on identifying which enterprise has the power to direct the activities of a variable interest entity and the obligation to absorb losses of the entity or the right to receive benefits from the entity. Additionally, ASC 810 provides more timely and useful information about an enterprise's involvement with a variable interest entity. ASC 810 became effective in the first quarter of 2010. This standard does not have an impact on our consolidated financial statements.

#### ASU 2010 -06 - Improving Disclosures about Fair Value Measurements

In January 2010, the FASB issued Accounting Standards Update ("ASU") 2010-06, "Improving Disclosures about Fair Value Measurements". ASU 2010-06 requires additional disclosures about fair value measurements, including transfers in and out of Levels 1 and 2 and a higher level of disaggregation for the different types of financial instruments. For the reconciliation of Level 3 fair value measurements, information about purchases, sales, issuances and settlements are presented separately. This standard is effective for interim and annual reporting periods beginning after December 15, 2009 with the exception of revised Level 3 disclosure requirements, which are effective for interim and annual reporting periods beginning after December 15, 2010. Comparative disclosures are not required in the year of adoption. The Company adopted the provisions of the standard on January 3, 2010, which did not have a material impact on our financial statements.

#### Note 2 – Acquisition

On August 17, 2010 (the "Acquisition Date"), we completed the acquisition (the "Acquisition") of substantially all of the assets and liabilities of Cliffstar Corporation ("Cliffstar") and its affiliated companies pursuant to an Asset Purchase Agreement dated July 7, 2010 for approximately \$500.0 million payable in cash, \$14.0 million in deferred consideration to be paid over three years and contingent consideration of up to \$55.0 million, the first \$15.0 million of which is payable upon the achievement of milestones in upgrading certain expansion projects in 2010, and the remainder is based on the achievement of certain performance measures during the fiscal year ending January 1, 2011 (the "Earn Out Period").

The total consideration paid by us in the Acquisition is summarized below:

(in millions of U.S. dollars)	
Cash	\$500.0
Deferred Consideration (a)	13.1
Contingent Consideration (b)	52.5
Working Capital Payment (c)	7.7
Working Capital Adjustment (d)	(3.8)
Total Consideration	\$569.5

(a) Principal amount of \$14.0 million to be paid in three equal annual installments and recorded at fair value.

- (b) Represents estimated contingent consideration based on probability of achievement of EBITDA targets recorded at fair value.
- (c) Represents amount paid to seller for estimated closing balance sheet working capital.
- (d) Represents estimated actual closing balance sheet working capital adjustment.

The Acquisition was financed through the closing of a private placement offering by Cott Beverages Inc. of \$375.0 million aggregate principal amount of 8.125% senior notes due 2018 (the "Note Offering"), the underwritten public offering of 13.4 million of our common shares (the "Equity Offering") and borrowings under our asset based lending ("ABL") credit facility, which we refinanced in connection with the Acquisition, which increased the amount available for borrowings to \$275.0 million.

Our primary reasons for the Acquisition were to expand Cott's product portfolio and manufacturing capabilities, enhance our customer offering and growth prospects, and improve our strategic platform for the future.

The Acquisition is being accounted for under the acquisition method, in accordance with ASC 805, *Business Combinations*, with the assets and liabilities acquired recorded at their fair values at the Acquisition Date. Identified intangible assets, goodwill and property, plant and equipment are recorded at their estimated fair values per preliminary valuations and may change based on the final valuation results including, for example, the process of physically validating fixed assets. The results of operations of the acquired business have been included in our operating results beginning as of the Acquisition Date. We allocated the purchase price of the Acquisition to tangible assets, liabilities and identifiable intangible assets acquired based on their estimated fair values. The excess of the purchase price over the aggregate fair values was recorded as goodwill. The fair value assigned to identifiable intangible assets acquired was based on estimates and assumptions made by management. Intangible assets are amortized using a method that reflects the pattern in which the economic benefits of the intangible asset are consumed using a straight-line amortization method.

Cliffstar is entitled to contingent consideration of up to a maximum of \$55.0 million, the first \$15.0 million of which will be due by us if Cliffstar and its affiliated companies achieve milestones in upgrading certain expansion projects in 2010. The remaining contingent consideration will be due by us if Cliffstar and its affiliated companies meet certain targets relating to net income plus interest, income taxes, depreciation and amortization ("EBITDA") for the Earn Out Period. We estimated the fair value of the contingent payment based on financial projections of the acquired business and estimated probabilities of achievement. We believe that our estimates and assumptions are reasonable, but there is significant judgment involved. Changes in the fair value of contingent consideration liabilities subsequent to the Acquisition will be recorded in our Consolidated Statement of Operations. The fair value of the contingent consideration arrangement of \$52.5 million was determined using the probability-weighted income approach. Key assumptions include probability-adjusted EBITDA amounts with discount rates consistent with the level of risk of achievement.

In addition to the purchase price, we incurred \$7.5 million in acquisition related costs, which were expensed as incurred and recorded in the *selling, general, and administrative expenses* caption of our Consolidated Statements of Operations for the nine months ended October 2, 2010, in accordance with ASC 805, *Business Combinations*.

The following table summarizes the estimated allocation of the purchase price to the fair value of the assets acquired and liabilities assumed in connection with the Acquisition. The allocation of the purchase price is based on a preliminary valuation, subject to working capital adjustments that are expected to be completed in the fourth quarter of 2010. Any adjustment will affect the total purchase price and goodwill.

(in millions of U.S. dollars)	Acquired Value
Accounts receivable	\$ 51.7
Inventories	85.8
Prepaid expenses and other assets	5.4
Property, plant and equipment	171.4
Goodwill	95.8
Intangibles and other assets	224.3
Accounts payable and accrued liabilities	(62.1)
Other long-term liabilities	(2.8)
Total	\$ 569.5

#### Intangible Assets

In our preliminary determination of the fair value of the intangible assets, we considered, among other factors, the best use of acquired assets, analysis of historical financial performance and estimates of future performance of Cliffstar's products. The estimated fair values of identified intangible assets were calculated considering market participant expectations and using an income approach and estimates and assumptions provided by Cliffstar's and our management. The following table sets forth the components of identified intangible assets associated with the Acquisition and their estimated weighted average useful lives:

Estimated Fain

	Estimated Fair	
		Estimated
(in millions of U.S. dollars)	Market Value	Useful Life
Customer relationships	\$ 216.9	15 years
Non-competition agreements	6.6	3 years
Total	\$ 223.5	

Customer relationships represent future projected revenue that will be derived from sales to existing customers of the acquired company.

In conjunction with the closing of the Acquisition, certain key employees of Cliffstar executed non-competition agreements, which prevent those employees from competing with us in specified restricted territories for a period of three years from the Acquisition Date. The value of the Cliffstar business could be materially diminished without these non-competition agreements.

#### Goodwill

The principal factor that resulted in recognition of goodwill was that the purchase price for the Acquisition was based in part on cash flow projections assuming the reduction of administration costs and the integration of acquired customers and products into our operations, which is of greater value than on a standalone basis. Goodwill is expected to be deductible for tax purposes.

#### **Supplemental Pro Forma Data**

The following unaudited pro forma financial information for the nine months ended October 2, 2010 and September 26, 2009 represent the combined results of our operations as if the Acquisition had occurred on December 27, 2008. The unaudited pro forma results reflect certain adjustments related to the Acquisition such as increased amortization expense on acquired intangible assets resulting from the preliminary fair valuation of assets acquired. The unaudited pro forma financial information does not necessarily reflect the results of operations that would have occurred had we constituted a single entity during such period.

	For the Nine Months Ended						
(in millions of U.S. dollars, except share amounts)	October 2, 2010	Septem	nber 26, 2009				
Revenue	\$ 1,681.4	\$	1,727.5				
Net income (a)	58.8		85.0				
Net income per common share, diluted	\$ 0.70	\$	1.02				

(a) For the nine months ended September 26, 2009 Cott recorded restructuring charges of \$1.6 million due to the 2009 Restructuring Plan and \$3.5 million of asset impairments primarily related to the write-off of a customer list.

Revenues for Cliffstar since the date of Acquisition were \$80.2 million and operating income was \$1.1 million.

#### Note 3 – Restructuring and Asset Impairments

The Company implements restructuring programs from time to time that are designed to improve operating effectiveness and lower costs. When the Company implements these programs, it incurs various charges, including severance, contract termination and asset impairments, and other employment related costs. In 2007, the Company implemented one such program, which involved the realignment of the management of our Canadian and U.S. businesses to a North American basis, rationalization of our product offerings, elimination of underperforming assets, an increased focus on high potential accounts, and the closure of several plants and warehouses in North America that resulted in lease contract termination losses and a partial reduction in our workforce (the "North American Plan"). The Company also implemented a plan in 2009 ("the 2009 Restructuring Plan") that resulted in a further reduction of our workforce. During the nine months ended October 2, 2010, the Company made \$5.4 million of cash payments related to the North American Plan. These cash payments included \$3.0 million related to the settlement of one of its lease obligations, which resulted in a gain of approximately \$0.4 million. In addition, the Company recorded a \$0.1 million gain related to other non-cash charges for the North American Plan during the nine months ended October 2, 2010. In 2009, the Company recorded a \$3.4 million asset impairment charge related to customer relationships upon the loss of a customer and a \$0.1 million charge for our Elizabethtown facility. The Company also recorded \$1.6 million in severance costs related to the 2009 Restructuring Plan.

There were no restructuring or asset impairment charges for the three months ended October 2, 2010 and September 26, 2009. The following table summarizes restructuring and asset impairment charges for the nine months ended October 2, 2010 and September 26, 2009.

	For the Nine Months Ended						
(in millions of U.S. dollars)	October 2, 2010			September 26, 2009			
	North America	Total	North America		Total		
Restructuring	\$ (0.5)	<b>\$(0.5</b> )	\$	1.6	\$ 1.6		
Asset impairments		<u> </u>		3.5	3.5		
	\$ (0.5)	<b>\$(0.5</b> )	\$	5.1	\$ 5.1		

The following table is a summary of our restructuring liabilities as of January 2, 2010 and October 2, 2010, along with charges to costs and expenses and cash payments:

#### North American Plan:

	Charges to costs							
(in millions of U.S. dollars)		nce at y 2, 2010	and e	expenses	Cash	payments		ance at er 2, 2010
Lease contract termination loss	\$	5.8	\$	(0.4)	\$	(5.4)	\$	
	\$	5.8	\$	(0.4)	\$	(5.4)	\$	

As of October 2, 2010, no amounts are owed under the North American Plan.

The following table is a summary of our restructuring liabilities as of December 27, 2008 and September 26, 2009, along with charges to costs and expenses and cash payments:

#### North American Plan:

		Charg	es to costs			
(in millions of U.S. dollars)	ance at oer 27, 2008	and e	expenses	Cash	payments	ance at oer 26, 2009
Lease contract termination loss	\$ 9.6	\$		\$	(2.8)	\$ 6.8
	\$ 9.6	\$		\$	(2.8)	\$ 6.8

#### Note 4 – Share-Based Compensation

Each of our share-based compensation plans has been approved by our shareowners, except for our 1986 Common Share Option Plan, as amended (the "Option Plan"), which was adopted prior to our initial public offering, and a stock option award granted to our Chief Executive Officer, which was an inducement grant made to attract and retain that executive. Subsequent amendments to the Option Plan that required shareowner approval have been so approved.

The table below summarizes the share-based compensation expenses for the three and nine months ended October 2, 2010 and September 26, 2009. This share-based compensation expense was recorded in the *selling, general, and administrative expenses* caption of our Consolidated Statements of Operations. As used below, "PSUs" mean performance share units granted under our Amended and Restated Performance Share Unit Plan. As used below, "Performance-based RSUs" mean restricted share units with performance-based vesting granted under our 2010 Equity Incentive Plan. As used below, "Time-based RSUs" mean restricted share units with time-based vesting granted under our 2010 Equity Incentive Plan.

		For the Three Months Ended			For the Nine Months Ended			
(in millions of U.S. dollars)	Octob	er 2, 2010	Septemb	er 26, 2009	Octobe	er 2, 2010	Septemb	oer 26, 2009
Stock options	\$	0.2	\$	0.1	\$	1.0	\$	0.2
PSU				0.2		0.2		0.6
Performance-based RSUs		0.4		_		0.4		
Time-based RSUs		0.5				0.5		
Director share units		0.1		_		0.7		
Share appreciation rights				0.1		0.1		0.4
Restricted stock								0.1
Interim CEO award								(0.1)
Total	\$	1.2	\$	0.4	\$	2.9	\$	1.2

As of October 2, 2010, the unrecognized share-based compensation expense and years we expect to recognize as future compensation expense were as follows:

(in millions of U.S. dollars)	Unrecognized share-based compensation expense as of October 2, 2010	Weighted average years expected to recognize compensation
PSUs	\$ 0.1	0.3
Performance-based RSUs	6.6	2.3
Time-based RSUs	6.6	2.3
Restated Executive Incentive Share		
Purchase Plan	0.1	0.3
Total	\$ 13.4	

#### **Option Plan**

There were no common shares issued pursuant to option exercises during the nine months ended October 2, 2010. Options representing 250,000 shares were granted to our Chief Executive Officer during the first quarter of 2010 at an exercise price of C\$8.01 per share. The fair value of this option grant was estimated to be C\$5.16 using the Black-Scholes option pricing model. On August 9, 2010, the Company entered into a Common Share Option Cancellation and Forfeiture Agreement to cancel this option award. The cancellation was effective as of September 22, 2010. The Company entered into this arrangement with the Chief Executive Officer in order to transition him to the Company's 2010 Equity Incentive Plan, which was approved by shareholders on May 4, 2010 future grants to this and other executive officers are expected to be governed by the terms of such plan.

The fair value of each option granted during the nine months ended October 2, 2010 and September 26, 2009 was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	<b>October 2, 2010</b>	September 26, 2009
Risk-free interest rate	2.3%	2.3%
Average expected life (years)	5.5	5.5
Expected volatility	74.8%	50.0%
Expected dividend yield		_

The table below summarizes option activity for the nine months ended October 2, 2010:

	Shares (in thousands)	exer	ted average cise price nadian \$)
Balance at January 2, 2010	831	\$	18.97
Awarded	250		8.01
Forfeited or expired	(377)		20.33
Outstanding at October 2, 2010	704		16.67
Exercisable at October 2, 2010	704	\$	16.67

#### **Long-Term Incentive Plans**

#### 2010 Equity Incentive Plan

Our shareowners approved our 2010 Equity Incentive Plan (the "Equity Incentive Plan") at the Annual and Special Meeting of Shareowners held on May 4, 2010. Awards under the Equity Incentive Plan may be in the form of incentive stock options, non-qualified stock options, restricted shares, restricted share units, performance shares, performance units, stock appreciation rights, and stock payments to employees, directors and outside consultants. The Equity Incentive Plan is administered by the Human Resources and Compensation Committee of the Board of Directors (the "HRCC") or any other board committee as may be designated by the board from time to time. At the inception of the Equity Incentive Plan, 4,000,000 shares were reserved for future issuance, subject to adjustment upon a share split, share dividend, recapitalization, and other similar transactions and events.

On May 4, 2010, the Company granted 78,790 common shares to the non-management members of the Company's Board of Directors under the Equity Incentive Plan. The common shares were issued in consideration of such directors' annual board retainer fee.

On August 6, 2010, the Company granted 1,693,370 Performance-based RSUs and 1,363,370 Time-based RSUs to certain employees of the Company. The Performance-based RSUs vest based on the achievement of a specified target level of pre-tax income for the period beginning on January 1, 2010 and ending on the last day of our 2012 fiscal year. The payout percentage of the Performance-based RSUs 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, 2010 and ending on the last day of our 2012 fiscal year. The Time-based RSUs vest on the last day of our 2012 fiscal year.

#### Amended and Restated PSU Plan

Under the Amended and Restated Performance Share Unit Plan (the "PSU Plan"), PSUs were awarded to employees of our Company. The value of an employee's award under our PSU Plan depends on (i) our performance over a maximum three-year performance cycle; and (ii) the market price of our common shares at the time of vesting. Performance targets were established annually by the HRCC. PSUs granted will vest over a term not to exceed three fiscal years. As of October 2, 2010, the Trustee under the PSU Plan held 0.6 million common shares as treasury shares to satisfy our anticipated future liability under the PSU Plan. The Company intends that no further grants will be made under the PSU Plan.

#### Amended and Restated SAR Plan

Under the Amended and Restated Share Appreciation Rights Plan (the "SAR Plan"), share appreciation rights ("SARs") were awarded to employees and directors of our Company. SARs typically vest on the third anniversary of the grant date. On vesting, each SAR will represent the right to be paid the difference, if any, between the price of our common shares on the date of grant and their price on the vesting date of the SAR. Payments in respect of vested in-the-money SARs will be made in the form of our common shares purchased on the open market by an independent trust with cash contributed by us. During the nine months ended October 2, 2010, 154,000 SARs vested out-of-the-money. The Company intends that no further grants will be made under the SAR Plan. On August 10, 2010, the Company entered into a Stock Appreciation Right Cancellation Agreement to cancel 100,000 SARs. The cancellation was effective as of September 2, 2010.

During the nine months ended October 2, 2010, PSU, Performance-based RSU, Time-based RSU and SAR activity was as follows:

(in thousands)	Number of PSUs	Number of performance-based RSUs	Number of time-based RSUs	Number of SARs
Balance at January 2, 2010	625	_	_	254
Awarded		1,693	1,363	
Issued	(437)	_	_	
Forfeited		—	—	(254)
Outstanding at October 2, 2010	188	1,693	1,363	

#### Average Canadian - U.S. Dollar Exchange Rates for 2010 and 2009

Various compensation components in Note 4 are disclosed in Canadian dollars. The table below represents the average Canadian dollar to U.S. dollar exchange rate for the three and nine months ended October 2, 2010 and September 26, 2009, respectively, for comparative purposes:

	For th	e Three Months Ended	For the	Nine Months Ended
	October 2, 2010	September 26, 2009	October 2, 2010	September 26, 2009
Average exchange rate	\$ 0.963	\$ 0.907	\$ 0.966	\$ 0.856

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#### Note 5 – Income Taxes

Income tax expense was \$15.1 million on pretax income of \$61.2 million and \$4.0 million of net income attributable to non-controlling interests for the nine months ended October 2, 2010 as compared to a \$10.7 million benefit on pretax income of \$60.3 million and \$3.5 million of net income attributable to non-controlling interests for the nine months ended September 26, 2009. The estimated effective tax rate applied to income from operations for the nine months ended October 2, 2010 differs from the statutory rate due mostly to foreign tax rate differentials. The estimated effective tax rate applied to income from operations for the nine months ended September 26, 2009 differs from the statutory rate due to the net reversal of previously recorded valuation allowances, a \$14.4 million tax benefit related to the reversal of uncertain tax positions in the first nine months of 2009 and a benefit of \$2.2 million on the reversal of interest and penalty accruals in the income statement.

Income tax expense was \$1.9 million on pretax income of \$11.6 million and \$1.4 million of net income attributable to non-controlling interests for the three months ended October 2, 2010 as compared to income tax expense of \$0.9 million on pretax income of \$16.1 million and \$1.3 million of net income attributable to non-controlling interests for the three months ended September 26, 2009.

#### Note 6 – Net Income Per Common Share

Basic net income per common share is computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted net income per common share is calculated using the weighted average number of common shares outstanding adjusted to include the effect, if dilutive, of the exercise of in-the-money stock options, PSUs, Performance-based RSUs and Time-based RSUs.

A reconciliation of the numerators and denominators of the basic and diluted net income per common share computations follows:

	For the three months ended				
(In thousands)	October 2, 2010	September 26, 2009			
Weighted average number of shares outstanding - basic	87,196	76,568			
Dilutive effect of stock options	191	402			
Dilutive effect of PSUs	189	_			
Dilutive effect of Performance-based RSUs	1,100	_			
Dilutive effect of Time-based RSUs	280	—			
Adjusted weighted average number of shares outstanding - diluted	88,956	76,970			
	For the nine	e months ended			
(In thousands)	October 2, 2010	September 26, 2009			
Weighted average number of shares outstanding - basic	82,675	72,504			
Dilutive effect of stock options	191	599			
Dilutive effect of PSUs	189	_			
Dilutive effect of Performance-based RSUs	366	_			
Dilutive effect of Time-based RSUs	93	—			
Adjusted weighted average number of shares outstanding - diluted	83,514	73,103			

At October 2, 2010, options to purchase 704,000 (September 26, 2009 — 870,650) shares of common stock at a weighted average exercise price of C16.67 (September 26, 2009 — C18.70) per share were outstanding, but 354,000 options were not included in the computation of diluted net income per share because the options' exercise price was greater than the average market price of the common stock. Shares purchased on the open market and held by independent trusts are categorized as treasury shares. We excluded 957,104 of treasury shares held in various trusts under the PSU Plan and the Restated Executive Incentive Share Purchase Plan (the "Restated EISPP") in the calculation of basic and diluted earnings per share.

#### **Note 7 – Segment Reporting**

We produce, package and distribute private-label CSDs, waters, juice, juice-based products, energy-related drinks and ready-to-drink teas to regional and national grocery, mass-merchandise and wholesale chains and customers in the dollar convenience and drug channels through five reportable segments – North America (which includes our U.S. reporting unit and Canada reporting unit), U.K. (which includes our United Kingdom reporting unit and our Continental European reporting unit), Mexico, Royal Crown International ("RCI") and All Other (which includes our international corporate expenses).

	Operating Segments <sup>1</sup>					
(in millions of U.S. dollars)	North America	U.K.	Mexico	RCI	All Other	Total
	miericu		menteo	<u> </u>	other	1000
For the Three Months Ended						
October 2, 2010						
External revenue <sup>1</sup>	\$ 375.5	\$ 96.6	\$12.4	\$ 6.1	<b>\$</b> —	\$ 490.6
Depreciation and amortization	15.2	3.4	0.5	—	—	19.1
Operating income (loss)	16.3	7.3	(1.2)	0.8	_	23.2
Additions to property, plant and equipment	9.9	1.5	_	_	—	11.4
For the Nine Months Ended						
October 2, 2010						
External revenue <sup>1</sup>	\$ 939.5	\$277.5	\$38.3	\$22.9	<b>\$</b> —	\$1,278.2
Depreciation and amortization	38.8	9.6	1.5			49.9
Operating income (loss)	67.4	19.0	(5.2)	6.2	_	87.4
Restructuring and asset impairments – Note 3	(0.5)					(0.5)
Additions to property, plant and equipment	21.9	5.9	1.7	—		29.5
As of October 2, 2010						
Property, plant and equipment	\$ 405.6	\$ 89.7	\$13.5	<b>\$</b> —	<b>\$</b> —	\$ 508.8
Goodwill	122.6	_		4.5		127.1
Intangibles and other assets	363.5	15.6	0.8			379.9
Total assets <sup>2</sup>	1,280.0	208.0	34.3	14.0	0.7	1,537.0

<sup>1</sup> Intersegment revenue between North America and the other segments is not material and has not been separately disclosed in the table above.

<sup>2</sup> Excludes intersegment receivables, investments and notes receivable.

	Operating Segments <sup>1</sup>					
(in millions of U.S. dollars)	North <u>America</u>	U.K.	Mexico	RCI	All <u>Other</u>	Total
For the Three Months Ended						
September 26, 2009						
External revenue <sup>1</sup>	\$287.2	\$101.6	\$10.3	<b>\$ 5.8</b>	<b>\$</b> —	\$ 404.9
Depreciation and amortization	12.4	3.5	0.5	—	—	16.4
Operating income (loss)	16.1	10.8	(1.6)	1.6	—	26.9
Additions to property, plant and equipment	3.7	1.4	0.2		—	5.3
For the Nine Months Ended						
September 26, 2009						
External revenue <sup>1</sup>	<b>\$899.7</b>	\$264.6	\$30.7	\$15.7	<b>\$</b> —	\$1,210.7
Depreciation and amortization	38.6	9.7	1.4	—		49.7
Operating income (loss)	69.0	16.5	(5.1)	3.2	(0.1)	83.5
Restructuring and asset impairments – Note 3	5.1	_		—		5.1
Additions to property, plant and equipment	11.9	6.7	0.3	—		18.9
As of January 2, 2010						
Property, plant and equipment	\$236.5	\$ 93.0	\$13.5	<b>\$</b> —	<b>\$</b> —	\$ 343.0
Goodwill	26.1	_		4.5		30.6
Intangibles and other assets	137.0	17.7	0.8	_	_	155.5
Total assets <sup>2</sup>	632.1	197.0	33.4	10.6	0.7	873.8

<sup>1</sup> Intersegment revenue between North America and the other segments is not material and has not been separately disclosed in the table above.

Excludes intersegment receivables, investments and notes receivable.

For the nine months ended October 2, 2010, sales to Wal-Mart accounted for 30.6% (September 26, 2009 - 33.9%) of our total revenues, 35.3% of our North America operating segment revenues (September 26, 2009 - 39.9%), 16.1% of our U.K. operating segment revenues (September 26, 2009 - 17.3%), and 38.7% of our Mexico operating segment revenues (September 26, 2009 - 18.6%).



Credit risk arises from the potential default of a customer in meeting its financial obligations to us. Concentrations of credit exposure may arise with a group of customers that have similar economic characteristics or that are located in the same geographic region. The ability of such customers to meet obligations would be similarly affected by changing economic, political or other conditions. We are not currently aware of any facts that would create a material credit risk.

Revenues by geographic area are as follows:

		For the Thre	e Months End	e <b>d</b> ]		For the Nine M		led
(in millions of U.S. dollars)	Octo	ber 2, 2010	Septem	ber 26, 2009	Octo	ber 2, 2010	Septem	ber 26, 2009
United States	\$	339.7	\$	252.5	\$	831.1	\$	795.1
Canada		49.3		48.0		151.4		149.1
United Kingdom		96.9		101.8		278.5		265.5
Mexico		12.4		10.3		38.3		30.7
RCI <sup>1</sup>		6.1		5.8		22.9		15.7
All Other				_				
Elimination <sup>2</sup>		(13.8)		(13.5)		(44.0)		(45.4)
	\$	490.6	\$	404.9	\$	1,278.2	\$	1,210.7

 $\frac{1}{2}$  RCI sells concentrate products to bottlers in approximately 50 countries.

Represents intersegment revenue among all countries of which \$10.2 million and \$3.0 million relate to the three months ended October 2, 2010 and September 26, 2009, respectively, and \$15.1 million and \$9.9 million relate to the nine months ended October 2, 2010 and September 26, 2009, respectively.

Revenues are attributed to operating segments based on the location of the plant.

The revenue by product tables have been revised to include the category "Juice" which is a significant portion of our revenue due to the Acquisition of Cliffstar.

Revenues by product are as follows:

For the Three Months Ended October 2, 2010						
	North	United			All	
(in millions of U.S. dollars)	<u>America</u>	Kingdom	Mexico	RCI	Other	Total
<u>Revenue</u>						
Carbonated soft drinks	\$184.8	\$ 37.1	\$10.6	<b>\$</b> —	<b>\$</b> —	\$ 232.5
Concentrate	1.8	1.0	_	6.1		8.9
Juice	75.8	3.1	0.1			79.0
All other products	113.1	55.4	1.7			170.2
Total	\$375.5	<u>\$ 96.6</u>	\$12.4	<b>\$ 6.1</b>	\$—	\$ 490.6

For the Nine Months Ended October 2, 2010						
	North	United			All	
(in millions of U.S. dollars)	America	Kingdom	Mexico	RCI	Other	Total
Revenue						
Carbonated soft drinks	\$535.2	\$ 109.6	\$33.1	<b>\$</b> —	<b>\$</b> —	\$ 677.9
Concentrate	5.7	3.6	_	22.9		32.2
Juice	78.3	8.4	0.6			87.3
All other products	320.3	155.9	4.6	—		480.8
Total	\$939.5	\$ 277.5	\$38.3	\$22.9	\$—	\$1,278.2

For the Three Months Ended September 26, 2009						
	North	United			All	
(in millions of U.S. dollars)	America	<u>Kingdom</u>	Mexico	RCI	Other	Total
<u>Revenue</u>						
Carbonated soft drinks	\$181.6	\$ 47.1	\$ 9.0	<b>\$</b> —	<b>\$</b> —	\$ 237.7
Concentrate	1.7	0.9	_	5.3	_	7.9
Juice	_	3.7	0.2			3.9
All other products	103.9	49.9	1.1	0.5		155.4
Total	\$287.2	\$ 101.6	\$10.3	\$ 5.8	<b>\$</b> —	\$ 404.9

For the Nine Months Ended September 26, 2009						
	North	United			All	
(in millions of U.S. dollars)	America	Kingdom	Mexico	RCI	Other	Total
<u>Revenue</u>						
Carbonated soft drinks	\$582.5	\$ 121.3	\$27.9	<b>\$</b> —	<b>\$</b> —	\$ 731.7
Concentrate	4.8	3.3		14.6		22.7
Juice		8.4	0.2			8.6
All other products	312.4	131.6	2.6	1.1		447.7
Total	<b>\$899.7</b>	\$ 264.6	\$30.7	\$15.7	<b>\$</b> —	\$1,210.7

Property, plant and equipment by geographic area are as follows:

(in millions of U.S. dollars)	<u>October 2, 2010</u>	January 2, 2010
United States	\$ 356.9	\$ 188.7
Canada	48.8	47.8
United Kingdom	89.6	93.0
Mexico	13.5	13.5
	\$ 508.8	\$ 343.0

The increase in property, plant and equipment was primarily due to the Acquisition (See Note 2).

#### Note 8 – Inventories

(in millions of U.S. dollars)	<u>October 2, 2010</u>	<b>January 2, 2010</b>		
Raw materials	\$ 69.9	\$ 39.4		
Finished goods	118.3	45.3		
Other	18.0	15.0		
	\$ 206.2	\$ 99.7		

The increase in inventories was primarily due to the Acquisition (See Note 2).

#### Note 9 – Intangibles and Other Assets including Goodwill

(in millions of U.S. dollars)	October 2, 2010	January 2, 2010
Cost		
Balance at beginning of year	\$ 99.8	\$ 96.2
Foreign exchange	0.7	3.6
Balance at end of year	100.5	99.8
Impairment		
Balance at beginning of year	69.2	69.2
Impairment losses recognized	_	
Balance at end of year	69.2	69.2
Acquisition		
Balance at beginning of year		
Acquisition of Cliffstar	95.8	
Balance at end of year	95.8	
Balance at end of year	<u>\$ 127.1</u>	\$ 30.6

In connection with the Acquisition, we recorded \$95.8 million of goodwill which is more fully described in Note 2.

Goodwill is not subject to amortization and the change in goodwill represents the impact of the Acquisition.

		October 2, 2010 Accumulated			January 2, 2010 Accumulated			
(in millions of U.S. dollars)	Cost	Amortization	Net	Cost	Amortization	Net		
Intangibles								
Not subject to amortization								
Rights	\$ 45.0	_	\$ 45.0	\$ 45.0		\$ 45.0		
Subject to amortization								
Customer relationships	368.4	87.4	281.0	154.1	79.3	74.8		
Trademarks	28.9	20.7	8.2	24.7	15.2	9.5		
Information technology	58.2	50.4	7.8	54.1	48.3	5.8		
Other	10.3	2.5	7.8	3.6	2.0	1.6		
	465.8	161.0	304.8	236.5	144.8	91.7		
	510.8	161.0	349.8	281.5	144.8	136.7		
Other Assets								
Financing costs	23.2	2.6	20.6	11.4	2.1	9.3		
Deposits	7.6	_	7.6	7.8	_	7.8		
Other	7.8	5.9	1.9	7.3	5.6	1.7		
	38.6	8.5	30.1	26.5	7.7	18.8		
Total Intangibles & Other Assets	\$549.4	\$ 169.5	\$379.9	\$308.0	\$ 152.5	\$155.5		

Amortization expense of intangible and other assets was \$7.0 million and \$16.9 million for the three and nine months ended October 2, 2010 and \$4.2 million and \$13.5 million for the three and nine months ended September 26, 2009, respectively.

The increase in Customer relationships and Other was primarily due to the Acquisition (See Note 2).

The estimated amortization expense for intangibles over the next five years and thereafter is as follows:

(in millions of U.S. dollars)	
Remainder of 2010	\$ 7.7
2011	30.6
2012	29.6
2013	28.6
2014	26.9
Thereafter	181.4
	\$304.8

#### Note 10 – Debt

Our total debt is as follows:

(in millions of U.S. dollars)	<u>October 2, 2010</u>	January 2, 2010
8% senior subordinated notes due in 2011	<u> </u>	\$ 11.1
8.375% senior notes due in 2017	215.0	215.0
8.125% senior notes due in 2018	375.0	_
ABL facility	50.3	20.2
GE Obligation	17.4	22.0
Other capital leases	5.8	3.2
Other debt	2.2	2.6
Total debt	665.7	274.1
Less: Short-term borrowings and current debt:		
ABL facility	50.3	20.2
Total short-term borrowings	50.3	20.2
8% senior subordinated notes due in 2011	—	11.1
GE obligation - current maturities	4.0	5.5
Other capital leases - current maturities	1.3	0.4
Other debt - current maturities	0.6	0.6
Total current debt	56.2	37.8
Long-term debt before discount	609.5	236.3
Less discount on 8.375% notes	(2.9)	(3.1)
Total long-term debt	<u>\$606.6</u>	\$ 233.2

#### Debt

#### 8.125% Senior Notes due in 2018

On August 17, 2010, we issued \$375.0 million of senior notes that are due on September 1, 2018 (the "2018 Notes"). The issuer of the 2018 Notes is Cott Beverages Inc., but we and most of our U.S., Canadian and United Kingdom subsidiaries guarantee the 2018 Notes. The interest on the 2018 Notes is payable semi-annually on March 1 st and September 1 st of each year, beginning on March 1, 2011.

We incurred \$8.6 million of financing fees in connection with the 2018 Notes. The financing fees are being amortized using the straightline method over an eight-year period, which represents the duration of the 2018 Notes. The amortization expense calculated under the straightline method does not differ materially from the effective-interest method.

#### Asset Based Lending Facility

On March 31, 2008, we entered into a credit agreement that created an ABL credit facility to provide financing for our North America, United Kingdom and Mexico operating segments. In connection with the Acquisition, we refinanced the ABL facility on August 17, 2010 to, among other things, provide for the Acquisition, the Note Offering and the application of net proceeds therefrom, the Equity Offering and the application of net proceeds therefrom and to increase the amount available for borrowings to \$275.0 million. The Company drew down a portion of the indebtedness under that ABL facility in order to fund the Acquisition. We incurred \$5.4 million of financing fees in connection with the refinancing of the ABL facility. The financing fees are being amortized using the straight-line method over a four-year period.

As of October 2, 2010, we had \$50.3 million in borrowings under the ABL facility outstanding. The commitment fee was 0.5% per annum of the unused commitment, which was \$214.1 million as of October 2, 2010.

#### 8% Senior Subordinated Notes due in 2011

The Company repurchased all of the outstanding 8% senior subordinated notes due December 15, 2011 (the "2011 Notes") for \$11.1 million on February 1, 2010, and recorded a loss on buyback of \$0.1 million. The 2011 Notes acquired by the Company have been retired, and we have discontinued the payment of interest.

#### 8.375% Senior Notes due in 2017

On November 13, 2009, we issued \$215.0 million of senior notes that are due on November 15, 2017 (the "2017 Notes"). The 2017 Notes were issued at a \$3.1 million discount. The issuer of the 2017 Notes is Cott Beverages Inc., but we and most of our U.S., Canadian and United Kingdom subsidiaries guarantee the 2017 Notes. The interest on the 2017 Notes is payable semi-annually on May 15 th and November 15 th of each year, beginning on May 15, 2010.

We incurred \$5.1 million of financing fees in connection with the 2017 Notes. The financing fees are being amortized using the straightline method over an eight-year period, which represents the duration of the 2017 Notes. The amortization expense calculated under the straightline method does not differ materially from the effective-interest method.

#### **Covenant Compliance**

#### 8.125% Senior Notes due in 2018

Under the indenture governing the 2018 Notes, we are subject to a number of covenants, including covenants that limit our and certain of our subsidiaries' ability, subject to certain exceptions and qualifications, to (i) pay dividends or make distributions, repurchase equity securities, prepay subordinated debt or make certain investments, (ii) incur additional debt or issue certain disqualified stock or preferred stock, (iii) create or incur liens on assets securing indebtedness, (iv) merge or consolidate with another company or sell all or substantially all assets taken as a whole, (v) enter into transactions with affiliates and (vi) sell assets. We have been in compliance with all of the covenants under the 2018 Notes.

#### 8.375% Senior Notes due in 2017

Under the indenture governing the 2017 Notes, we are subject to a number of covenants, including covenants that limit our and certain of our subsidiaries' ability, subject to certain exceptions and qualifications, to (i) pay dividends or make distributions, repurchase equity securities, prepay subordinated debt or make certain investments, (ii) incur additional debt or issue certain disqualified stock or preferred stock, (iii) create or incur liens on assets, (iv) merge or consolidate with another company (applies to the Company and the Issuer only) or sell all or substantially all assets taken as a whole, (v) enter into transactions with affiliates and (vi) sell assets. We have been in compliance with all of the covenants under the 2017 Notes.

#### ABL Facility

We and our restricted subsidiaries are subject to a number of business and financial covenants, including a covenant requiring a minimum fixed charge coverage ratio of at least 1.1 to 1.0 effective when and if excess availability is less than \$30.0 million. Our fixed charge coverage ratio as calculated under this covenant as of October 2, 2010 was greater than 1.1 to 1.0. If availability is less than \$37.5 million, the lenders will take dominion over the cash and will apply excess cash to reduce amounts owing under the facility. The credit agreement governing the ABL facility requires us to maintain excess availability of at least \$15.0 million. We were in compliance with all of the applicable covenants under the ABL facility on October 2, 2010.

#### Note 11 – Contingencies and Commitments

We are subject to various claims and legal proceedings with respect to matters such as governmental regulations, and other actions arising out of the normal course of business. Management believes that the resolution of these matters will not have a material adverse effect on our financial position or results from operations.

We had \$10.6 million in standby letters of credit outstanding as of October 2, 2010 (September 26, 2009 – \$9.9 million).

#### Note 12 – Shares Held in Trust treated as Treasury Shares

In May 2008, an independent trustee acting under certain of our benefit plans purchased 2.3 million of our common shares to be used to satisfy future liabilities under the PSU Plan and the Restated EISPP. During the nine months ended October 2, 2010, we distributed 0.4 million shares from the trust to satisfy certain PSU obligations that had vested. As of October 2, 2010, 0.6 million and 0.5 million shares were held in trust for remaining obligations under the PSU Plan and the Restated EISPP, respectively. Treasury shares are reported at cost.

#### Note 13 – Hedging Transactions and Derivative Financial Instruments

The Company is directly and indirectly affected by changes in foreign currency market conditions. These changes in market conditions may adversely impact the Company's financial performance and are referred to as market risks. Our Company, when deemed appropriate by management, uses derivatives as a risk management tool to mitigate the potential impact of foreign currency market risks. The Company's foreign currency market risks are managed by the Company through the use of derivative instruments.

The Company purchases forward contract derivative instruments. Forward contracts are agreements to buy or sell a quantity of a currency at a predetermined future date, and at a predetermined rate or price. We do not enter into derivative financial instruments for trading purposes.

All derivatives are carried at fair value in the consolidated balance sheets in the line item accounts payable and accrued liabilities. The carrying values of the derivatives reflect the impact of legally enforceable agreements with the same counterparties. These allow the Company to net settle positive and negative positions (assets and liabilities) arising from different transactions with the same counterparty.

The accounting for gains and losses that result from changes in the fair values of derivative instruments depends on whether the derivatives have been designated and qualify as hedging instruments and the type of hedging relationships. The changes in fair values of derivatives that have been designated and qualify as cash flow hedges are recorded in accumulated other comprehensive income (loss) ("AOCI") and are reclassified into the line item in the consolidated income statement in which the hedged items are recorded in the same period the hedged items affect earnings. Due to the high degree of effectiveness between the hedging instruments and the underlying exposures being hedged, fluctuations in the value of the derivative instruments are generally offset by changes in the fair values or cash flows of the underlying exposures being hedged.

The Company formally designates and documents, at inception, the financial instrument as a hedge of a specific underlying exposure, the risk management objective and the strategy for undertaking the hedge transaction. In addition, the Company formally assesses both at the inception and at least quarterly thereafter, whether the financial instruments used in hedging transactions are effective at offsetting changes in either the fair values or cash flows of the related underlying exposures. Any ineffective portion of a financial instrument's change in fair value is immediately recognized into earnings.

The Company estimates the fair values of its derivatives based on quoted market prices or pricing models using current market rates (refer to Note 14). The notional amounts of the derivative financial instruments do not necessarily represent amounts exchanged by the parties and, therefore, are not a direct measure of our exposure to the financial risks described above. The amounts exchanged are calculated by reference to the notional amounts and by other terms of the derivatives, such as interest rates, foreign currency exchange rates or other financial indices. The Company does not view the fair values of its derivatives in isolation, but rather in relation to the fair values or cash flows of the underlying hedged transactions. All of our derivatives are straightforward over-the-counter instruments with liquid markets.

#### Credit Risk Associated with Derivatives

We have established strict counterparty credit guidelines and enter into transactions only with financial institutions of investment grade or better. The Company mitigates pre-settlement risk by being permitted to net settle for transactions with the same counterparty.

#### **Cash Flow Hedging Strategy**

The Company uses cash flow hedges to minimize the variability in cash flows of assets or liabilities or forecasted transactions caused by fluctuations in foreign currency exchange rates. The changes in the fair values of derivatives designated as cash flow hedges are recorded in AOCI and are reclassified into the line item in the consolidated income statement in which the hedged items are recorded in the same period the hedged items affect earnings. The changes in fair values of hedges that are determined to be ineffective are immediately reclassified from AOCI into earnings. The Company did not discontinue any cash flow hedging relationships during the first nine months of 2010. The maximum length of time over which the Company hedges its exposure to future cash flows is typically one year.

The Company maintains a foreign currency cash flow hedging program to reduce the risk that our procurement activities will be adversely affected by changes in foreign currency exchange rates. We enter into forward contracts to hedge certain portions of forecasted cash flows denominated in foreign currencies. When the U.S. dollar strengthens significantly against foreign currencies, the decline in the present value of future foreign currency cash flows is partially offset by gains in the fair value of the derivative instruments. Conversely, when the U.S. dollar weakens as compared to other currencies, the increase in the present value of future foreign currency cash flows is partially offset by losses in the fair value of the derivative instruments. The total notional value of derivatives that have been designated and qualify for the Company's foreign currency cash flow hedging program as of October 2, 2010 was approximately \$11.6 million.

The Company's derivative instruments were less than \$0.1 million as of October 2, 2010.

The settlement of our derivative instruments resulted in a charge to cost of sales of less than \$0.1 million for the three months ended October 2, 2010 and \$0.1 million for the nine months ended October 2, 2010.

#### Note 14 – Fair Value Measurements

ASC No. 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Additionally, the inputs used to measure fair value are prioritized based on a three-level hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of inputs used to measure fair value are as follows:

- Level 1 Quoted prices in active markets for identical assets or liabilities.
- Level 2 Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The Company has certain assets and liabilities that are required to be recorded at fair value on a recurring basis in accordance with U.S. GAAP. For our Company, the only assets and liabilities that are adjusted to fair value on a recurring basis are derivative instruments. The fair value of derivatives classified as Level 2 assets was less than \$0.1 million on a recurring basis as of October 2, 2010.

The carrying amounts reflected in the consolidated balance sheets for cash, receivables, payables, short-term borrowings and long-term debt approximate their respective fair values, except as otherwise indicated. The carrying values and estimated fair values of our significant outstanding debt as of October 2, 2010 and January 2, 2010 are as follows:

	October 2, 2010		January	2, 2010
	Carrying		Carrying	
		Fair		Fair
(in millions of US dollars)	Value	Value	Value	Value
8% senior subordinated notes due in 2011 <sup>1</sup>	\$ —	<b>\$</b> —	\$ 11.1	\$ 11.1
8.375% senior notes due in 2017 <sup>1</sup>	215.0	227.9	215.0	222.0
8.125% senior notes due in 2018 <sup>1</sup>	375.0	401.3		
ABL facility	50.3	50.3	20.2	20.2
Total	\$ 640.3	\$679.5	\$ 246.3	\$253.3

<sup>1</sup> The fair values are based on the trading levels and bid/offer prices observed by a market participant.

#### Note 15 – Guarantor Subsidiaries

The 2017 Notes and 2018 Notes issued by our wholly owned subsidiary, Cott Beverages, Inc., are unconditionally guaranteed on a senior basis pursuant to guarantees by Cott Corporation and certain other wholly owned subsidiaries (the "Guarantor Subsidiaries"). Such guarantees are full, unconditional and joint and several.

We have not presented separate financial statements and other disclosures concerning subsidiary guarantors because management has determined such information is not material to the holders of the above-mentioned notes.

The following supplemental financial information sets forth on an unconsolidated basis, our balance sheets, statements of income and cash flows for Cott Corporation, Cott Beverages Inc., Guarantor Subsidiaries and our other subsidiaries (the "Non-guarantor Subsidiaries"). The supplemental financial information reflects our investments and those of Cott Beverages Inc. in their respective subsidiaries using the equity method of accounting.

## **Consolidating Statements of Operations**

(in millions of U.S. dollars, unaudited)

			For	the Tł	ree Months	Ended O	ctober 2, 201			
	Cott poration	Beve	Cott erages Inc.		iarantor osidiaries		guarantor sidiaries	nination ntries	Con	solidated
Revenue	\$ 49.3	\$	239.4	\$	177.1	\$	35.1	\$ (10.3)	\$	490.6
Cost of sales	 39.0		204.8		156.1		30.2	 (10.3)		419.8
Gross profit	10.3		34.6		21.0		4.9			70.8
Selling, general and administrative expenses	8.0		23.7		12.7		2.9			47.3
Loss on disposal of property, plant and equipment	 		0.1				0.2	 		0.3
Operating income	2.3		10.8		8.3		1.8	_		23.2
Other expense (income), net	0.6		0.9				(0.2)			1.3
Intercompany interest (income) expense, net	(1.8)		1.8							—
Interest expense, net	 		10.2		0.1			 		10.3
Income before income taxes expense (benefit) and equity income (loss)	3.5		(2.1)		8.2		2.0	_		11.6
Income taxes expense (benefit)	2.1		(0.6)		0.3		0.1			1.9
Equity income (loss)	 6.9		1.4		(0.1)			 (8.2)		
Net income (loss)	\$ 8.3	\$	(0.1)	\$	7.8	\$	1.9	\$ (8.2)	\$	9.7
Less: Net income attributable to non-controlling interests	 						1.4	 		1.4
Net income (loss) income attributed to Cott Corporation	\$ 8.3	\$	(0.1)	\$	7.8	\$	0.5	\$ (8.2)	\$	8.3

## **Consolidating Statements of Operations**

(in millions of U.S. dollars, unaudited)

			For t	he Thr	ee Months H	Inded Sep	tember 26, 20	009			
	Cott poration	Beve	Cott erages Inc.		iarantor osidiaries		guarantor sidiaries		imination Entries	Con	solidated
Revenue	\$ 47.9	\$	234.7	\$	101.8	\$	31.3	\$	(10.8)	\$	404.9
Cost of sales	 39.5		199.8		86.1		26.5		(10.8)		341.1
Gross profit	8.4		34.9		15.7		4.8				63.8
Selling, general and administrative expenses	 15.0		13.4		4.9		3.6	_			36.9
Operating income	(6.6)		21.5		10.8		1.2				26.9
Other expense, net	2.9		_		_		0.3				3.2
Intercompany interest (income) expense, net	(1.5)		2.9		(1.4)						
Interest expense, net	 <u> </u>		7.4		0.1		0.1				7.6
Income before income taxes (benefit) expense and equity (loss) income	(8.0)		11.2		12.1		0.8		_		16.1
Income taxes (benefit) expense	(1.1)		1.2		0.8		_				0.9
Equity income (loss)	 20.8		1.5		10.1				(32.4)		
Net income (loss)	\$ 13.9	\$	11.5	\$	21.4	\$	0.8	\$	(32.4)	\$	15.2
Less: Net income attributable to non-controlling interests							1.3				1.3
Net income (loss) income attributed to Cott Corporation	\$ 13.9	\$	11.5	\$	21.4	\$	(0.5)	\$	(32.4)	\$	13.9

## **Consolidating Statements of Operations**

(in millions of U.S. dollars, unaudited)

			Fo	r the N	line Months l	Ended O	ctober 2, 2010			
	Cott poration	Bev	Cott erages Inc.		uarantor bsidiaries		guarantor sidiaries	 mination Entries	Con	solidated
Revenue	\$ 151.4	\$	693.6	\$	358.7	\$	106.1	\$ (31.6)	\$	1,278.2
Cost of sales	 118.8		586.6		311.1		91.8	 (31.6)		1,076.7
Gross profit	32.6		107.0		47.6		14.3			201.5
Selling, general and administrative expenses	25.6		50.8		27.6		10.2	—		114.2
Loss on disposal of property, plant and equipment			0.2		_		0.2	_		0.4
Restructuring	 		(0.5)					 		(0.5)
Operating income	7.0		56.5		20.0		3.9			87.4
Other expense (income), net	2.5		1.0		0.4		(0.3)	_		3.6
Intercompany interest (income) expense, net	(5.1)		8.2		(3.1)		—	—		—
Interest expense, net	 0.2		22.0		0.3		0.1	 		22.6
Income before income taxes expense (benefit) and equity income (loss)	9.4		25.3		22.4		4.1	_		61.2
Income taxes expense (benefit)	4.2		8.7		1.8		0.4			15.1
Equity income (loss)	 36.9		4.6		21.3			 (62.8)		<u> </u>
Net income (loss)	\$ 42.1	\$	21.2	\$	41.9	\$	3.7	\$ (62.8)	\$	46.1
Less: Net income attributable to non- controlling interests	 						4.0	 		4.0
Net income (loss) income attributed to Cott Corporation	\$ 42.1	\$	21.2	\$	41.9	\$	(0.3)	\$ (62.8)	\$	42.1

## **Consolidating Statements of Operations**

(in millions of U.S. dollars, unaudited)

	For the Nine Months Ended September 26, 2009										
	Cott Corporation	Cott Beverages Inc.	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Elimination Entries	Consolidated					
Revenue	\$ 149.0	\$ 739.0	\$ 265.5	\$ 93.8	\$ (36.6)	\$ 1,210.7					
Cost of sales	126.1	615.2	230.6	80.1	(36.6)	1,015.4					
Gross profit	22.9	123.8	34.9	13.7		195.3					
Selling, general and administrative expenses	28.8	48.9	18.4	10.6		106.7					
Loss (gain) on disposal of property, plant and equipment	0.1	_	(0.1)	_	_	_					
Restructuring and asset impairments:											
Restructuring	0.2	1.4	—	—	_	1.6					
Goodwill impairments	_	_	—	_	_						
Asset impairments		3.5				3.5					
Operating income	(6.2)	70.0	16.6	3.1		83.5					
Other expense, net	0.2			0.3		0.5					
Intercompany Interest (income) expense, net	(6.2)	9.4	(3.2)	—	—						
Interest expense, net	0.2	22.0	0.3	0.2		22.7					
Income before income taxes (benefit) expense and equity (loss) income	(0.4)	38.6	19.5	2.6	_	60.3					
Income taxes (benefit) expense	(16.8)	4.8	1.2	0.1		(10.7)					
Equity income (loss)	51.1	4.3	37.8		(93.2)						
Net income (loss)	\$ 67.5	\$ 38.1	\$ 56.1	\$ 2.5	\$ (93.2)	\$ 71.0					
Less: Net income attributable to non- controlling interests				3.5		3.5					
Net income (loss) income attributed to Cott Corporation	<u>\$67.5</u>	<u>\$ 38.1</u>	<u>\$ 56.1</u>	<u>\$ (1.0</u> )	<u>\$ (93.2</u> )	<u>\$ 67.5</u>					

#### **Consolidating Balance Sheets**

			ber 2, 2010	10				
	0-#	0.4	G	N	Elimination			
	Cott Corporation	Cott Beverages Inc.	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Entries	Consolidated		
ASSETS								
Current assets								
Cash & cash equivalents	\$ 9.0	\$ 7.0	\$ 14.4	\$ 5.0	\$ —	\$ 35.4		
Accounts receivable	74.3	137.9	123.3	18.1	(115.8)	237.8		
Income taxes recoverable	1.9	5.3	—	1.0		8.2		
Inventories	20.5	72.2	106.0	7.5	_	206.2		
Prepaid expenses and other assets	1.7	4.6	8.6	0.1		15.0		
Deferred income taxes	2.2	1.7				3.9		
Other current assets			0.1			0.1		
	109.6	228.7	252.4	31.7	(115.8)	506.6		
Property, plant and equipment	48.8	182.1	263.7	14.2		508.8		
Goodwill	26.7	4.5	95.9			127.1		
Intangibles and other assets	0.6	119.5	237.5	22.3	_	379.9		
Deferred income taxes	7.2			0.7		7.9		
Tax receivable		6.7				6.7		
Due from affiliates	237.3	170.0	212.5	41.9	(661.7)			
Investments in subsidiaries		421.1		156.7	(577.8)			
	\$ 430.2	\$ 1,132.6	\$ 1,062.0	\$ 267.5	\$(1,355.3)	\$ 1,537.0		
LIABILITIES								
Current liabilities	\$ —	¢ 50.2	¢	¢	¢	¢ 50.2		
Short-term borrowings	\$ — 0.1	\$ 50.3 5.5	\$ — (0,1)	\$	\$ —	\$ 50.3		
Current maturities of long-term debt		5.5	(0.1)	0.4	—	5.9		
Income taxes payable	3.7	205.0	1.1		(115.0)	4.8		
Accounts payable and accrued liabilities	71.7	205.9	120.3	17.3	(115.8)	299.4		
Deferred income taxes		9.2	0.4			9.6		
	75.5	270.9	121.7	17.7	(115.8)	370.0		
Long-term debt		602.9	1.4	2.7	(0.4)	606.6		
Other long-term liabilities		12.0	8.0		(0.2)	19.8		
Other tax liabilities			_	_	<u> </u>			
Deferred income taxes		6.4	10.5	1.6		18.5		
Losses and distributions in excess of investment	(196.8)	_	(285.2)		482.0			
Due to affiliates	43.2	217.9	373.5	27.1	(661.7)			
	(78.1)	1,110.1	229.9	49.1	(296.1)	1,014.9		
Equity								
Capital stock								
Common shares	395.6	354.4	1,189.8	175.0	(1,719.2)	395.6		
Treasury shares	(3.2)	554.4	1,109.0	175.0	(1,719.2)	(3.2)		
Additional paid-in-capital	39.1	(0.5)			0.5	39.1		
Retained earnings (deficit)	93.9	(330.0)	(360.4)	(33.6)	724.0	93.9		
Accumulated other comprehensive (loss) income	(17.1)	(1.4)	2.7	63.2	(64.5)	(17.1)		
_								
Total Cott Corporation's equity	508.3	22.5	832.1	204.6	(1,059.2)	508.3		
Non-controlling interests				13.8		13.8		
Total equity	508.3	22.5	832.1	218.4	(1,059.2)	522.1		
	\$ 430.2	\$ 1,132.6	\$ 1,062.0	\$ 267.5	<u>\$(1,355.3</u> )	\$ 1,537.0		

#### **Consolidating Balance Sheets**

(in millions of U.S. dollars)

			As of Janu	uary 2, 2010		
	Cott	Cott	Guarantor	• /	Elimination	
	Con	Beverages Inc.	Subsidiaries	Non-guarantor Subsidiaries	Entries	Consolidated
ASSETS						
Current assets						
Cash & cash equivalents	\$ 4.2	\$ 10.4	\$ 12.2	\$ 4.1		\$ 30.9
Accounts receivable, net	38.1	77.3	55.8	17.5	(36.4)	152.3
Income taxes recoverable	2.5	17.8		0.5	—	20.8
Inventories	15.9	61.1	15.8	6.9		99.7
Prepaid expenses and other assets	5.6	6.9	4.2	0.1		16.8
	66.3	173.5	88.0	29.1	(36.4)	320.5
Property, plant and equipment	47.8	185.3	96.1	13.8		343.0
Goodwill	26.1	4.5	_			30.6
Intangibles and other assets	1.0	111.8	17.7	25.0		155.5
Deferred income taxes	5.6			0.2	(0.4)	5.4
Other tax receivable		18.8				18.8
Due from affiliates	247.1	10.0	207.9	41.9	(506.9)	
Investments in subsidiaries		14.5		152.5	(167.0)	
	\$ 393.9	\$ 518.4	\$ 409.7	\$ 262.5	\$ (710.7)	\$ 873.8
LIABILITIES						
Current liabilities						
Short-term borrowings		20.2				20.2
Current maturities of long-term debt		17.2		0.4		17.6
Accounts payable and accrued liabilities	37.1	99.5	54.9	14.2	(36.4)	169.3
	37.1	136.9	54.9	14.6	(36.4)	207.1
Long-term debt	—	230.5	—	2.7	—	233.2
Deferred income taxes	—	6.4	10.9	0.2	—	17.5
Other long-term liabilities	0.1	6.5	7.6	0.9	(0.4)	14.7
Losses and distributions in excess of						
investment	(72.5)		118.8		(46.3)	—
Due from affiliates	43.2	206.6	234.5	22.6	(506.9)	<u> </u>
	7.9	586.9	426.7	41.0	(590.0)	472.5
EQUITY						
Capital stock	322.5	279.2	378.0	175.0	(832.2)	322.5
Treasury stock	(4.4)	—	—		—	(4.4)
Additional paid-in-capital	37.4	—	—	—	—	37.4
Retained earnings (deficit)	51.8	(346.2)	(393.0)	(27.6)	766.8	51.8
Accumulated other comprehensive (loss)			-			
income	(21.3)	(1.5)	(2.0)	58.8	(55.3)	(21.3)
Total Cott Corporation equity	386.0	(68.5)	(17.0)	206.2	(120.7)	386.0
Non-controlling interests				15.3		15.3
Total equity	386.0	(68.5)	(17.0)	221.5	(120.7)	401.3
	<u>\$ 393.9</u>	\$ 518.4	\$ 409.7	\$ 262.5	<u>\$ (710.7</u> )	<u>\$ 873.8</u>

#### **Consolidating Statements of Condensed Cash Flows**

				Fo	or the Th	ree Months	Ended Oc	tober 2, 2010	<b>E1</b> 2	· · · · · · · · · · · · · · · · · · ·		
	-	ott pration	Beve	Cott rages Inc.		arantor sidiaries		uarantor idiaries		nination ntries	Con	solidated
perating activities												
let income (loss)	\$	8.3	\$	(0.1)	\$	7.8	\$	1.9	\$	(8.2)	\$	9.7
Depreciation and amortization		1.5		8.6		7.5		1.5				19.1
Amortization of financing fees		0.1		0.4		0.1						0.6
Share-based compensation												
expense		—		1.1				—				1.1
Increase (decrease) in deferred and other income taxes		_		9.8		(0.1)		_				9.7
Equity income (loss), net of												
distributions		6.9		1.4		(0.1)		—		(8.2)		—
Intercompany transactions		2.5		3.0		—		—		(5.5)		—
Lease contract termination												
payments				(0.6)				—				(0.6)
Other non-cash items		0.5		(0.1)		(0.3)		—				0.1
Net change in non-cash working				<b>2</b> 0 <b>7</b>		(1.2. 0)						
capital		(3.3)		20.5		(13.0)		(0.3)		21.9		25.8
Net cash provided by (used in) operating activities		16.5		44.0		1.9		3.1				65.5
Investing activities					_				_			
Additions to property, plant and												
equipment		(1.1)		(6.9)		(3.4)						(11.4)
Acquisition		_		(507.7)				_				(507.7)
Proceeds from disposal of				· /								
property, plant and equipment				(0.1)		0.1		0.5				0.5
Advances to affiliates		_				(3.2)		(2.1)		5.3		
Additions to intangibles and other												
assets				(0.2)								(0.2)
Net cash (used in) provided by												
investing activities		(1.1)		(514.9)		(6.5)		(1.6)		5.3		(518.8)
Financing activities												
Payments of long-term debt				(1.1)				(0.1)				(1.2)
Issue of long-term debt		_		375.0		_		—				375.0
Long-term borrowings, ABL				148.8		16.9		—				165.7
Long-term payments, ABL		—		(106.7)		(19.5)		—		—		(126.2)
Advances from affiliates		2.1		3.2				—		(5.3)		
Distributions to non-controlling								( <b>-</b> )				
interests				—		—		(2.8)		—		(2.8)
Issue of common shares		71.1						—		—		71.1
Intercompany Investments		(89.8)		71.1		18.7		_		_		(0.0)
Financing Fees		<u> </u>		(14.0)						<u> </u>		(14.0)
Net cash (used in) provided by financing activities		(16.6)		476.3		16.1		(2.9)		(5.3)		467.6
Effect of exchange rate on cash		0.5				0.2		0.1				0.8
Net (decrease) increase in cash & cash equivalents		(0.7)		5.4		11.7		(1.3)				15.1
Cash & cash equivalents,		(0.7)		<u> </u>		11./		(1.5)				13.1
beginning of period		9.7		1.6		2.7		6.3				20.3
Cash & cash equivalents, end of period	\$	9.0	\$	7.0	\$	14.4	\$	5.0	\$		\$	35.4

#### **Consolidating Statements of Condensed Cash Flows**

	For the Three Months Ended September 26, 2009											
					Elimination							
	Cott <u>Corporation</u>	Cott <u>Beverages Inc</u>	Guaranto . Subsidiarie	8	Entries	Consolidated						
Operating activities												
Net income (loss)	\$ 13.9	\$ 11.5	5 \$ 21.	4 \$ 0.8	\$ (32.4)	\$ 15.2						
Depreciation and amortization	2.0	10.3	3 2.	8 1.3		16.4						
Amortization of financing fees		0.4	↓ <u> </u>	· <u> </u>		0.4						
Share-based compensation	(0.7)	1.1	. —	· <u> </u>	_	0.4						
Increase (decrease) in deferred income												
taxes	0.2	(6.9	<i>D</i> ) (2.	6) 9.3		(0.0)						
(Decrease) Increase in other income												
tax liabilities	(0.2)	(0.1	) 0.	1 0.1		(0.1)						
Equity (loss) income, net of												
distributions	(20.9)	(1.5		0) —	32.4							
Intercompany transactions	2.6	2.7		· <u> </u>	(5.3)	—						
Gain on bonds	0.2			·		0.2						
Lease contract termination payments	—	(0.9		· <u> </u>		(0.9)						
Other non-cash items	_	2.9	)	·		2.9						
Net change in non-cash working												
capital	(42.8)	63.8	6.	7 (10.7)	5.3	22.3						
Net cash provided by (used in)												
operating activities	(45.7)	83.3	18.	4 0.8		56.8						
Investing activities												
Additions to property, plant and	(a)											
equipment	(0.5)	(3.1	.) (1.	4) (0.3)	_	(5.3)						
Proceeds from disposal of property,												
plant and equipment	<u> </u>	0.1				0.1						
Advances to affiliates	(3.1)		(5.	7) (0.9)	9.7							
Net cash (used in) provided by												
investing activities	(3.6)	(3.0	)) (7.	1) (1.2)	9.7	(5.2)						
Financing activities		(22.5	~	(0, 2)		(22.7)						
Payments of long-term debt	 1.3	(22.5	· · · · · · · · · · · · · · · · · · ·	(0.2)		(22.7) 48.9						
Long-term borrowings, ABL		20.4										
Long-term payments, ABL	(1.3)	(76.0			(0,7)	(115.5)						
Advances from affiliates	0.8	5.7	3.	2 —	(9.7)							
Distributions to non-controlling interests				(2.6)		(2.6)						
Issue of common shares	47.4			(2.6)		(2.6) 47.4						
Deferred financing fees	47.4	(1.1	)	·		(1.1)						
Other financing activities	(0.1)	(0.1		·		(0.2)						
0	(0.1)	(0.1				(0.2)						
Net cash (used in) provided by	10.1	(=0.1										
financing activities	48.1	(73.6	5) (7.)	8) (2.8)	(9.7)	(45.8)						
Effect of exchange rate on cash	0.2	_	(0.	2) —								
Net (decrease) increase in cash &			(31									
cash equivalents	(1.0)	6.7	3.	3 (3.2)		5.8						
Cash & cash equivalents, beginning	(1.0)			(0.2)								
of period	1.8	0.2	2.	6 8.6	_	13.2						
Cash & cash equivalents, end of												
period	<u>\$ 0.8</u>	\$ 6.9	<u>\$ 5.</u>	<u>9</u> <u>\$ 5.4</u>	<u>\$                                    </u>	<u>\$ 19.0</u>						
	<u>\$ 0.8</u>	<u>\$ 6.9</u>	<u>\$5.</u>	<u>9 \$ 5.4</u>	<u>\$                                    </u>	\$						

#### **Consolidating Statements of Condensed Cash Flows**

				Fo	r the N	ine Months l	Ended Oc	tober 2, 2010		utu att		
	Co <u>Corpo</u>			Cott rages Inc.		arantor sidiaries		guarantor sidiaries		nination ntries	Con	solidated
Operating activities												
Net income (loss)	\$	42.1	\$	21.2	\$	41.9	\$	3.7	\$	(62.8)	\$	46.1
Depreciation and amortization		4.7		26.7		14.1		4.4				49.9
Amortization of financing fees		0.3		1.2		0.1		_				1.6
Share-based compensation expense		0.6		2.1		0.1						2.8
Increase (decrease) in deferred and												
other income taxes				9.8		(0.2)		_				9.6
Equity (loss) income, net of												
distributions	(	(36.9)		(4.6)		(21.3)		—		62.8		
Intercompany transactions		6.8		5.7		_				(12.5)		
Lease contract termination payments				(5.4)								(5.4)
Other non-cash items		2.6		1.7		_		_				4.3
Net change in non-cash working												
capital	(	18.5)		10.9		(13.0)		4.2		12.5		(3.9)
Net cash provided by (used in)												
operating activities		1.7		69.3		21.7		12.3		_		105.0
operating activities		1./		07.5		21.7		12.5				105.0
Investing activities												
Additions to property, plant and												
equipment		(4.2)		(15.8)		(7.8)		(1.7)				(29.5)
Acquisitions				(507.7)								(507.7)
Proceeds from disposal of property,				(00111)								(00/1/)
plant and equipment				0.2		0.2		0.5				0.9
Advances to affiliates		21.0				(9.2)		(4.5)		(7.3)		
Additions to intangibles and other		21.0				().2)		(1.5)		(7.5)		
assets				(3.6)								(3.6)
Net cash (used in) provided by				(3.0)								(3.0)
investing activities		16.8		(526.9)		(16.8)		(5.7)		(7.3)		(539.9)
investing activities		10.0		(320.9)		(10.8)		(3.7)		(7.5)		(339.9)
Financing activities												
Payments of long-term debt		0.1		(17.1)		_		(0.3)				(17.3)
Issue of long-term debt				375.0		_				_		375.0
Long-term borrowings, ABL				248.3		59.4						307.7
Long-term payments, ABL		_		(218.1)		(59.7)						(277.8)
Advances from affiliates		4.5		9.2		(21.0)				7.3		(211.0)
Distributions to non-controlling		1.0				(21.0)				1.5		
interests								(5.5)				(5.5)
Issue of common shares		71.1						(5.5)				71.1
Intercompany Investments		(89.8)		71.1		18.7						/ 1.1
Financing Fees	(	(0).0)		(14.2)								(14.2)
				(14.2)					_		_	(14.2)
Net cash (used in) provided by						( <b>a</b> - 2)		( <b>-</b> )				
financing activities	(	(14.1)		454.2		(2.6)		(5.8)		7.3		439.0
Effect of exchange rate on cash		0.4				(0.1)		0.1				0.4
Net increase (decrease) in cash &		<u></u>				(0.1)		0.1				0.1
cash equivalents		4.8		(3.4)		2.2		0.9				4.5
Cash & cash equivalents, beginning				(011)								110
of period		4.2		10.4		12.2		4.1				30.9
Cash & cash equivalents, end of	¢		¢		¢		¢		ф			
period	<b>Þ</b>	9.0	\$	7.0	\$	14.4	\$	5.0	\$			

# **Consolidating Statements of Condensed Cash Flows**

(in millions of U.S. dollars, unaudited)

		For	the Nine Months En	ded September 26, 2	009		
	Cott	Cott	Guarantor	Non- guarantor	Elimination		
	<u>Corporation</u>	Beverages Inc.	Subsidiaries	Subsidiaries	Entries	Consolidated	
Operating activities							
Net income (loss)	\$ 67.5	\$ 38.1	\$ 56.1	\$ 2.5	\$ (93.2)	\$ 71.0	
Depreciation and amortization	6.1	30.0	9.5	4.1		49.7	
Amortization of financing fees	0.1	0.8	0.1			1.0	
Share-based compensation	0.1	1.1	_	_		1.2	
Increase (decrease) in deferred income							
taxes	16.8	(5.2)	(2.9)	(5.8)	—	2.9	
(Decrease) increase in other income tax							
liabilities	(16.8)	_	0.1	0.1		(16.6)	
Loss (Gain) on disposal of property,							
plant and equipment	0.2	(0.1)	(0.1)				
Equity (loss) income, net of							
distributions	(51.1)	(4.3)	(37.8)		93.2		
Intercompany transactions	6.5	5.1		_	(11.6)	_	
Gain on bond	0.2					0.2	
Asset impairments		3.5	_	_	_	3.5	
Lease contract termination payments		(2.8)				(2.8)	
Other non-cash items		1.8				1.8	
Net change in non-cash working capital	(81.6)	68.5	(7.5)	12.3	11.6	3.3	
Net cash provided by (used in) operating	(01.0)	00.0	(1.5)	12.3			
activities	(52.0)	136.5	17.5	13.2		115.2	
activities	(32.0)	150.5	17.5	15.2			
Investing activities							
Additions to property, plant and							
equipment	(1.5)	(10.3)	(6.7)	(0.4)		(18.9)	
Proceeds from disposal of property,		( )	()	()		( )	
plant and equipment		1.3	0.1			1.4	
Advances to affiliates	3.2		(8.3)	(4.6)	9.7		
Net cash (used in) provided by investing			(0.0)	<u>    (</u> )			
activities	1.7	(9.0)	(14.9)	(5.0)	9.7	(17.5)	
activities	1.7	(9.0)	(14.9)	(5.0)		(17.5)	
Financing activities							
Payments of long-term debt		(26.1)		(0.3)		(26.4)	
Long-term borrowings, ABL	87.0	507.9	84.5	(0.0)		679.4	
Long-term payments, ABL	(90.1)	(612.5)	(85.5)			(788.1)	
Advances from affiliates	4.6	8.3	(3.2)		(9.7)	(,	
Distributions to non-controlling interests			(01 <b>_</b> )	(4.9)	(>) —	(4.9)	
Issue of common shares	47.4			(,)		47.4	
Deferred financing fees		(1.1)				(1.1)	
Other financing activities	(0.2)	(0.2)				(0.4)	
_	(0.2)	(0.2)				(0.1)	
Net cash (used in) provided by financing	10 7	(100 -		(5.0)			
activities	48.7	(123.7)	(4.2)	(5.2)	(9.7)	(94.1)	
Effect of exchange rate on cash	0.3		0.1	0.3		0.7	
Net (decrease) increase in cash & cash							
equivalents	(1.3)	3.8	(1.5)	3.3		4.3	
Cash & cash equivalents, beginning of	(====)						
period	2.1	3.1	7.4	2.1		14.7	
Cash & cash equivalents, end of			, . <del></del>			1.117	
period	<u>\$0.8</u>	\$ 6.9	<u>\$ 5.9</u>	<u>\$ 5.4</u>	\$	\$ 19.0	
pullou	φ 0.0	ψ	φ 3,7	Ψυτ	Ψ	φ 17.0	

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion is intended to further the reader's understanding of the consolidated financial condition and results of operations of our Company. It should be read in conjunction with the financial statements included in this quarterly report on Form 10-Q and our annual report on Form 10-K for the year ended January 2, 2010 (the "2009 Annual Report"). These historical financial statements may not be indicative of our future performance. This Management's Discussion and Analysis of Financial Condition and Results of Operations contains a number of forward-looking statements, all of which are based on our current expectations and could be affected by the uncertainties and risks referred to under "Risk Factors" in Item 1A: Risk Factors in our Annual Report on Form 10-K for the fiscal year ended January 2, 2010, as updated by our Form 10-Q for the quarter ended July 3, 2010.

#### Overview

We are the world's largest retailer brand beverage company. Our objective of creating sustainable long-term growth in revenue and profitability is predicated on working closely with our retailer partners to provide proven profitable products. As a "fast follower" of innovative products, our goal is to identify which new products are succeeding in the marketplace and develop similar private label products to provide our retail partners and their consumers with high quality products at a better value. This objective is increasingly relevant in more difficult economic times.

Sales of our products tend to be seasonal, with the second and third quarters accounting for higher unit sales of our products than the first and fourth quarters. The seasonality of our sales volume, combined with the accounting for fixed costs such as depreciation, amortization, rent and interest expense, impacts our results on a quarterly basis. Accordingly, our results for the nine months ended October 2, 2010 may not necessarily be indicative of the results that may be expected for the full year.

Retailer brand suppliers, such as us, typically operate at low margins and therefore relatively small changes in cost structures can materially impact results.

On August 17, 2010 (the "Acquisition Date"), we completed the acquisition (the "Acquisition") of substantially all of the assets and liabilities of Cliffstar Corporation ("Cliffstar") and its affiliated companies for approximately \$500.0 million payable in cash, \$14.0 million in deferred consideration to be paid over three years and contingent consideration of up to \$55.0 million, the first \$15.0 million of which is payable upon the achievement of milestones in upgrading of certain expansion projects in 2010, and the remainder is based on the achievement of certain performance measures during the fiscal year ending January 1, 2011.

During the first nine months of 2010, our revenues increased 5.6%, or 4.5% excluding the impact of foreign exchange. This increase was due primarily to the acquisition of substantially all of the assets and liabilities of Cliffstar and its affiliated companies. Excluding the Acquisition, revenue decreased 1.0% or 2.0% excluding the impact of foreign exchange. This decrease was primarily due to a decline in North America beverage case volume in carbonated soft drinks ("CSDs") partially offset by volume improvements in the United Kingdom ("U.K.") and Royal Crown International ("RCI"). RCI primarily sells concentrate. We also had a favorable foreign exchange impact due to the strengthening of the Canadian dollar and Mexican peso versus the U.S. dollar compared to the prior year period.

Ingredient and packaging costs represent a significant portion of our cost of sales. These costs are subject to global and regional commodity price trends. Our three largest commodities are aluminum, PET resin, and corn (which is used to produce high fructose corn syrup ("HFCS")). We attempt to manage our exposure to fluctuations in ingredient and packaging costs of our products by implementing price increases with customers as needed and entering into fixed price commitments for a portion of our ingredient and packaging requirements. We have entered into fixed price commitments for a majority of our 2010 HFCS and aluminum requirements, with the remaining forecasted requirements to be purchased at prevailing market prices. We have also entered into fixed price commitments for more than half of our estimated aluminum requirements for 2011.

In the U.S., we had been supplying Wal-Mart with private label CSDs under an exclusive supply agreement dated December 21, 1998, between Cott Beverages Inc., a wholly-owned subsidiary of the Company, and Wal-Mart Stores, Inc. (the "Exclusive U.S. Supply Contract"). We also supply Wal-Mart and its affiliated companies with a variety of products on a non-exclusive basis in the U.S., Canada, United Kingdom and Mexico, including CSDs, clear, still and sparkling flavored waters, juice-based products, bottled water, energy drinks and ready-to-drink teas. On January 27, 2009, we received written notice from Wal-Mart stating that Wal-Mart was exercising its right to terminate, without cause, the Exclusive U.S. Supply Contract. The termination is effective on January 28, 2012. This has the effect of returning our relationship to more typical

market terms over time, and allows Wal-Mart to introduce other suppliers in the future, if it so desires. The termination provision of the Exclusive U.S. Supply Contract provides for our exclusive right to supply CSDs to Wal-Mart in the U.S. to be phased out over a period of three years following notice of termination (the "Notice Period"). Accordingly, we had the exclusive right to supply at least two-thirds of Wal-Mart's total CSD volumes in the U.S., on an exclusive basis, during the first 12 months of the Notice Period, and we have the exclusive right to supply at least one-third of Wal-Mart's total CSD volumes in the U.S. during the second 12 months of the Notice Period. Notwithstanding the notice of termination of the Exclusive U.S. Supply Contract, we continue to supply Wal-Mart with all of its private label CSDs in the U.S. However, should Wal-Mart choose to introduce an additional supplier to fulfill a portion of its requirements for its private label CSDs, our operating results could be materially adversely affected.

For the nine months ended October 2, 2010, sales to Wal-Mart accounted for 30.6% (September 26, 2009 - 33.9%) of our total revenues, 35.3% of our North America operating segment revenues (September 26, 2009 - 39.9%), 16.1% of our U.K. operating segment revenues (September 26, 2009 - 17.3%), and 38.7% of our Mexico operating segment revenues (September 26, 2009 - 18.6%).

#### **Recent Developments**

On August 17, 2010, we completed the acquisition of substantially all of the assets and liabilities of Cliffstar Corporation, a privately-held corporation, and its affiliated companies for \$500.0 million in cash, subject to adjustments for working capital, indebtedness and certain expenses. Cliffstar is entitled to additional contingent consideration of up to a maximum of \$55.0 million; the first \$15.0 million of which is payable upon the achievement of milestones in upgrading certain expansion projects in 2010, and the remainder is based on the achievement of certain performance measures during the fiscal year ending January 1, 2011. Cliffstar is also entitled to \$14.0 million of deferred consideration, which will be paid over a three-year period.

### Summary financial results

Our net income for the three months ended October 2, 2010 (the "third quarter") and the nine months ended October 2, 2010 ("year-todate") was \$8.3 million or \$0.09 per diluted share and \$42.1 million or \$0.50 per diluted share, respectively, compared with \$13.9 million or \$0.18 per diluted share and \$67.5 million or \$0.92 per diluted share for the three and nine months ended September 26, 2009, respectively.

The following items of significance impacted our financial results for the third quarter and first nine months of 2010:

- the Acquisition contributed \$80.2 million or a 6.6% increase in revenue primarily due to beverage case volume of 20.7 million, \$5.0 million of selling, general and administrative ("SG&A") costs, \$1.1 million of operating income;
- the transaction costs related to the Acquisition, which are included in SG&A costs, were \$6.4 million and \$7.5 million for the three and nine months ended October 2, 2010;
- gross margins were 14.4% for the third quarter compared to 15.8% from the comparable prior year period. The Acquisition represents the decline of 1.4% as Cliffstar's gross margin is lower than our gross margin primarily due to purchase accounting adjustments. Gross margins remained flat for the nine months ended October 2, 2010;
- revenue increased \$85.7 million and \$67.5 million in the third quarter and year-to-date, respectively, compared to the same periods in 2009;
- excluding the impact of the Acquisition, North America beverage case volume increased 4.3% in the third quarter from the comparable prior year period primarily due to decreased promotional activity by national brands; increased competition in that segment led to year-to-date beverage case volume decline of 3.4% in that segment from the comparable prior year period;
- lower retail performance and co-pack activity in the U.K. led to a decrease in revenue of 4.9% in the third quarter; new customer gains and improved product mix contributed to year-to-date beverage case volume improvement in that segment of 3.2% from the comparable prior year period;
- increase in the foreign exchange rate for the Canadian dollar and Mexican peso as compared to the U.S. dollar resulted in a \$12.2 million favorable impact on revenues and a \$1.6 million favorable impact on gross profit;
- increase in other expenses of \$3.1 million was due to the write-off of financing fees of \$1.4 million and foreign exchange losses of \$1.7 million; and
- tax expense of \$15.1 million in the current year as compared to a prior year tax benefit of \$10.7 million. The prior year benefit included favorable reversals of \$16.6 million of accruals related to uncertain tax positions.

The following items of significance impacted our financial results for the third quarter and first nine months of 2009:

- improved gross margins to 16.1% from 11.4% for the nine months ended September 27, 2009, reflecting the benefit of local currency price increases announced in the third quarter of 2008, product mix, lower ingredient and packaging costs and increased efficiencies from the utilization of plants;
- revenue decreased 3.7% and 5.2% in the third quarter and year-to-date, respectively, compared to the same periods in 2008.
- the consumer shift toward retailer brand products as a result of weak economic conditions;
- overall 1.5% year-to-date decrease in beverage case volume reflecting slight decreases in our North America and our U.K. operating segments;
- SG&A cost saving initiatives that resulted in an SG&A decrease of \$33.0 million;
- the decrease in the foreign exchange rate for the Canadian dollar, British pound sterling and Mexican peso as compared to the U.S. dollar resulted in a \$95.2 million adverse impact on revenue, a \$13.0 million adverse impact on gross profit and a \$11.0 million positive impact on SG&A;
- restructuring, severance and lease termination costs of \$1.6 million in connection with the 2009 Restructuring Plan and asset impairment costs of \$3.5 million relating primarily to the loss of a customer; and
- a tax benefit resulting primarily from the reversal of \$16.6 million in accruals related to uncertain tax positions plus related interest and penalties.

### **Non-GAAP Measures**

In this report, we present certain information regarding changes in our revenue excluding the impact of foreign exchange and/or excluding the impact of the Acquisition. We believe that this is a useful financial measure for investors in evaluating our operating performance for the periods presented independent of the Acquisition and/or independent of the effects of foreign exchange, as when read in conjunction with our changes in revenue on a U.S. GAAP basis, it presents a useful tool to evaluate our ongoing operations and provides investors with an opportunity to evaluate our management of assets held from period to period and our core business performance. In addition, these adjusted amounts are one of the factors we use in internal evaluations of the overall performance of our business. This information, however, is not a measure of financial performance under U.S. GAAP and should not be considered a substitute for changes in revenue as determined in accordance with U.S. GAAP.

# **Results of Operations**

	For the Three Mo	nths Ended	For the Nine Mo	onths Ended
	October 2, 2010 Percent of Revenue	September 26, 2009 Percent of Revenue	October 2, 2010 Percent of Revenue	September 26, 2009 Percent of Revenue
Revenue	100.0%	100.0%	100.0%	100.0%
Cost of sales	85.6%	84.2%	84.2%	83.9%
Gross profit	14.4%	15.8%	15.8%	16.1%
Selling, general, and administrative				
expenses	9.7%	9.2%	8.9%	8.8%
Loss on disposal of property, plant and				
equipment	0.1%	0.0%	0.0%	0.0%
Restructuring	0.0%	0.0%	0.0%	0.1%
Asset impairment	0.0%	0.0%	0.0%	0.3%
Operating income (loss)	4.6%	6.6%	6.9%	6.9%
Other income, net	0.3%	0.8%	0.3%	0.0%
Interest expense, net	2.0%	1.8%	<u> </u>	1.9%
Income (loss) before income taxes	2.3%	4.0%	4.8%	5.0%
Income tax (benefit) expense	0.5%	0.3%	1.2%	-0.9%
Net income (loss)	<u>1.8</u> %	3.7%	3.6%	5.9%
Less: Non-controlling interests	0.3%	0.3%	0.3%	0.3%
Net income (loss) attributed to Cott				
Corporation	<u>1.5</u> %	3.4%	<u> </u>	5.6%
Depreciation & amortization	3.9%	4.1%	3.9%	4.1%

# Analysis of Revenue, Operating (Loss) Income and Case Volume by Geographic Region:

		For the Thre	e Months End	led	For the Nine Months End			ded
(in millions of U.S. Dollars)	Octob	er 2, 2010	Septem	ber 26, 2009	Oct	ober 2, 2010	Septer	nber 26, 2009
<u>Revenue</u>								
North America	\$	375.5	\$	287.2	\$	939.5	\$	899.7
United Kingdom		96.6		101.6		277.5		264.6
Mexico		12.4		10.3		38.3		30.7
RCI		6.1		5.8		22.9		15.7
All Other								
Total	\$	490.6	\$	404.9	\$	1,278.2	\$	1,210.7
Operating (loss) income								
North America	\$	16.3	\$	16.1	\$	67.4	\$	69.0
United Kingdom		7.3		10.8		19.0		16.5
Mexico		(1.2)		(1.6)		(5.2)		(5.1)
RCI		0.8		1.6		6.2		3.2
All Other								(0.1)
Total	\$	23.2	\$	26.9	\$	87.4	\$	83.5

	For the Three	e Months Ended	For the Nine Months Ended				
(in millions of cases)	October 2, 2010	September 26, 2009	October 2, 2010	September 26, 2009			
Volume 80z. equivalent cases – Total Beverage (includin	<u>g concentrate)</u>						
North America	186.0	158.9	505.5	495.4			
United Kingdom	49.7	51.8	147.7	144.1			
Mexico	8.3	5.8	26.7	17.0			
RCI	60.9	54.7	236.9	161.1			
All Other							
Total	304.9	271.2	916.8	817.6			
Volume 80z. equivalent cases – Filled Beverage							
North America	167.4	140.8	445.3	439.8			
United Kingdom	45.8	48.3	135.3	131.1			
Mexico	8.3	5.8	26.7	17.0			
RCI		0.1	0.1	0.2			
All Other							
Total	221.5	195.0	607.4	588.1			

# Analysis of Revenue by Geographic Region:

	For the Three Months Ended October 2, 2010									
(In millions of U.S. dollars)	Cott 1	Nort	h America	Kingdom	Mexico	RCI	All Other			
Change in revenue	\$ 85.7	\$	88.3	\$ (5.0)	\$ 2.1	\$ 0.3	\$ —			
Impact of foreign exchange	3.7		(2.4)	6.6	(0.4)		(0.1)			
Change excluding foreign exchange	\$ 89.4	\$	85.9	\$ 1.6	\$ 1.7	\$ 0.3	<u>\$ (0.1)</u>			
Percentage change in revenue	21.2%		30.7%	-4.9%	20.4%	5.2%	0.0%			
Percentage change in revenue excluding foreign exchange	22.3%		<u>29.7</u> %	1.7%	<u>15.9</u> %	5.2%	0.0%			
Impact of Cliffstar Acquisition	(80.2)	_	(80.2)							
Change in revenue excluding Cliffstar	\$ 5.5	\$	8.1	\$ (5.0)	\$ 2.1	\$ 0.3	\$			
Percentage change in revenue excluding Cliffstar	1.4%		2.8%	-4.9%	20.4%	5.2%	0.0%			
Change in revenue excluding foreign exchange and Cliffstar	\$ 9.2	\$	5.7	\$ 1.6	\$ 1.7	\$ 0.3	\$ (0.1)			
Percentage change in revenue excluding foreign exchange and Cliffstar	2.3%		2.0%	1.7%	15.9%	5.2%	0.0%			

	For the Nine Months Ended October 2, 2010								
(In millions of U.S. dollars)	Cott <sup>1</sup>	Nor	h America	United Kingdom	Mexico	RCI	All Other		
Change in revenue	\$ 67.5	\$	39.8	\$ 12.9	\$ 7.6	\$ 7.2	\$		
Impact of foreign exchange	(12.2)		(15.1)	5.1	(2.1)		(0.1)		
Change excluding foreign exchange	<u>\$ 55.3</u>	\$	24.7	\$ 18.0	<u>\$ 5.5</u>	\$ 7.2	<u>\$ (0.1)</u>		
Percentage change in revenue	5.6%		4.4%	4.9%	24.8%	45.9%	0.0%		
Percentage change in revenue excluding foreign exchange	4.5%		<u>2.7</u> %	6.9%	16.8%	<u>45.9</u> %	0.0%		
Impact of Cliffstar Acquisition	(80.2)		(80.2)						
Change in revenue excluding Cliffstar	<u>\$(12.7)</u>	\$	(40.4)	\$ 12.9	\$ 7.6	\$ 7.2	\$		
Percentage change in revenue excluding Cliffstar	-1.0%		-4.5%	4.9%	24.8%	45.9%	0.0%		
Change in revenue excluding foreign exchange and Cliffstar	<u>\$(24.9)</u>	\$	(55.5)	\$ 18.0	\$ 5.5	\$ 7.2	<u>\$ (0.1</u> )		
Percentage change in revenue excluding foreign exchange and Cliffstar	-2.1%		-6.2%	6.9%	16.8%	45.9%	0.0%		

<sup>1</sup> Cott includes the following operating segments: North America, U.K., Mexico, RCI and All Other.

# Analysis of Revenue by Product:

For the Three Months Ended October 2, 2010									
(in millions of U.S. dollars)	North	n America	United	l Kingdom	Mexico	RCI	All Other	Total	
<u>Revenue</u>									
Carbonated soft drinks	\$	184.8	\$	37.1	\$10.6	<b>\$</b> —	<b>\$</b> —	\$ 232.5	
Concentrate		1.8		1.0	_	6.1		8.9	
Juice		75.8		3.1	0.1			79.0	
All other products		113.1		55.4	1.7			170.2	
Total	\$	375.5	\$	96.6	\$12.4	<u>\$ 6.1</u>	<u>\$                                    </u>	<u>\$ 490.6</u>	

For the Three	For the Three Months Ended October 2, 2010											
(in millions of physical cases)	North America	United Kingdom	Mexico	RCI	All Other	Total						
<u>80z. volume</u>												
Carbonated soft drinks	88.6	23.9	6.6			119.1						
Concentrate	18.6	3.9		60.9	_	83.4						
Juice	19.4	0.9	0.1			20.4						
All other products	59.4	21.0	1.6			82.0						
Total	186.0	49.7	8.3	60.9		304.9						

For the Nine Months Ended October 2, 2010									
(in millions of U.S. dollars)	Nort	h America	Unite	d Kingdom	Mexico	RCI	All Other	Total	
<u>Revenue</u>									
Carbonated soft drinks	\$	535.2	\$	109.6	\$33.1	<b>\$</b> —	\$ —	\$ 677.9	
Concentrate		5.7		3.6	—	22.9	_	32.2	
Juice		78.3		8.4	0.6			87.3	
All other products		320.3		155.9	4.6		_	480.8	
Total	\$	939.5	\$	277.5	\$38.3	\$ 22.9	\$	\$1,278.2	

For the Nine	For the Nine Months Ended October 2, 2010											
(in millions of physical cases)	North America	United Kingdom	Mexico	RCI	All Other	Total						
<u>80z. volume</u>												
Carbonated soft drinks	257.9	71.3	21.4			350.6						
Concentrate	60.1	12.4	_	236.9		309.4						
Juice	19.6	2.4	0.5			22.5						
All other products	167.9	61.6	4.8	_		234.3						
Total	505.5	147.7	26.7	236.9		916.8						

For the Three Months Ended September 26, 2009									
Nort	h America	United	l Kingdom	Mexico	RCI	All Other	Total		
\$	181.6	\$	47.1	\$ 9.0	<b>\$</b> —	<b>\$</b> —	\$ 237.7		
	1.7		0.9	_	5.3	_	7.9		
	103.9		53.6	1.3	0.5		159.3		
\$	287.2	\$	101.6	\$10.3	\$ 5.8	\$	\$ 404.9		
	<u>Nort</u> \$ <u>\$</u>	1.7 103.9	\$ 181.6 \$ 1.7 103.9	\$ 181.6 \$ 47.1 1.7 0.9 103.9 53.6	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		

( <i>in millions of physical cases</i> ) For the Three Months Ended September 26, 2009 ( <i>in millions of physical cases</i> ) North America United Kingdom Mexico RCI All Other Total												
North America	United Kingdom	Mexico	RCI	All Other	Total							
86.1	24.0	5.0			115.1							
18.2	3.6		54.6	_	76.4							
54.6	24.2	0.8	0.1		79.7							
158.9	51.8	5.8	54.7	_	271.2							
	<u>North America</u> 86.1 18.2 <u>54.6</u>	North America         United Kingdom           86.1         24.0           18.2         3.6           54.6         24.2	North America         United Kingdom         Mexico           86.1         24.0         5.0           18.2         3.6         —           54.6         24.2         0.8	North America         United Kingdom         Mexico         RCI           86.1         24.0         5.0            18.2         3.6          54.6           54.6         24.2         0.8         0.1	North America         United Kingdom         Mexico         RCI         All Other           86.1         24.0         5.0         —         —         —           18.2         3.6         —         54.6         —           54.6         24.2         0.8         0.1         —							

For the Nine Months Ended September 26, 2009								
(in millions of U.S. dollars)	Nort	h America	Unite	d Kingdom	Mexico	RCI	All Other	Total
<u>Revenue</u>								
Carbonated soft drinks	\$	582.5	\$	121.3	\$27.9	<b>\$</b> —	<b>\$</b> —	\$ 731.7
Concentrate		4.8		3.3	_	14.6		22.7
All other products		312.4		140.0	2.8	1.1		456.3
Total	\$	899.7	\$	264.6	\$30.7	\$ 15.7	\$ —	\$1,210.7

For the Nine Months Ended September 26, 2009						
(in millions of physical cases)	North America	United Kingdom	Mexico	RCI	All Other	Total
<u>80z. volume</u>						
Carbonated soft drinks	276.5	65.1	15.5		_	357.1
Concentrate	55.7	13.1		160.9	_	229.7
All other products	163.2	65.9	1.5	0.2		230.8
Total	495.4	144.1	17.0	161.1	_	817.6

# Core Statements of Operating Income and EBITDA:

	Mon	the Three ths Ended per 2, 2010	<u>Cliffstar</u>	<u>Transactio</u>	on Costs	Ac	Cott ccluding quisition CORE)	Mon	the Three ths Ended ber 26, 2009
Revenue, net	\$	490.6	\$ 80.2			\$	410.4	\$	404.9
Cost of sales		419.8	74.1				345.7		341.1
Gross profit		70.8	6.1				64.7		63.8
-		14.4%	7.6%				15.8%		15.8%
Selling, general and administrative expenses		47.3	5.0		7.0		35.3		36.9
Loss on disposal of property, plant & equipment		0.3					0.3		
Operating income	\$	23.2	<u>\$ 1.1</u>	\$	(7.0)	\$	29.1	\$	26.9
Depreciation and amortization		19.1	4.0				15.1		16.4
Other expense		(1.3)					(1.3)		(3.2)
EBITDA	<u>\$</u>	41.0	<u>\$ 5.1</u>	\$	( <b>7.0</b> )	<u>\$</u>	42.9	\$	40.1

**Revenue** – Revenue increased 21.2% and 5.6% in the third quarter and year-to-date, respectively, from the comparable prior year periods. Absent foreign exchange impact, revenue increased 22.3% and 4.5% in the third quarter and year-to-date, respectively.

The Acquisition contributed \$80.2 million to revenue. Excluding the impact of the Acquisition, revenue increased 1.4% and decreased 1.0% in the third quarter and year-to-date, respectively, from the comparable prior year periods. Revenue in the third quarter was impacted by increases in filled beverage 8-ounce equivalent volume ("beverage case volume") in our North America and Mexico operating segments. The improvement in North America was due primarily to a decrease in national brand promotional activity and favorable exchange rates. The beverage case volume increases in those segments were offset in part by beverage case volume decline in our U.K. operating segment due to lower than expected retail performance and lower co-pack volume. Revenue year-to-date was impacted by an overall decrease in beverage case volume offset in part by favorable foreign exchange rates. The strengthening in value of the Canadian dollar and Mexican peso as compared to the U.S. dollar resulted in a \$12.2 million favorable impact on revenues. Excluding the impact of the Acquisition and foreign exchange, revenue increased 2.3% and decreased 2.1% in the third quarter and year-to-date, respectively.

Our North America operating segment revenue increased 30.7% and 4.4% in the third quarter and year-to-date, respectively, from the comparable prior year periods. Absent foreign exchange impact, North America operating segment revenue increased 29.7% and 2.7% in the third quarter and year-to-date, respectively. On the same basis, North America beverage case volume increased 19.0% and 1.3% in the third quarter and year-to-date, respectively, from the comparable prior year periods. The beverage case volume improvement in the third quarter and year-to-date was due primarily to the Acquisition.

Excluding the impact of the Acquisition, our North America operating segment revenue increased 2.8% and decreased 4.5% in the third quarter and year-to-date, respectively, from the comparable prior year periods. Net selling price per beverage case remained flat for the third quarter and year-to-date from the comparable prior periods. Excluding the impact of the Acquisition and foreign exchange, revenue increased 2.0% and decreased 6.2% in the third quarter and year-to-date, respectively. North America beverage case volume increased 4.3% and decreased 3.4% in the third quarter and year-to-date, respectively, from the comparable prior year periods. The beverage case volume improvement in the third quarter was due primarily to a decrease in national brand promotional activity at our largest customer where our volumes increased 14.3% compared to the prior year period. Year-to-date beverage case volume decline was due primarily to greater than anticipated continued decline in revenue at our largest customer of 7.3% year to date, as compared to the comparable prior year period. We believe the decline was due to increased national brand promotional activity during the first half of 2010. These declines were offset in part by increased revenues from other existing and new customers.

Our U.K. operating segment revenue decreased 4.9% and increased 4.9% in the third quarter and year-to-date, respectively, from the comparable prior year periods. Absent foreign exchange impact, U.K. revenue increased 1.7% and 6.9% in the third quarter and year-to-date, respectively. U.K. beverage case volume decreased 5.2% in the third quarter and increased 3.2% year-to-date. Net selling price per beverage case remained flat for the third quarter and increased 1.5% year-to-date, from the comparable prior year periods. Absent foreign exchange impact, net selling price per beverage case increased 6.5% and 3.3% in the third quarter and year-to-date, respectively, from the comparable prior year periods. The increase in U.K. beverage case volume was due primarily to growth in energy and sports isotonic products during the first nine months of 2010, offset in part by lower than expected retail performance in the third quarter.

Our Mexico operating segment revenue increased 20.4% and 24.8% in the third quarter and year-to-date, respectively, from the comparable prior year periods, due primarily to beverage case volume increases of 43.1% and 57.1% in the third quarter and year-to-date, respectively. Net selling price per beverage case decreased 16.3% and 21.0% for the third quarter and year-to-date, respectively, from the comparable prior year periods. The increase in beverage case volume and decrease in net selling price was due primarily to new business in the retail channel and the commencement of shipments to a new bottled water customer. Absent foreign exchange impact, revenue increased 15.9% and 16.8% for the third quarter and year-to-date, respectively, as compared to the comparable prior year periods.

Our RCI operating segment revenue increased 5.2% and 45.9% in the third quarter and year-to-date, respectively, from the comparable prior year periods, due primarily to an increase of 11.3% and 47.1% in the third quarter and year-to-date, respectively, in concentrate case volume. The lower revenue increase in the third quarter as compared to the first six months of 2010 was due primarily to ordering patterns in key geographies. The year-to-date increases were due primarily to expansion of existing customer channels. RCI primarily sells concentrate.

*Cost of Sales* – Cost of sales as a percentage of revenue increased to 85.6% and 84.2% in the third quarter and year-to-date, respectively, from 84.2% and 83.9%, respectively, in the comparable prior year periods due primarily to the impact of the Acquisition. The cost of sales as a percent of revenue for Cliffstar was 92.4%. This percentage was higher than normal due to finished goods on hand being measured at market value at the Acquisition Date. Variable costs represented 75.4% and 74.2% in the third quarter and year-to-date, respectively, of total sales, down from 75.3% and 74.8%, respectively, in the comparable prior year periods. Major elements of these variable costs included ingredient and packaging costs, distribution costs and fees paid to third-party manufacturers.

*Gross Profit* – Gross profit as a percentage of revenue decreased to 14.4% and 15.8% in the third quarter and year-to-date, respectively, from 15.8% and 16.1% in the comparable prior year periods.

Excluding the impact of the Acquisition, gross profit as a percentage of revenue remained flat in the third quarter and year-to-date, respectively, in the comparable prior year periods.

Selling, General and Administrative Expenses – SG&A increased \$10.4 million or 28.2% and \$7.5 million or 7.0% in the third quarter and year-to-date, respectively, from the comparable prior year periods. As a percentage of revenue, SG&A increased to 9.7% and 8.9% in the third quarter and year-to-date, respectively, from 9.2% and 8.8%, in the comparable prior year periods.

The Acquisition contributed \$5.0 million of SG&A costs to the third quarter. Excluding the impact of the Acquisition, SG&A increased \$5.4 million or 14.6% and \$2.5 million and 2.3% in the third quarter and year-to-date, respectively, from the comparable prior year periods. The overall increase in SG&A for the third quarter was due primarily to \$6.4 million in professional fees and \$0.6 million in severance costs related to the Acquisition, a \$1.5 million increase in bad debts due to credit risk of certain customers, offset in part by \$1.0 million in reduced employee related costs and \$1.0 million in lower technology costs.

The overall increase in SG&A year-to-date was due to \$8.1 million in professional fees related primarily to the Acquisition offset in part by \$1.5 million in reduced employee related costs and \$4.0 million in lower technology costs.

**Restructuring and Asset Impairments** – Restructuring and asset impairment charges remained flat and decreased \$5.6 million in the third quarter and year-to-date, respectively, from the comparable prior year periods. The year-to-date decrease was due primarily to a gain of \$0.5 million on a lease contract termination in the current year, \$1.5 million in severance costs in the comparable prior year period, and a \$3.5 million intangible asset write-off in the comparable prior year period.

**Operating Income (Loss)** – Operating income was \$23.2 million and \$87.4 million in the third quarter and year-to-date, respectively, as compared to operating income of \$26.9 million and \$83.5 million, respectively, in the comparable prior year periods. The Acquisition contributed \$1.1 million to operating income for the three and nine months ended October 2, 2010.

The third quarter decrease of \$3.7 million was due primarily to higher SG&A costs related to the transaction costs of the Acquisition. The year-to-date increase was due primarily to lower restructuring and impairment charges.

*Other Expense (Income)* – Other expense decreased \$1.9 million and increased \$3.1 in the third quarter and year-to-date, respectively, as compared to comparable prior year periods. The third quarter decrease was due primarily to a foreign exchange impact that negatively affected a non-permanently invested inter-company loan between two subsidiaries in the comparable prior year period, offset in part by a \$1.4 million write-off of financing fees in the current period. The year-to-date increase was due primarily to unfavorable foreign exchange transactions and write-off of financing fees.

*Interest Expense* – Net interest expense increased 3.6% and remained flat in the third quarter and year-to-date, respectively, from the comparable prior year periods. The increase in the third quarter was due primarily to a higher average debt balance resulting from the issuance of the 2018 Notes.

*Income Taxes* – We recorded an income tax provision of \$1.9 million and \$15.1 million in the third quarter and year-to-date, respectively, as compared with an income tax provision of \$0.9 million and a benefit of \$10.7 million, respectively, in the comparable prior year periods. The prior year benefit included favorable reversals of accruals related to uncertain tax positions.

*Net Income attributed to Cott Corporation* – Net income was \$8.3 million or \$0.09 per diluted common share and \$42.1 million or \$0.50 per diluted common share in the third quarter and year-to-date, respectively, as compared to \$13.9 million or

\$0.18 per diluted common share and \$67.5 million or \$0.92 per diluted common share for the respective prior year periods. The 2010 income per share reflects the issuance of 13.3 million shares on August 17, 2010 in connection with the financing of the Acquisition (the "Equity Offering").

### Liquidity and Financial Condition

The following table summarizes our cash flows for the nine months ended October 2, 2010 and September 26, 2009 as reported in our Consolidated Statements of Cash Flows in the accompanying Consolidated Financial Statements:

	For the Nine Months Ended		
(in millions of U.S. dollars)	October 2, 2010	September 26, 2009	
Net cash provided by operating activities	\$ 105.0	\$ 115.2	
Net cash used in investing activities	(539.9)	(17.5)	
Net cash (used in) provided by financing activities	439.0	(94.1)	
Effect of exchange rate changes on cash	0.4	0.7	
Net increase (decrease) in cash & cash equivalents	4.5	4.3	
Cash & cash equivalents, beginning of period	30.9	14.7	
Cash & cash equivalents, end of period	<u>\$ 35.4</u>	\$ 19.0	

### Financial, Capital Resources and Liquidity

As of October 2, 2010, we had a total of \$662.8 million of indebtedness.

We believe that our level of resources, which includes cash on hand, available borrowings under the ABL facility and funds provided by operations, will be adequate to meet our expenses and debt service obligations for the next twelve months. For periods extending beyond twelve months, we believe that our ability to generate cash to meet our expenses and debt service obligations and to otherwise reduce our debt as anticipated will depend primarily on our future performance, including our ability to maintain revenue, retain a substantial amount of volume from our key customers and continue the profitability of our business. If we do not generate sufficient cash from operations or do not have excess debt availability to meet our expenses and debt service obligations or if any of the ABL facility, the 2017 Notes, or the 2018 Notes were to become currently due, either at maturity or as a result of a breach, we may be required to take actions such as amending our ABL facility, the indenture governing our 2017 Notes, or the indenture governing our 2018 Notes, refinancing all or part of our existing debt, selling assets, incurring additional indebtedness or raising equity. If we need to seek additional financing, there is no assurance that this additional financing will be available.

As of October 2, 2010, our total availability under the ABL facility was \$253.4 million, which was based on our borrowing base (accounts receivables, inventory, and fixed assets) as of August 22, 2010 (the August month-end under the terms of the ABL facility), and we had \$50.3 million of ABL borrowings outstanding and \$10.6 million in outstanding letters of credit. As a result, our excess availability under the ABL facility was \$192.5 million. Each month's borrowing base is not effective until submitted to the lenders, which usually occurs on the fifteenth day of the following month.

### **Operating activities**

Cash provided by operating activities year-to-date decreased by \$10.2 million compared to the first nine months of 2009, driven primarily by increased working capital due to a buildup in our accounts receivable and inventory.

### **Investing activities**

Cash used in investing activities year-to-date increased by \$522.4 million compared to the first nine months of 2009, due primarily to payments in connection with the Acquisition of \$507.7 million and an increase in capital expenditures of \$14.2 million.

#### **Financing activities**

Cash provided by financing activities for the first nine months of 2010 was \$439.0 million due primarily to net borrowings under the ABL Facility of \$29.9 million, proceeds of \$375.0 million from the issuance of the 2018 Notes, and \$71.1 million in net proceeds from the Equity Offering. Cash used in financing activities for the first nine months of 2009 was \$94.1 million primarily as the result of payments related to our ABL facility, the repurchase of our 8% senior subordinated notes due in 2011, offset by the receipt of \$47.4 million in net proceeds from the Equity Offering.

### **Off-Balance Sheet Arrangements**

We had no off-balance sheet arrangements as defined under Item 303(a)(4) of Regulation S-K as of October 2, 2010.

### **Contractual Obligations**

The following chart shows the schedule of future payments under certain contracts, including debt agreements and guarantees, as of October 2, 2010:

Payn	nents due by perio	d					
(in millions of US dollars)	Total	2010	2011	2012	2013	2014	Thereafter
8.375% Senior notes due in 2017	\$ 215.0	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 215.0
8.125% Senior notes due in 2018	375.0	_	—	_	_	—	375.0
ABL Facility <sup>1</sup>	50.3	50.3		—	—		
GE Obligation <sup>2</sup>	17.4	4.4	5.5	1.8	1.8	1.8	2.1
Capital leases	5.8	0.1	1.8	0.7	0.7	0.8	1.7
Other long-term debt	2.2	0.1	0.4	0.2	0.2	0.3	1.0
Deferred Consideration	14.0		4.7	4.7	4.6		
Contingent Consideration	54.0		54.0				_
Interest expense <sup>3</sup>	352.0	12.1	48.7	48.6	48.6	48.6	145.4
Operating leases	97.7	5.5	19.4	16.3	11.4	10.1	35.0
Guarantee purchase equipment	6.7	6.7					
Pension obligations	1.1	1.1					_
Purchase obligations <sup>4</sup>	421.6	98.8	133.7	50.3	46.3	44.8	47.7
Total	\$1,612.8	<u>\$179.1</u>	\$268.2	\$122.6	<u>\$113.6</u>	\$106.4	\$ 822.9

<sup>1</sup> The ABL facility is considered a current liability.

<sup>2</sup> We funded new water bottling equipment through an interim financing agreement signed in January 2008 (the "GE Obligation"). At the end of the GE Obligation, we may return \$6.0 million of assets in exchange for the extinguishment of \$6.0 million in debt.

<sup>3</sup> Interest expense includes fixed interest on the 2017 Notes, the 2018 Notes, the GE Obligation, the ABL facility, capital leases and other long-term liabilities. Actual amounts will differ from estimates provided.

<sup>4</sup> Purchase obligations consist of commitments for the purchase of inventory, energy transactions and an information technology outsourcing contract. These obligations represent the minimum contractual obligations expected under the normal course of business.

The contractual obligations table excludes the Company's ASC 740 uncertain tax positions liability of \$13.6 million because the Company cannot make a reliable estimate of the timing of cash payments.

### Debt

#### 8.125% Senior Notes due in 2018

On August 17, 2010, we issued \$375.0 million of senior notes that are due on September 1, 2018 (the "2018 Notes"). The issuer of the 2018 Notes is Cott Beverages Inc., but we and most of our U.S., Canadian and United Kingdom subsidiaries guarantee the 2018 Notes. The interest on the 2018 Notes is payable semi-annually on March 1 st and September 1 st of each year, beginning on March 1, 2011.

We incurred \$8.6 million of financing fees in connection with the 2018 Notes. The financing fees are being amortized using the straightline method over an eight-year period, which represents the duration of the 2018 Notes. The amortization expense calculated under the straightline method does not differ materially from the effective-interest method.

#### Asset Based Lending Facility

On March 31, 2008, we entered into a credit agreement that created an ABL credit facility to provide financing for our North America, United Kingdom and Mexico operating segments. In connection with the Acquisition, we refinanced the ABL facility on August 17, 2010 to, among other things, provide for the Acquisition, the Note Offering and the application of net proceeds therefrom, the Equity Offering and the application of net proceeds therefrom and to increase the amount available for borrowings to \$275.0 million. The Company drew down a portion of indebtedness under that facility in order to fund the Acquisition. We incurred \$5.4 million of financing fees in connection with the refinancing of the ABL facility. The financing fees are being amortized using the straight-line method over a four-year period.

As of October 2, 2010, we had \$50.3 million in borrowings under the ABL facility outstanding. The commitment fee was 0.5% per annum of the unused commitment, which was \$214.1 million as of October 2, 2010.

#### 8% Senior Subordinated Notes due in 2011

The Company repurchased all of the outstanding 8% senior subordinated notes due December 15, 2011 (the "2011 Notes") for \$11.1 million on February 1, 2010, and recorded a loss on buyback of \$0.1 million. The 2011 Notes acquired by the Company have been retired, and we have discontinued the payment of interest.

#### 8.375% Senior Notes due in 2017

On November 13, 2009, we issued \$215.0 million of senior notes that are due on November 15, 2017 (the "2017 Notes"). The 2017 Notes were issued at a \$3.1 million discount. The issuer of the 2017 Notes is Cott Beverages Inc., but we and most of our U.S., Canadian and United Kingdom subsidiaries guarantee the 2017 Notes. The interest on the 2017 Notes is payable semi-annually on May 15 th and November 15 th of each year, beginning on May 15, 2010.

We incurred \$5.1 million of financing fees in connection with the 2017 Notes. The financing fees are being amortized using the straightline method over an eight-year period, which represents the duration of the 2017 Notes. The amortization expense calculated under the straightline method does not differ materially from the effective-interest method.

### **Credit Ratings and Covenant Compliance**

#### Credit Ratings

On August 9, 2010, Moody's assigned a B3 rating to the 2018 Notes and affirmed the B2 corporate family rating and the B3 rating on the 2017 Notes. The rating outlook remains at "stable".

On August 10, 2010 Standard & Poor's assigned a B rating to the 2018 Notes and affirmed the B long-term corporate credit rating. S&P also affirmed the B rating on the 2017 Notes and removed the debt from negative CreditWatch.

#### **Covenant Compliance**

#### 8.125% Senior Notes due in 2018

Under the indenture governing the 2018 Notes, we are subject to a number of covenants, including covenants that limit our and certain of our subsidiaries' ability, subject to certain exceptions and qualifications, to (i) pay dividends or make distributions, repurchase equity securities, prepay subordinated debt or make certain investments, (ii) incur additional debt or issue certain disqualified stock or preferred stock, (iii) create or incur liens on assets securing indebtedness, (iv) merge or consolidate with another company or sell all or substantially all assets taken as a whole, (v) enter into transactions with affiliates and (vi) sell assets. We have been in compliance with all of the covenants under the 2018 Notes.

#### 8.375% Senior Notes due in 2017

Under the indenture governing the 2017 Notes, we are subject to a number of covenants, including covenants that limit our and certain of our subsidiaries' ability, subject to certain exceptions and qualifications, to (i) pay dividends or make distributions, repurchase equity securities, prepay subordinated debt or make certain investments, (ii) incur additional debt or issue certain disqualified stock or preferred stock, (iii) create or incur liens on assets, (iv) merge or consolidate with another company (applies to the Company and the Issuer only) or sell all or substantially all assets taken as a whole, (v) enter into transactions with affiliates and (vi) sell assets. We have been in compliance with all of the covenants under the 2017 Notes.

#### ABL Facility

We and our restricted subsidiaries are subject to a number of business and financial covenants, including a covenant requiring a minimum fixed charge coverage ratio of at least 1.1 to 1.0 effective when and if excess availability is less than \$30.0 million. Our fixed charge coverage ratio as calculated under this covenant as of October 2, 2010 was greater than 1.1 to 1.0. If availability is less than \$37.5 million, the lenders will take dominion over the cash and will apply excess cash to reduce amounts owing under the facility. The credit agreement governing the ABL facility requires us to maintain excess availability of at least \$15.0 million. We were in compliance with all of the applicable covenants under the ABL facility on October 2, 2010.

### **Capital Structure**

Since January 2, 2010, equity has increased by \$122.3 million. The increase was primarily the result of \$71.1 million of proceeds from the Equity Offering and net income of \$42.1 million.

### **Dividend Payments**

No dividend payments were made in the first nine months of 2010 or in fiscal year 2009, and we do not expect to change this policy in the next 12 months as we intend to use cash for future growth and/or debt repayment.

There are certain restrictions on the payment of dividends under our ABL facility, the indenture governing the 2017 Notes, and the indenture governing the 2018 Notes.

#### **Critical Accounting Policies and Estimates**

Critical accounting policies and estimates used to prepare the financial statements are discussed with our Audit Committee as they are implemented and on an annual basis.

On August 17, 2010, the Company acquired Cliffstar for approximately \$569.5 million (see "Item 1. Financial Statements—Note 2. Acquisition").

Approximately \$223.5 million of the purchase price was allocated to the estimated fair value of identifiable intangible assets including customer lists of approximately \$216.9 million and non-competition agreements with certain key employees of Cliffstar of \$6.6 million. The fair value of the customer lists was determined using the present value of the customers projected cash flows. An income approach measures the future economic income that can be attributed to the existing customer relationships over their expected remaining economic lives. This analysis requires the review of the average remaining useful life of each customer relationship and the projected debt-free net cash flow expected to be generated by such relationship over its remaining useful life. The average remaining life of the customer relationship took into consideration a historical attrition analysis based on customer revenue and discussions with the Cliffstar management team. The projected debt-free net cash flows forecast utilizes key assumptions such as forecasted revenue, profitability, tax rate, discount rate and amortization of tax benefit. We used a 2% growth rate in our revenue assumption and a 14% discount rate. Customer lists are finite lived assets subject to annual impairment reviews or more often upon the occurrence of certain events and the assets are amortized over the expected useful lives.

The \$6.6 million allocated to non-competition agreements utilizes an income approach that measures the future economic benefit derived from the protection against the loss in profits and related cash flows as a direct result of the non-competition covenant. A reasonable value can be placed on a non-compete agreement by quantifying the value of a subject party's projected cash flow generation capacity over the term of the non-competition covenant. The cash flow stream, discounted to a present value using a discount rate, represents the value of the non-competition agreement. The assumption used in developing the fair values were revenue, detriment factor, probability of competition, discount rate and amortization of tax benefit. Our detrimental factor of 15% to 25% reflects the most likely competition scenario that the covenanters would join a competition covenant was in place. The discount rate of 14% was derived by allocating the estimate weighted average cost of capital of Cliffstar to the tangible and intangible assets of the business. The non-compete agreements are finite lived asset subject to amortization and are amortized over their expected useful lives.

#### **Forward-looking Statements**

In addition to historical information, this report and the reports and documents incorporated by reference in this report contain statements relating to future events and our future results. These statements are "forward-looking" within the meaning of the Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation and include, but are not limited to, statements that relate to the potential impact the Acquisition will have on the Company. These statements also relate to projections of sales, earnings, earnings per share, cash flows, capital expenditures or other financial items, discussions of estimated future revenue enhancements and cost savings, our business strategy, goals and expectations concerning our market position, future operations, margins, profitability, liquidity and capital resources. Generally, words such as "anticipate", "believe", "continue", "could", "endeavor", "estimate", "expect", "intend", "may", "plan", "predict", "project", "should" and similar terms and phrases are used to identify forward-looking statements in this report and in the documents incorporated in this report by reference. These forward-looking statements are made as of the date of this report.

The forward-looking statements are based on assumptions regarding management's current plans and estimates. While we believe these forward-looking statements are reasonable, any of these assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could be incorrect. Our operations involve risks and uncertainties, many of which are outside of our control, and any one or any combination of these risks and uncertainties could also affect whether the forward-looking statements ultimately prove to be correct.

The following are some of the factors that could affect our financial performance, including but not limited to sales, earnings and cash flows, or could cause actual results to differ materially from estimates contained in or underlying the forward-looking statements:

- our ability to realize the expected benefits of the Acquisition because of integration difficulties and other challenges;
- significant transaction and acquisition-related costs incurred in connection with the Acquisition;
- the effectiveness of Cliffstar's system of internal control over financial reporting;
- the substantial indebtedness we incurred to finance the Acquisition and our ability to service and reduce our debt;
- risks associated with the Asset Purchase Agreement entered into in connection with the Acquisition;
- our ability to compete successfully;
- changes in consumer tastes and preferences for existing products and our ability to develop and timely launch new products that appeal to such changing consumer tastes and preferences;
- loss of or a reduction in business with key customers, particularly Wal-Mart;
- fluctuations in commodity prices and our ability to pass on increased costs to our customers, and the impact of those increased prices on our volumes;
- our ability to maintain favorable arrangements and relationships with our suppliers;
- our ability to manage our operations successfully;
- currency fluctuations that adversely affect the exchange between the U.S. dollar and the British pound sterling, the Euro, the Canadian dollar, the Mexican peso and other currencies;
- our ability to maintain compliance with the covenants and conditions under our debt agreements;
- fluctuations in interest rates;
- credit rating downgrades;
- further deterioration of the capital markets;
- our ability to fully realize the expected cost savings and/or operating efficiencies from our restructuring activities;
- any disruption to production at our beverage concentrates or other manufacturing facilities;
- our ability to protect our intellectual property;
- the impact of regulation and regulatory, investigative and legal actions;
- the impact of proposed taxes on soda and other sugary drinks;
- unseasonably cold or wet weather, which could reduce demand for our beverages;
- the impact of national, regional and global events, including those of a political, economic, business and competitive nature;

- our ability to recruit, retain, and integrate new management and a new management structure;
- our exposure to intangible asset risk;
- volatility of our stock price;
- our ability to maintain compliance with the listing requirements of the New York Stock Exchange;
- our ability to renew our collective bargaining agreements on satisfactory terms; or
- disruptions in our information systems.

For a further list and description of various risks, relevant factors and uncertainties that could cause future results or events to differ materially from those expressed or implied in our forward-looking statements, see the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections contained elsewhere in this document, as well as in our Annual Report on Form 10-K for the fiscal year ended January 2, 2010, any subsequent Reports on Form 10-Q and Form 8-K and other filings with the Securities and Exchange Commission and Canadian securities regulatory authorities. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements.

All forward-looking statements included in this Quarterly Report on Form 10-Q are made only as of the date of this report, and we do not undertake any obligation to publicly update or correct any forward-looking statements to reflect events or circumstances that subsequently occur, or of which we hereafter become aware.

You should read this document completely and with the understanding that our actual future results may be materially different from what we expect. We may not update these forward-looking statements, even if our situation changes in the future. All forward-looking statements attributable to us are expressly qualified in their entirety by these cautionary statements.

### Item 3. Quantitative and Qualitative Disclosures about Market Risk

We do not trade market risk sensitive instruments.

### **Currency Exchange Rate Risk**

The Company's North America operating segment purchases a portion of its inventory for its Canadian operations through transactions denominated and settled in U.S. dollars, a currency different from the functional currency of the Canadian operations. These inventory purchases are subject to exposure from movements in exchange rates. The Company uses foreign exchange forward contracts to hedge operational exposures resulting from changes in these foreign currency exchange rates. The intent of the foreign exchange contracts is to provide predictability in the Company's overall cost structure. These foreign exchange contracts, carried at fair value, have maturities less than one year. As of October 2, 2010, the Company had outstanding foreign exchange forward contracts with notional amounts of \$11.6 million.

#### **Debt Obligations and Interest Rates**

We have exposure to interest rate risk from the outstanding principal amounts of our short-term and long-term debt. Our long-term debt is fixed and our short-term debt is variable. Our short-term ABL facility is vulnerable to fluctuations in the U.S. short-term base rate and the LIBOR rate. At current debt levels as of October 2, 2010, a 100 basis point increase in the current per annum interest rate for our ABL facility would result in \$0.5 million of additional interest expense during the next year. This change would not be material to our cash flows or our results of operations. The weighted average interest rate of our debt outstanding at October 2, 2010 was 7.8%.

### **Commodity Price Risk**

We have no material changes to the disclosure on this matter made in our Annual Report on Form 10-K for the year ended January 2, 2010.

#### Item 4. Controls and Procedures

Our Chief Executive Officer, and our Chief Financial Officer, who are the principal executive officer and principal financial officer, respectively, have evaluated the effectiveness and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15 (e) of the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this quarterly report (the "Evaluation Date"). Based upon such evaluation, they have concluded that, as of the Evaluation Date, our disclosure controls and procedures are functioning effectively.

During August 2010, we completed the first phase of the implementation of a SAP financial accounting system in accordance with our projected timeline. We plan to complete the implementation of the remaining portion of the financial accounting system, as well as other SAP modules over the next 12-18 months. As part of this implementation, we also migrated to a shared services model for our primary global transaction processing functions. As a result of these activities, internal controls related to user security, account structure and hierarchy, system reporting and approval procedures have been, or will be, modified and redesigned to conform with and support the new financial accounting and the new shared services model. Management is currently reviewing and evaluating the design of key controls in the new SAP financial accounting system and the accuracy of the data conversion that is taking place during the implementation and thus far has not uncovered a control deficiency or combination of control deficiencies that management believes meet the definition of a material weakness in internal control over financial reporting.

Management believes that it has taken the necessary steps to monitor and maintain appropriate internal controls during this period of transition and that internal controls are being enhanced by the new financial accounting system. However, management has not completed its testing of the operating effectiveness of all key controls in the new financial accounting system. Therefore, there is a risk that control deficiencies may exist that have not yet been identified and that could constitute, individually or in combination, a material weakness. In addition, the implementation is ongoing and difficulties may still arise as we complete the implementation of the remaining portion of the financial accounting system as well as other SAP modules over the next 12-18 months.

During the third quarter of 2010, Cott acquired substantially all of the assets and liabilities of Cliffstar Corporation and its affiliated companies ("Cliffstar") (See Note 2 – Business Acquisition for additional information). As permitted by Securities and Exchange Commission staff interpretive guidance for newly acquired businesses, management excluded Cliffstar from its interim evaluation of internal controls over financial reporting of Cliffstar and will incorporate Cliffstar into our interim evaluation of internal control over financial reporting within the time period prescribed by the Staff's interpretive guidance and into our annual report on internal control over financial reporting for the 2011 fiscal year. As of October 2, 2010, total assets attributed to Cliffstar represent 41.5% of the Company's consolidated total assets. Revenue attributable to Cliffstar represented 16.3% of the Company's consolidated net sales for the third quarter of 2010.

There have been no other changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are likely to materially affect, our internal control over financial reporting.

### **PART II – OTHER INFORMATION**

### Item 1. Legal Proceedings

Reference is made to the legal proceedings described in our Annual Report on Form 10-K for the fiscal year ended January 2, 2010.

The Company recently received a draft Consent Order and Agreement ("CO&A") from the Pennsylvania Department of Environmental Protection ("PaDEP"), to resolve certain alleged violations in connection with the Company's waste water discharge at the Company's facility in Concordville, Pennsylvania. In that draft CO&A, PaDEP proposed a civil penalty of \$114,624 to resolve the alleged violations. PaDEP has provided the Company with an opportunity to comment on the terms of the CO&A, and the Company intends to do so.

### Item 1A. Risk Factors

Reference is made to the detailed description of risk factors in Item 1A: Risk Factors in our Annual Report on Form 10-K for the fiscal year ended January 2, 2010, as updated by our Form 10-Q for the quarter ended July 3, 2010.

Number Description

- 2.1 Asset Purchase Agreement, dated as of July 7, 2010, by and among the Company, Caroline LLC, a wholly-owned subsidiary of the Company, Cliffstar Corporation, each of the Cliffstar companies named therein, and Stanley Star, solely in his capacity as sellers' representative (incorporated by reference to Exhibit 2.1 to our Form 8-K/A filed July 9, 2010).
- 3.1 Articles of Amalgamation of Cott Corporation (incorporated by reference to Exhibit 3.1 to our Form 10-K dated February 28, 2007).
- 3.2 Second Amended and Restated By-laws of Cott Corporation (incorporated by reference to Exhibit 3.2 to our Form 10-Q filed May 10, 2007).
- 4.1 Indenture dated as of August 17, 2010, governing the 8.125% Senior Notes due 2018, by and among the Issuer, the Company, the guarantors identified therein and HSBC Bank USA, National Association, as trustee (incorporated by reference to Exhibit 4.1 to our Form 8-K filed August 20, 2010).
- 4.2 Form of 8.125% Senior Note due 2018 (included as Exhibit A to Exhibit 4.1, which is incorporated by reference to Exhibit 4.1 to our Form 8-K filed August 20, 2010).
- 4.3 Registration Rights Agreement, dated as of August 17, 2010, among the Issuer, the Company, the guarantors identified therein and Deutsche Bank Securities Inc., as representative to the Initial Purchasers (incorporated by reference to Exhibit 4.3 to our Form 8-K filed August 20, 2010).
- 10.1 Credit Agreement dated as of August 17, 2010 among Cott Corporation, Cott Beverages Inc., Cott Beverages Limited, Cliffstar LLC and the other Loan Parties party thereto, the Lenders party thereto, JPMorgan Chase Bank, N.A., London Branch as UK Security Trustee, JPMorgan Chase Bank, N.A., as Administrative Agent and Administrative Collateral Agent, General Electric Capital Corporation, as Co-Collateral Agent and Bank of America, N.A., as Documentation Agent (filed herewith). <sup>1</sup>
- 10.2 Common Share Option Cancellation and Forfeiture Agreement between Jerry Fowden and Cott Corporation, dated August 9, 2010 (incorporated by reference to Exhibit 10.1 to our Form 8-K filed August 10, 2010).
- 10.3 Stock Appreciation Right Cancellation Agreement between Neal Cravens and Cott Corporation, dated August 10, 2010 (incorporated by reference to Exhibit 10.2 to our Form 8-K filed August 10, 2010).
- 10.4 Form of Restricted Share Unit Award Agreement with Time-Based Vesting under the Company's 2010 Equity Incentive Plan (filed herewith).
- 10.5 Form of Restricted Share Unit Award Agreement with Performance-Based Vesting under the Company's 2010 Equity Incentive Plan (filed herewith).
- 31.1 Certification of the Chief Executive Officer pursuant to section 302 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended October 2, 2010 (filed herewith).
- 31.2 Certification of the Chief Financial Officer pursuant to section 302 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended October 2, 2010 (filed herewith).
- 32.1 Certification of the Chief Executive Officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended October 2, 2010 (furnished herewith).
- 32.2 Certification of the Chief Financial Officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended October 2, 2010 (furnished herewith).
- Document is subject to a request for confidential treatment.

### SIGNATURES

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

COTT CORPORATION (Registrant)

Date: November 10, 2010

Date: November 10, 2010

<u>/s/Neal Cravens</u> Neal Cravens Chief Financial Officer (On behalf of the Company)

<u>/s/ Gregory Leiter</u> Gregory Leiter Senior Vice President, Corporate Controller (Principal accounting officer)

#### **Exhibit Index**

Number Description

- 2.1 Asset Purchase Agreement, dated as of July 7, 2010, by and among the Company, Caroline LLC, a wholly-owned subsidiary of the Company, Cliffstar Corporation, each of the Cliffstar companies named therein, and Stanley Star, solely in his capacity as sellers' representative (incorporated by reference to Exhibit 2.1 to our Form 8-K/A filed July 9, 2010).
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- 32.2 Certification of the Chief Financial Officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended October 2, 2010 (furnished herewith).
- Document is subject to a request for confidential treatment.

### Exhibit 10.1

#### **Execution Version**

\*\*\* Indicates a portion of the exhibit has been omitted based on a request for confidential treatment submitted to the Securities and Exchange Commission. The omitted portions have been filed separately with the Commission.



CREDIT AGREEMENT

dated as of

August 17, 2010

among

COTT CORPORATION CORPORATION COTT, COTT BEVERAGES INC., COTT BEVERAGES LIMITED, and CLIFFSTAR LLC, as Borrowers

The Other Loan Parties Party Hereto

The Lenders Party Hereto

JPMORGAN CHASE BANK, N.A., LONDON BRANCH, as UK Security Trustee,

JPMORGAN CHASE BANK, N.A., as Administrative Agent and Administrative Collateral Agent,

GENERAL ELECTRIC CAPITAL CORPORATION, as Co-Collateral Agent, and

BANK OF AMERICA, N.A., as Documentation Agent

J.P. MORGAN SECURITIES INC., as Joint Bookrunner and Joint Lead Arranger

DEUTSCHE BANK SECURITIES INC., as Joint Bookrunner and Joint Lead Arranger

CHASE BUSINESS CREDIT

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#### **ANNEX:**

Annex A - Effective Date Organizational Chart

CREDIT AGREEMENT dated as of August 17, 2010 (as it may be amended, restated, supplemented or modified from time to time, this "<u>Agreement</u>"), among COTT CORPORATION CORPORATION COTT, a corporation organized under the laws of Canada, COTT BEVERAGES INC., a Georgia corporation, CLIFFSTAR LLC, a Delaware limited liability company, and COTT BEVERAGES LIMITED, a company organized under the laws of England and Wales, as Borrowers, the other Loan Parties party hereto, the Lenders party hereto, JPMORGAN CHASE BANK, N.A., LONDON BRANCH, as UK Security Trustee, JPMORGAN CHASE BANK, N.A., as Administrative Agent and Administrative Collateral Agent, and GENERAL ELECTRIC CAPITAL CORPORATION, as Co-Collateral Agent.

The parties hereto agree as follows:

### **ARTICLE I**

### **Definitions**

Section 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"<u>2009 Indenture</u>" means the Indenture, dated as of November 13, 2009, among Cott Beverages, the guarantors from time to time party thereto, and HSBC Bank USA, National Association, as trustee.

" 2009 Note Documents" means the 2009 Indenture, the 2009 Notes and all documents relating thereto or executed in connection therewith.

"2009 Notes" means the \$215,000,000 in original principal amount of Cott Beverages 8.375% Senior Notes due 2017 issued under the 2009 Indenture.

"2010 Indenture" means the Indenture, dated as of August 17, 2010, among Cott Beverages, the guarantors from time to time party thereto, and HSBC Bank USA, National Association, as trustee.

" 2010 Note Documents" means the 2010 Indenture, the 2010 Notes and all documents relating thereto or executed in connection therewith.

"2010 Notes" means the \$ 375,000,000 in original principal amount of Cott Beverages 8.125 % Senior Notes due 2018 issued under the 2010 Indenture.

"<u>ABR</u>", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"<u>Account</u>" (a) in the case of the U.S. Co-Borrowers, any Loan Party organized under applicable laws of the United States, any state thereof or the District of Columbia, the Company, or any Loan Party organized under applicable laws of Canada or any province thereof, has the meaning assigned to such term in the U.S. Security Agreement and (b) in the case of the UK Borrower or any Loan Party organized under applicable law of the United Kingdom, has the meaning assigned to such term in the UK Security Agreement.

"Account Debtor" means any Person obligated on an Account.

"<u>Acquisition Consideration</u>" means the purchase consideration paid for any Permitted Acquisition, whether paid in cash, properties, assumption of Indebtedness or otherwise and whether payable at or prior to the consummation of such Permitted Acquisition or deferred for payment at any time in the future, whether or not such future payment is subject to the occurrence of any contingency, and includes any and all payments representing "earn-outs" and other agreements to make any payment the amount of which, or the terms of payment of which are, in any respect subject to, or contingent upon, the revenues, income, cash flow or profits of any Person, business or operating division.

"<u>Adjusted LIBO Rate</u>" means, with respect to any Eurodollar Borrowing for any Interest Period or for the purpose of calculating the Alternate Base Rate, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the LIBO Rate for such Interest Period <u>multiplied</u> by (b) the Statutory Reserve Rate <u>plus</u> (c) without duplication of any increase in interest rate attributable to the Statutory Reserve Rate pursuant to the foregoing clause (b) and to the extent actually incurred by any Lender in connection with any extension of credit hereunder, the Mandatory Cost.

"Administrative Agent" means JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Lenders hereunder.

"<u>Administrative Collateral Agent</u>" means JPMorgan Chase Bank, N.A., in its capacity as administrative collateral agent for the holders of the Secured Obligations.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"<u>Affiliate</u>" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"<u>Agents</u>" means the Administrative Agent, the Administrative Collateral Agent, the Co-Collateral Agent, the Disbursement Agent and the UK Security Trustee.

"<u>Aggregate Availability</u>" means, with respect to all the Borrowers, at any time, an amount equal to (a) the lesser of (i) the aggregate Commitments of all Lenders and (ii) the Aggregate Borrowing Base <u>minus</u> (b) the aggregate Revolving Exposure of all Lenders.

"<u>Aggregate Borrowing Base</u>" means the aggregate of the Borrowing Bases of all of the Borrowers; <u>provided</u> that (i) the maximum amount of the Borrowing Base of the Company which may be included as part of the Aggregate Borrowing Base is the Canadian Sublimit; (ii) the maximum amount of the Borrowing Base of the UK Borrower which may be included as part of the Aggregate Borrowing Base is the UK Sublimit and (iii) the maximum amount of Inventory of all Borrowers which may be included as part of the Aggregate Borrowing Base is \$150,000,000.

"<u>Aggregate Borrowing Base Certificate</u>" means a certificate, signed and certified as accurate and complete by a Financial Officer of the Borrower Representative, in substantially the form of <u>Exhibit B-2</u> or another form which is acceptable to each Collateral Agent in its sole discretion.

"<u>Aggregate Credit Exposure</u>" means, at any time, the aggregate Credit Exposure of all the Lenders.

"<u>Alternate Base Rate</u>" shall mean, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1% and (c) the Adjusted LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the rate appearing on the Reuters Screen LIBOR01 Page (or on any successor or substitute page) at approximately 11:00 a.m. London time on such day (without any rounding). Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate, respectively.

"<u>Alternate Rate</u>" means, for any day, the sum of (a) a rate per annum selected by the Administrative Agent, from whatever source it may reasonably select, as that which expresses as a percentage per annum the cost of funding participations in Eurodollar Borrowings, *plus* (b) the Applicable Rate for Eurodollar Loans, *plus* (c) the Mandatory Cost. When used in reference to any Loan or Borrowing, "Alternate Rate" refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Rate.

"<u>Amortization Commencement Date</u>" means the later of (a) March 31, 2011, and (b) the date that is 180 days after the date the Borrowers satisfy the post-closing requirements set forth in items 1, 2 and 3 on <u>Schedule 5.15</u>.

"<u>APA</u>" means that certain Asset Purchase Agreement, dated as of July 7, 2010, by and among the Company, Caroline, Cliffstar Corporation, the Subsidiaries of Cliffstar Corporation party thereto (together with Target, the "<u>Cliffstar Companies</u>"), and Stanley A. Star, solely in his capacity as Sellers' Representative.

"<u>Applicable Commitment Fee Rate</u>" means, for any day, with respect to the commitment fees payable hereunder, the rate per annum set forth below under the caption "Commitment Fee Rate", based upon the Average Utilization during the preceding calendar month, <u>provided</u> that until August 31, 2010, the "Applicable Commitment Fee Rate" shall be the applicable rate per annum set forth below in Category 1:

	Commitment Fee		
Average Utilization	Rate		
Category 1	0.50%		
Average Utilization $\leq 50\%$			
Category 2	0.375%		
Average Utilization $> 50\%$			

For purposes of the foregoing, (a) the Applicable Commitment Fee Rate shall be determined as of the end of each calendar month and (b) each change in the Applicable Commitment Fee Rate resulting from a change in the Average Utilization on the last day of any calendar month shall be effective upon the first day of the succeeding calendar month, <u>provided</u> that the Average Utilization shall be deemed to be in Category 1 at any time that an Event of Default has occurred and is continuing.

"<u>Applicable Percentage</u>" means, with respect to any Lender, (a) with respect to Revolving Loans, LC Exposure, Swingline Loans or Overadvances, a percentage equal to a fraction the numerator of which is such Lender's Commitment and the denominator of which is the aggregate Commitments of all Lenders (if the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon such Lender's share of the aggregate Revolving Exposures at that time); <u>provided</u> that in case of Section 2.21, when a Defaulting Lender shall exist, any such Defaulting Lender's Revolving Commitment shall be disregarded in the calculation and (b) with respect to Protective Advances or with respect to the Aggregate Credit Exposure, a percentage based upon its share of the Aggregate Credit Exposure and the aggregate unused Commitments of all Lenders; <u>provided</u> that in case of Section 2.21, when a Defaulting Lender shall exist, any such Defaulting Lender's Revolving Commitment shall be disregarded in the calculation Lender shall exist, any such Defaulting Lender's Revolving Commitment shall be disregarded in the calculation and (b) with

"<u>Applicable Rate</u>" means, for any day, with respect to any ABR Loan, Canadian Prime Loan, Eurodollar Loan, CDOR Loan, or Overnight LIBO Loan, as the case may be, the applicable rate per annum set forth below under the caption "ABR Spread", "Canadian Prime Spread", "Eurodollar Spread", "CDOR Spread" or "Overnight LIBO Spread", as the case may be, based upon the Borrowers' Average Aggregate Availability during the most recent fiscal quarter of the Borrowers.

	Canadian			Overnight	
			Eurodollar	CDOR	-
	ABR	Prime			LIBO
Average Aggregate Availability	Spread	Spread	Spread	Spread	Spread
Category 1					
> \$150,000,000	1.50%	1.50%	2.50%	2.50%	2.50%
Category 2					
$\leq$ \$150,000,000 but					
> \$75,000,000	1.75%	1.75%	2.75%	2.75%	2.75%
Category 3					
≤ \$75,000,000	2.00%	2.00%	3.00%	3.00%	3.00%

For purposes of the foregoing, (a) the Applicable Rate shall be determined as of the end of each fiscal quarter of the Borrowers based upon the Borrowers' Aggregate Borrowing Base Certificates delivered from time to time pursuant to Section 5.01 and outstanding during such fiscal quarter, (b) each change in the Applicable Rate resulting from a change in the Borrowers' Average Aggregate Availability shall be effective on the first day of the next fiscal quarter, <u>provided</u> that the Average Aggregate Availability for purposes of determining the Applicable Rate shall be deemed to be in Category 3 (A) at any time that an Event of Default has occurred and is continuing or (B) at the option of the Administrative Agent or at the request of the Required Lenders if the Borrowers fail to deliver the Borrowing Base Certificates are delivered and (c) prior to February 17, 2011, the interest rate spreads set forth in Category 1 above shall not be available to the Borrowers and, accordingly, until such date, Category 2 interest rate spreads shall apply in the event that the Average Aggregate Availability is greater than \$75,000,000 during such period.

"Approved Fund" has the meaning assigned to such term in Section 9.04.

"<u>Assignment and Assumption</u>" means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of <u>Exhibit A</u> or any other form approved by the Administrative Agent.

"<u>Availability Period</u>" means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

"<u>Available Commitment</u>" means, at any time, the aggregate Commitments then in effect <u>minus</u> the Revolving Exposure of all Lenders at such time.

"<u>Average Aggregate Availability</u>" means, for any fiscal quarter, the average daily Aggregate Availability for such fiscal quarter. Average Aggregate Availability shall be calculated by the Administrative Agent and such calculations shall be presumed to be correct, absent manifest error.

"<u>Average Utilization</u>" means, for any period, the average total daily Revolving Exposure of all Lenders during such period. Average Utilization shall be calculated by the Administrative Agent and such calculations shall be presumed to be correct, absent manifest error.

"<u>Banking Services</u>" means each and any of the following bank services provided to any Loan Party by any Lender or any of its Affiliates: (a) commercial credit cards, (b) stored value cards and (c) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

"<u>Banking Services Obligations</u>" of the Loan Parties means any and all obligations of the Loan Parties, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

"<u>Banking Services Reserves</u>" means all Reserves which the Administrative Agent from time to time establishes in its Permitted Discretion for Banking Services then provided or outstanding.

"Bankruptcy Code "means the provisions of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq.

"BCB International" means BCB International Holdings, a company organized under the laws of the Cayman Islands.

"BCB European" means BCB European Holdings, a company organized under the laws of the Cayman Islands.

"Board " means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" or "Borrowers" means, individually or collectively, the Company, Cott Beverages, Cliffstar LLC, and the UK Borrower.

"<u>Borrower Representative</u>" means the Company, in its capacity as contractual representative of the Borrowers pursuant to Article XI.

"<u>Borrowing</u>" means (a) Revolving Loans of the same Type and currency, made, converted or continued on the same date and, in the case of Eurodollar Loans and CDOR Loans, as to which a single Interest Period is in effect, (b) a Swingline Loan, (c) a Protective Advance and (d) an Overadvance.

"Borrowing Base" means, at any time, with respect to each Borrower, the sum of (a) 85% of such Borrower's Eligible Accounts at such time, <u>plus</u> (b) the lesser of (i) 65% of such Borrower's Eligible Inventory (or, in the case Eligible Inventory comprised of finished goods of Cliffstar LLC, 75%), valued at the lower of cost or market value, determined on a first-in-first-out basis, at such time and (ii) the product of 85% <u>multiplied by</u> the Net Orderly Liquidation Value percentage identified in the most recent inventory appraisal ordered by the Administrative Agent <u>multiplied by</u> such Borrower's Eligible Inventory, valued at the lower of cost or market value, determined on a first-in-first-out basis, at such time, <u>minus</u> (c) Reserves related to such Borrower, <u>plus</u> (d) such Borrower's PP&E Component, <u>minus</u> (e) the Earnout Reserve. The maximum amount of Eligible Inventory which may be included as part of any Borrowing Base is \$150,000,000 <u>minus</u>, the amount of Eligible Inventory which is included in any other Borrowing Base. Either Collateral Agent may, in its Permitted Discretion, adjust Reserves or reduce one or more of the other elements used in computing the Borrowing Base or, after the occurrence and during the continuation of an Event of Default, reduce the advance rates set forth above.

"<u>Borrowing Base Certificate</u>" means a certificate, signed and certified as accurate and complete by a Financial Officer of the Borrower Representative, in substantially the form of <u>Exhibit B-1</u> or another form which is acceptable to each Collateral Agent in its sole discretion.

"<u>Borrowing Base Reporting Trigger Level</u>" means, at any time, the lesser of (i) 17.5% of the Aggregate Borrowing Base at such time and (ii) \$52,500,000.

"<u>Borrowing Request</u>" means a request by the Borrower Representative for a Revolving Borrowing in accordance with Section 2.02, substantially in the form of Exhibit E hereto.

"<u>Business Day</u>" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City or Toronto are authorized or required by law to remain closed; <u>provided</u> that, (a) when used in connection with a UK Swingline Loan or a Eurodollar Loan denominated in dollars or Sterling, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar (or, as the case may be, Sterling) deposits in the London interbank market and (b) when used in connection with a UK Swingline Loan or a Eurodollar Loan denominated in Euros, the term "Business Day" shall also exclude any day which is not a Target Day (as determined by the Administrative Agent).

"<u>Canadian Benefit Plans</u>" means any material plan, fund, program, or policy, whether oral or written, formal or informal, funded or unfunded, insured or uninsured, maintained by a Loan Party or any Subsidiary of any Loan Party, providing employee benefits, including medical, hospital care, dental, sickness, accident, disability, life insurance, pension, retirement, savings or other benefits, under which any Loan Party or any of its Restricted Subsidiaries has any liability with respect to any Canadian employee or former employee, but excluding any Canadian Pension Plans.

"Canadian Dollars" or "Cdn \$" refers to the lawful currency of Canada.

"<u>Canadian Issuing Bank</u>" means JPMorgan Chase Bank, N.A., Toronto Branch, in its capacity of the issuer of Letters of Credit for the account of the Company hereunder, and its successors in such capacity as provided in Section 2.06(i). The Canadian Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of the Canadian Issuing Bank, in which case the term "Canadian Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"<u>Canadian Letter of Credit Exposure</u>" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit issued by the Canadian Issuing Bank at such time for the account of the Canadian Borrower plus (b) the aggregate amount of all LC Disbursements of the Canadian Issuing Bank that have not yet been reimbursed by or on behalf of the Canadian Borrower at such time. The Canadian Letter of Credit Exposure of any Lender at any time shall be its Applicable Percentage of the total Canadian Letter of Credit Exposure at such time.

"Canadian Overadvance" means an Overadvance made to or for the account of the Company pursuant to Section 2.05.

"<u>Canadian Pension Plans</u>" means each pension plan required to be registered under Canadian federal or provincial pension benefits standards law that is maintained by a Loan Party or any Subsidiary of any Loan Party for its Canadian employees or former Canadian employees.

"<u>Canadian Prime</u>", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Canadian Prime Rate.

"<u>Canadian Prime Rate</u>" means, for any period, the rate per annum determined by the Disbursement Agent to be the greater of (i) the rate of interest per annum most recently announced or established by JPMorgan Chase Bank, N.A., Toronto Branch as its reference rate in effect on such day for determining interest rates for Canadian Dollar denominated commercial loans in Canada and commonly known as "prime rate" (or its equivalent or analogous such rate), such rate not being intended to be the lowest rate of interest charged by JPMorgan Chase Bank, N.A., Toronto Branch and (ii) the sum of (a) the yearly interest rate to which the one-month CDOR Rate is equivalent plus (b) one percent (1.0%).

"Canadian Protective Advance" means a Protective Advance made to or for the account of the Company pursuant to Section 2.04.

"<u>Canadian Revolving Exposure</u>" means, with respect to any Lender at any time, the sum of (a) the outstanding principal amount of such Lender's Canadian Revolving Loans and its Canadian Letter of Credit Exposure and an amount equal to its Applicable Percentage of the aggregate principal amount of Canadian Swingline Loans outstanding at such time, <u>plus</u> (b) an amount equal to its Applicable Percentage of the aggregate principal amount of Canadian Overadvances outstanding at such time.

"Canadian Revolving Loan" means a Revolving Loan made to the Company.

"<u>Canadian Security Agreement</u>" means that certain Canadian Pledge and Security Agreement, dated as of the date hereof, between the Loan Parties party thereto and the Administrative Collateral Agent, for the benefit of the Administrative Collateral Agent and the Lenders, and any other pledge or security agreement entered into, after the date of this Agreement by any other Loan Party (as required by this Agreement or any other Loan Document for the purpose of creating a Lien on the property of any Loan Party organized in Canada (or any other property located therein)), or any other Person, as the same may be amended, restated or otherwise modified from time to time.

"Canadian Sublimit" means \$40,000,000.

"Canadian Swingline Lender" means JPMorgan Chase Bank, N.A., Toronto Branch, in its capacity as lender of Canadian Swingline Loans hereunder.

"Canadian Swingline Loan" has the meaning assigned to such term in Section 2.05(a)(ii).

"<u>Canadian Union Plans</u>" means any pension and other benefit plans which are not required to be maintained by any Loan Party or any Subsidiary of any Loan Party but to which a Loan Party or Subsidiary of a Loan Party is required to contribute pursuant to a collective agreement for its Canadian employees or former Canadian employees or pursuant to a participation agreement for Canadian employees or former Canadian employees.

"<u>Capital Expenditures</u>" means, without duplication, any expenditure or commitment to expend money for any purchase or other acquisition of any asset which would be classified as a fixed or capital asset on a consolidated balance sheet of the Company and its Subsidiaries prepared in accordance with GAAP.

"<u>Capital Lease Obligations</u>" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Caroline "means Caroline LLC, a Delaware limited liability company.

"<u>Cash Management Transition Period</u>" means the period during which Cliffstar LLC is causing Chase to become its principal depository bank in accordance with Section 5.12.

"CDOR" when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the CDOR Rate.

"<u>CDOR Rate</u>" means, for the relevant Interest Period, the Canadian deposit offered rate which, in turn means on any day the sum of (a) the annual rate of interest determined with reference to the arithmetic average of the discount rate quotations of all institutions listed in respect of the relevant Interest Period for Canadian Dollar-denominated bankers' acceptances displayed and identified as such on the "Reuters Screen CDOR Page" as defined in the International Swap Dealer Association, Inc. definitions, as modified and amended from time to time, as of 10:00 a.m., Toronto time, on such day and, if such day is not a Business Day, then on the immediately preceding Business Day (as adjusted by the Disbursement Agent after 10:00 a.m. Toronto time to reflect any error in the posted rate of interest) plus (b) 0.10% per annum; <u>provided</u> that if such rates are not available on the Reuters Screen CDOR Page on any particular day, then the Canadian deposit offered rate component of such rate on that day shall be calculated as the cost of funds quoted by the Disbursement Agent to raise Canadian dollars for the applicable Interest Period as of 10:00 a.m., Toronto time, on such day for commercial loans or other extensions of credit to businesses of comparable credit risk; or if such day is not a Business Day, then as quoted by the Disbursement Agent on the immediately preceding Business Day.

"Change in Control" means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof), of Equity Interests representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Company; (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Company by Persons who were neither (i) nominated by the board of directors of the Company nor (ii) appointed by directors so nominated; (c) the Company shall cease to own, directly or indirectly, free and clear of all Liens or other encumbrances (other than Liens created pursuant to any Loan Document), all of the outstanding voting Equity Interests of the other Borrowers on a fully diluted basis; or (d) there shall have occurred under the 2009 Indenture, the 2010 Indenture or any other indenture or other agreement evidencing any Material Indebtedness any "change in control" or similar term (as defined in the 2009 Indenture, the 2010 Indenture or any other indenture or any other indenture or other agreement governing or relating to, or instrument evidencing, Material Indebtedness).

"<u>Change in Law</u>" means (a) the adoption, implementation, abolition, withdrawal or variation of any law, rule, regulation, practice or concession after the date of this Agreement, (b) any change in any law, rule, regulation, practice or concession or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender or any Issuing Bank (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender's or such Issuing Bank's holding company, if any) with any request, guideline, directive, notice, ruling, statement of policy or practice statement (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

"Chase" means JPMorgan Chase Bank, N.A., a national banking association, in its individual capacity, and its successors.

"Class", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans, Swingline Loans, Protective Advances or Overadvances.

"<u>Cliffstar Acquisition</u>" means the acquisition of substantially all of the assets of the Cliffstar Companies by Cott Acquisition LLC (an indirect wholly-owned subsidiary selected by the Company pursuant to Section 10.06 of the APA), pursuant to, and on the terms and conditions set forth in, the APA.

"Cliffstar Companies" has the meaning assigned to such term in the definition of "APA".

"Cliffstar Corporation" means Cliffstar Corporation, a Delaware corporation.

"<u>Cliffstar Deposit Accounts</u>" means the following deposit accounts maintained at Harris Bank, N.A.: (i) account number [\*\*\*] (the lockbox account), (ii) account number [\*\*\*] (the main account), (iii) account number [\*\*\*] (the disbursement account), (iv) account number [\*\*\*] (the Shanstar Biotech account) and (v) each additional account opened by Cliffstar LLC at Harris Bank, N.A. (including each replacement account for any o the foregoing). [Account numbers redacted]

- "Cliffstar LLC, a Delaware limited liability company.
- "Co-Collateral Agent" means General Electric Capital Corporation, in its capacity as co-collateral agent hereunder.
- "Code" means the Internal Revenue Code of 1986, as amended from time to time.

"<u>Collateral</u>" means any and all property owned, leased or operated by a Person covered by the Collateral Documents and any and all other property of any Loan Party, now existing or hereafter acquired, that may at any time be or become subject to a security interest or Lien in favor of the Administrative Collateral Agent, on behalf of itself and the Lenders, or the UK Security Trustee, to secure the Secured Obligations.

"<u>Collateral Access Agreement</u>" (a) in the case of the U.S. Co-Borrowers and any Loan Party organized under applicable law of any state of the United States, has the meaning assigned to such term in the U.S. Security Agreement, (b) in the case of the Company or any Loan Party organized under applicable law of any province of Canada, has the meaning assigned to such term in the Canadian Security Agreement and (c) in the case of the UK Borrower or any Loan Party organized under applicable law of the UK Borrower or any Loan Party organized under applicable law of the UK Borrower or any Loan Party organized under applicable law of the UK Borrower or any Loan Party organized under applicable law of the UK Borrower or any Loan Party organized under applicable law of the UK Borrower or any Loan Party organized under applicable law of the UK Borrower or any Loan Party organized under applicable law of the UK Borrower or any Loan Party organized under applicable law of the UK Borrower or any Loan Party organized under applicable law of the UK Borrower or any Loan Party organized under applicable law of the UK Borrower or any Loan Party organized under applicable law of the UN Kingdom, has the meaning assigned to such term in the UK Security Agreement.

"<u>Collateral Agent</u>" means any of the Administrative Collateral Agent and the Co-Collateral Agent, and "Collateral Agents" means the collective reference to each Collateral Agent. Notwithstanding anything to the contrary contained herein or in any other Loan Document, any reference to a single Collateral Agent in this Agreement or in any other Loan Document shall be a reference to the Administrative Collateral Agent.

"<u>Collateral Documents</u>" means, collectively, each Security Agreement, the Mortgages and any other documents granting a Lien upon the Collateral as security for payment of the Secured Obligations.

"<u>Collection Account</u>" (a) with respect to the U.S. Co-Borrowers and any Loan Party organized under applicable laws of the United States, any state thereof or the District of Columbia, has the meaning assigned to such term in the U.S. Security Agreement, (b) with respect to the Company or any Loan Party organized under applicable laws of Canada or any province thereof, has the meaning assigned to such term in the Canadian Security Agreement and (c) with respect to the UK Borrower or any Loan Party organized under applicable law of the United Kingdom, has the meaning assigned to such term in the UK Security Agreement.

"<u>Commitment</u>" means, with respect to each Lender, the commitment, if any, of such Lender to make Revolving Loans and to acquire participations in Letters of Credit, Overadvances, Protective Advances and Swingline Loans hereunder, expressed as an amount representing the maximum possible aggregate amount of such Lender's Revolving Exposure hereunder, as such commitment may be reduced or increased from time to time pursuant to (a) Section 2.09 and (b) assignments by or to such Lender pursuant to Section 9.04. The amount of each Lender's Commitment as of the Effective Date is set forth on the Commitment Schedule, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable. The aggregate amount of the Lenders' Commitments as of the Effective Date is \$275,000,000.

"Commitment Schedule," means the Schedule attached hereto identified as such.

"Company" means Cott Corporation Corporation Cott, a corporation organized under the laws of Canada.

"<u>Control</u>" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "<u>Controlling</u>" and "<u>Controlled</u>" have meanings correlative thereto.

" Cott Acquisition LLC" means Cott Acquisition LLC, a Delaware limited liability company.

"Cott Beverages" means Cott Beverages Inc., a Georgia corporation.

"Cott Embotelladores" means Cott Embotelladores de Mexico, S.A. de C.V.

"<u>Cott Mexican Group</u>" means Mexico Bottling Services, S.A. de C.V., AD Personales, S.A. de C.V., Servicios Gerenciales de Mexico, S.A. de C.V., Cott Embotelladores and Cott Maquinaria y Equipo, S.A. de C.V., and any Subsidiary of any of the foregoing formed after the date hereof under the laws of Mexico in conformity with the terms of this Agreement, but excluding any Unrestricted Subsidiaries of the foregoing.

"CRA" means Canada Revenue Agency.

"Credit Exposure" means, as to any Lender at any time, the sum of (a) such Lender's Revolving Exposure at such time, <u>plus</u> (b) an amount equal to its Applicable Percentage, if any, of the aggregate principal amount of Protective Advances outstanding at such time.

"Customer List" means a customer list for each Borrower, which list shall state the customer's name, physical mailing address and phone number and shall be certified as true and correct by a Financial Officer of the Borrower Representative.

"<u>Default</u>" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Defaulting Lender" means any Lender, as determined by the Administrative Agent, that has (a) failed to fund any portion of its Loans or participations in Letters of Credit or Swingline Loans within three Business Days of the date required to be funded by it hereunder, unless the conditions to such Loans or participations in Letters of Credit or Swingline Loans are the subject of a good faith dispute, (b) notified the Company, the Administrative Agent, any Issuing Bank, any Swingline Lender or any Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement or, except in any case where there is a bona fide dispute as to whether such Lender has an enforceable funding obligation, under other agreements in which it commits to extend credit, (c) failed, within three Business Days after written request by the Administrative Agent, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans, (d) otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within three Business Days of the date when due, unless the subject of a good faith dispute, or (e) (i) become or is insolvent or has a parent company that has become or is insolvent or (ii) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment.

"<u>Deposit Account Control Agreement</u>" has the meaning assigned to such term in the U.S. Security Agreement or the Canadian Security Agreement, as applicable.

"Disbursement Agent" means (a) in the case of UK Revolving Loans denominated in Euros or Sterling, UK Swingline Loans, UK Overadvances, UK Protective Advances, repayment of UK Revolving Loans denominated in Euros or Sterling, repayment of UK Swingline Loans, repayment of UK Overadvances, the repayment of UK Protective Advances, the issuance of any Letter of Credit by the UK Issuing Bank, determination of Mandatory Costs, determination of interest rates, fees and costs pursuant to Sections 2.12 through 2.17 to the extent relating to UK Revolving Loans, UK Overadvances, UK Protective Advances or UK Letters of Credit, JPMorgan Chase Bank, N.A., London Branch, (b) in the case of Canadian Revolving Loans, Canadian Swingline Loans, Canadian Overadvances, Canadian Protective Advances, repayment of Canadian Revolving Loans, repayment of Canadian

Swingline Loans, repayment of Canadian Overadvances, repayment of Canadian Protective Advances, the issuance of any Letter of Credit by the Canadian Issuing Bank, determination of interest rates, fees and costs pursuant to Sections 2.12 through 2.17 to the extent relating to Canadian Revolving Loans, Canadian Overadvances, Canadian Protective Advances or Canadian Letters of Credit, JPMorgan Chase Bank, N.A., Toronto Branch, and (c) otherwise, the Administrative Agent.

"<u>Disclosed Matters</u>" means the actions, suits and proceedings and the environmental matters set forth in a letter delivered to the Administrative Agent dated August 13, 2010 and made available to the Lenders.

"<u>Disqualified Equity Interests</u>" means all Equity Interests which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to August 17, 2015, (b) is convertible into or exchangeable for (i) debt securities or (ii) any Equity Interests referred to in (a) above, in each case at any time on or prior to August 17, 2015, or (c) contains any repurchase obligation which may come into effect prior to payment in full of all Obligations.

"<u>Disqualified Payables</u>" means (i) trade payables of a U.S. Co-Borrower which have been unpaid for more than 60 days after the due date thereof and (ii) trade payables of the U.K. Borrower and the Canadian Borrower which remain unpaid for a period in excess of the historic payables practice of such Borrower, in each case, as determined by the Agent in its Permitted Discretion and excluding trade payables being contested or disputed by the Borrower in good faith.

"Document" has the meaning assigned to such term in the U.S. Security Agreement.

"<u>Dollar Equivalent</u>" of any amount means, at the time of determination thereof, (a) if such amount is expressed in dollars, such amount and (b) if such amount is expressed in Canadian Dollars, Euros, Sterling or any other currency, the amount of dollars that would be required to purchase the amount of such currency based upon the Spot Selling Rate as of such date of determination.

"dollars" or "§" refers to the lawful currency of the United States of America.

"Earnout" means the "Earnout Amount" as defined in the APA.

"<u>Earnout Reserve</u>" means a reserve initially established by the Administrative Agent on January 1, 2011 equal to \$7,860,000, which reserve shall be increased on the first day of each calendar month from February 1, 2011 through June 1, 2011 by an additional \$7,860,000 for each calendar month and on July 1, 2011 by an additional \$7,840,000, up to a maximum

reserve of \$55,000,000; <u>provided</u> that such reserve may be reduced with the consent of the Administrative Agent, in its sole discretion, only to reflect any adjustment in the Earnout that the Administrative Agent determines is appropriate for the purposes of this Agreement; <u>provided further</u> that upon the payment in full of the Earnout pursuant to the APA, the "Earnout Reserve" shall be permanently reduced to \$0.

"EBITDA" means, for any period, Net Income for such period plus, without duplication of amounts otherwise included in Net Income for such period, cash received from [\*\*\*] during such period plus (a) without duplication and to the extent deducted in determining Net Income for such period, the sum of (i) Interest Expense for such period (net of interest income for such period and excluding Interest Income recorded by [\*\*\*] for such period), (ii) income tax expense for such period (excluding income tax expense recorded by [\*\*\*] for such period), (iii) all amounts attributable to depreciation and amortization expense for such period (excluding amounts attributable to depreciation and amortization expense recorded by [\*\*\*] for such period), (iv) any one time or extraordinary non-cash charges for such period (excluding any non-cash charge that relates to the write-down or write-off of inventory and any one time or extraordinary non-cash charges recorded by [\*\*\*] for such period), (v) any other non-cash charges for such period (excluding any non-cash charge that relates to the write-down or write-off of inventory and any non-cash charges recorded by [\*\*\*] for such period), (vi) non-cash stock compensation expenses (excluding any non-cash stock compensation expenses recorded by [\*\*\*] for such period) and (vii) any non-capitalized fees and expenses (including legal, accounting and financing costs) incurred in connection with the Transaction in an aggregate amount not to exceed \$8,700,000, *minus* (b) without duplication and to the extent included in Net Income, (i) any cash payments made during such period in respect of non-cash charges described in clauses (a)(iv) and (a)(v) taken in a prior period (excluding such cash payments recorded by [\*\*\*] for such period) and (ii) any extraordinary gains and any non-cash items of income for such period (excluding extraordinary gains and non-cash items recorded by [\*\*\*] for such period), all calculated for the Company and its Subsidiaries on a consolidated basis in accordance with GAAP. EBITDA for any Test Period shall be calculated on a Pro Forma Basis to give effect to any Permitted Acquisition and the sale, transfer, lease or other disposal of any asset (other than dispositions in the ordinary course of business) consummated at any time on or after the first day of the Test Period as if each such Permitted Acquisition had been consummated on the first day of such test period and as if such sale, transfer, lease or other disposition had been consummated on the day prior to the first day of such test period. [Names redacted]

" <u>Effective Date</u>" means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

"<u>Eligible Accounts</u>" means, at any time, the Accounts of a Borrower which each Collateral Agent determines in its Permitted Discretion are eligible as the basis for the extension of Revolving Loans, Swingline Loans and the issuance of Letters of Credit hereunder. Without limiting either Collateral Agent's discretion provided herein, Eligible Accounts shall not include any Account:

(a) which is not subject to a first priority perfected security interest in favor of the Administrative Agent or the UK Security Trustee, as applicable, subject only to Liens permitted by clause (b) below;

(b) which is subject to any Lien other than (i) a Lien in favor of the Administrative Agent or the UK Security Trustee, as applicable, (ii) a Permitted Encumbrance which does not have priority over the Lien in favor of the Administrative Agent or the UK Security Trustee, as applicable and (iii) Prior Claims that are unregistered and that secure amounts that are not yet due and payable;

(c) with respect to which the scheduled due date is more than 60 days after the original invoice date, which is unpaid more than 90 days after the date of the original invoice therefor or more than 60 days after the original due date, or which has been written off the books of the Borrower or otherwise designated as uncollectible;

(d) which is owing by an Account Debtor for which more than 50% of the Accounts owing from such Account Debtor and its Affiliates are ineligible under clause (c) above;

(e) which is owing by an Account Debtor to the extent the aggregate amount of Accounts owing from such Account Debtor and its Affiliates to all Borrowers exceeds 20% (or, with respect to the Account Debtors listed on <u>Schedule 1.01(d)</u>, the applicable percentage listed on such Schedule for such Account Debtor) of the aggregate amount of Eligible Accounts of all Borrowers;

(f) with respect to which any covenant, representation, or warranty contained in this Agreement or in any applicable Security Agreement has been breached or is not true;

(g) which (i) does not arise from the sale of goods or performance of services in the ordinary course of business, (ii) is not evidenced by an invoice or other documentation reasonably satisfactory to either Collateral Agent which has been sent to the Account Debtor, (iii) represents a progress billing, (iv) is contingent upon the Borrower's completion of any further performance, (v) represents a sale on a bill-and-hold, guaranteed sale, sale-and-return, sale on approval, consignment, cash-on-delivery or any other repurchase or return basis or (vi) relates to payments of interest;

(h) for which the goods giving rise to such Account have not been shipped to the Account Debtor or for which the services giving rise to such Account have not been performed by such Borrower or if such Account was invoiced more than once (other than invoices for amounts not in excess of \$3,000,000 at any one time that have been reissued promptly after the date of the original invoice to correct billing errors, in which case the original invoice date (as opposed to the date of the re-issued invoice) shall control for purposes of clause (c) above);

(i) with respect to which any check or other instrument of payment has been returned uncollected for any reason;

(j) which is owed by an Account Debtor which (i) has applied for or been the subject of a petition or application for, suffered, or consented to the appointment of any receiver, custodian, trustee, administrator, liquidator or similar official for such Account Debtor or its assets, (ii) has had possession of all or a material part of its property taken by any receiver, custodian, trustee or liquidator, (iii) filed, or had filed against it, under any Insolvency Laws, any assignment, application, request or petition for liquidation, reorganization, compromise, arrangement, adjustment of debts, stay of proceedings, adjudication as bankrupt, winding-up, or voluntary or involuntary case or proceeding, (iv) has admitted in writing its inability, or is generally unable to, pay its debts as they become due, (v) become insolvent, or (vi) ceased operation of its business; provided, that notwithstanding the foregoing provisions of the this clause (j), either Collateral Agent may, in its Permitted Discretion, include as Eligible Accounts (i) Accounts that are post-petition accounts payable of an Account Debtor that is a debtor-in-possession under the Bankruptcy Code and (ii) Accounts owing by an Account Debtor that has been reorganized or restructured following one of the events described in this clause (j) and has a credit quality satisfactory to such Collateral Agent;

(k) which is owed by any Account Debtor which has sold all or substantially all of its assets;

(1) which is owed by an Account Debtor which (i) does not maintain its chief executive office (or its domicile, for the purposes of the Quebec Civil Code) in the United States, Canada or the United Kingdom unless each Collateral Agent has determined that such Account Debtor has substantial assets and operations in the United States, Canada or the United Kingdom and is subject to suit in the United States, Canada or the United Kingdom or (ii) is not organized under applicable law of the United States, any state of the United States, Canada, any province of Canada or the United Kingdom unless, in either case, such Account is backed by a letter of credit acceptable to the Administrative Agent which is in the possession of, and is directly drawable by, the Administrative Collateral Agent; provided, however, that up to \$3,000,000 of Eligible Accounts at any one time may be from Account Debtors that either maintain a chief executive office in Ireland or Scotland or are organized under the applicable law of Ireland or Scotland;

(m) which is owed in any currency other than U.S. dollars, Canadian Dollars, Euros or Sterling;

(n) which is owed by (i) the government (or any department, agency, public corporation, or instrumentality thereof) of any country other than the U.S. or Canada unless such Account is backed by a letter of credit acceptable to the Administrative Agent which is in the possession of the Administrative Collateral Agent, or (ii) the government of Canada or the U.S., or any department, agency, public corporation, or instrumentality thereof, unless the *Financial Administration Act* (Canada), as amended, or the Federal Assignment of Claims Act of 1940, as amended (31 U.S.C. § 3727 et seq. and 41 U.S.C. § 15 et seq.), as applicable, and any other steps necessary to perfect the Lien of the Administrative Collateral Agent or the UK Security Trustee, as applicable, in such Account have been complied with to the satisfaction of the Administrative Agent or the UK Security Trustee, as applicable;

(o) which is owed by any Affiliate, employee, officer, director, agent or stockholder of any Loan Party;

(p) which is owed by an Account Debtor or any Affiliate of such Account Debtor to which any Loan Party is indebted, but only to the extent of such indebtedness or is subject to any security, deposit, progress payment, retainage or other similar advance made by or for the benefit of an Account Debtor, in each case to the extent thereof;

(q) which is subject to any counterclaim, deduction, defense, setoff or dispute but only to the extent of any such counterclaim, deduction, defense, setoff or dispute;

(r) which is evidenced by any promissory note, chattel paper, or instrument;

(s) which is owed by an Account Debtor located in any jurisdiction which requires filing of a "Notice of Business Activities Report" or other similar report in order to permit such Borrower to seek judicial enforcement in such jurisdiction of payment of such Account, unless such Borrower has filed such report or qualified to do business in such jurisdiction;

(t) with respect to which such Borrower has made any agreement with the Account Debtor for any reduction thereof, other than discounts and adjustments given in the ordinary course of business, or any Account which was partially paid and such Borrower created a new receivable for the unpaid portion of such Account;

(u) which does not comply in all material respects with the requirements of all applicable laws and regulations, whether federal, provincial, territorial, state or local, including without limitation the Federal Consumer Credit Protection Act, the Federal Truth in Lending Act and Regulation Z of the Board;

(v) which is for goods that have been sold under a purchase order or pursuant to the terms of a contract or other agreement or understanding (written or oral) that indicates or purports that any Person other than such Borrower has or has had an ownership interest in such goods, or which indicates any party other than such Borrower as payee or remittance party;

(w) which was created on cash on delivery terms;

(x) which is subject to any limitation on assignments or pledges (whether arising by operation of law, by contractual agreement or otherwise), unless either Collateral Agent has determined that such limitation is not enforceable;

(y) which is governed by the laws of any jurisdiction other than the United States, any state thereof or the District of Columbia, Canada or any province thereof or England and Wales;

(z) in respect of which the Account Debtor is a consumer within applicable consumer protection legislation;

(aa) which arose from the sale of Inventory which did not comply with the rules or regulations of the United States Food and Drug Administration or any similar regulatory body located in the jurisdiction in which such Inventory was sold or in which the Account Debtor is located; or which Inventory is the subject of a recall; or

(bb) which either Collateral Agent determines, in its Permitted Discretion, may not be paid by reason of the Account Debtor's inability to pay or which either Collateral Agent otherwise determines, in its Permitted Discretion, is unacceptable for any reason whatsoever.

In the event that an Account of any Borrower which was previously an Eligible Account ceases to be an Eligible Account hereunder, such Borrower or the Borrower Representative shall notify each Collateral Agent thereof on and at the time of submission to the Collateral Agents of the next Aggregate Borrowing Base Certificate and the Borrowing Base Certificate of such Borrower. In determining the amount of an Eligible Account, the face amount of an Account may, in either Collateral Agent's Permitted Discretion, be reduced by, without duplication, to the extent not reflected in such face amount, (i) the amount of all accrued and actual discounts, claims, credits or credits pending, promotional program allowances, price adjustments, finance charges or other allowances (including any amount that such Borrower may be obligated to rebate to an Account Debtor pursuant to the terms of any agreement or understanding (written or oral)) and (ii) the aggregate amount of all cash received in respect of such Account but not yet applied by such Borrower to reduce the amount of such Account. No Account acquired in the Cliffstar Acquisition, or generated in the business so acquired, may constitute an Eligible Account until the completion of the Administrative Collateral Agent's due diligence (including its field examinations) relating thereto.

"<u>Eligible Equipment</u>" means (i) the equipment owned by a Borrower described on <u>Schedule 1.01(e)</u> and (ii) other equipment satisfactory to each Collateral Agent for inclusion in the Borrowing Base; <u>provided</u> that the Borrowers have delivered to the Collateral Agents appraisals and other information, documents and instruments requested by each Collateral Agent with respect to such other equipment, in each case meeting each of the following requirements:

(a) such Borrower has good title to such equipment;

(b) such Borrower has the right to subject such equipment to a Lien in favor of the Administrative Collateral Agent or the UK Security Trustee, as applicable; such equipment is subject to a first priority perfected Lien in favor of the Administrative Collateral Agent or a first fixed equitable charge in favor of the UK Security Trustee, as applicable, and is free and clear of all other Liens of any nature whatsoever (except for Permitted Encumbrances which do not have priority over the Lien in favor of the Administrative Collateral Agent or the UK Security Trustee, as applicable, and Prior Claims that are unregistered and secure amounts that are not yet due and payable);

(c) the full purchase price for such equipment has been paid by such Borrower;

(d) such equipment is located on premises (i) owned by such Borrower, which premises are subject to a first priority perfected Lien in favor of the Administrative Collateral Agent or the UK Security Trustee, as applicable, or (ii) leased by such Borrower where (x) the lessor has delivered to the Administrative Collateral Agent or the UK Security Trustee, as applicable, a Collateral Access Agreement or (y) a Reserve for rent, charges, and other amounts due or to become due with respect to such facility has been established by either Collateral Agent in its Permitted Discretion;

(e) such equipment is in good working order and condition (ordinary wear and tear excepted) and is used or held for use by such Borrower in the ordinary course of business of the Borrower and has been included in an appraisal report delivered to the Collateral Agents in form, scope and substance reasonably satisfactory to each Collateral Agent;

(f) such equipment is not subject to any agreement (x) other than the Loan Documents, the 2009 Note Documents and the 2010 Note Documents, which restricts the ability of such Borrower to use, sell, transport or dispose of such equipment or (y) which restricts the Administrative Collateral Agent's ability to take possession of, sell or otherwise dispose of such equipment; and

(g) such equipment either (i) does not constitute "fixtures" under the applicable laws of the jurisdiction in which such equipment is located or (ii) constitutes "fixtures" under the applicable laws of the jurisdiction in which such equipment is located and (x) is located on premises owned by such Borrower or (y) is located on premises leased by such Borrower where (1) the lessor has delivered to the Administrative Collateral Agent or the UK Security Trustee, as applicable, a collateral access or Lien subordination or waiver agreement in form and substance acceptable to the Administrative Collateral Agent or the UK Security due or to become due with respect to such facility has been established by either Collateral Agent in its Permitted Discretion;

<u>provided</u>, that notwithstanding anything contained herein to the contrary, in the event that the Borrowers shall fail to deliver the updated appraisals required under item 1 of <u>Schedule 5.15</u> on or prior to the dates required on such Schedule, the equipment to which such delayed deliveries relate shall not be subject to qualification as Eligible Equipment until such time as such deliveries are complete.

"<u>Eligible Inventory</u>" means, at any time, the Inventory of a Borrower which either Collateral Agent determines in its Permitted Discretion is eligible as the basis for the extension of Revolving Loans, Swingline Loans and the issuance of Letters of Credit hereunder. Without limiting either Collateral Agent's discretion provided herein, Eligible Inventory shall not include any Inventory of any Borrower:

(a) which is not subject to a first priority perfected Lien in favor of the Administrative Collateral Agent or the UK Security Trustee, as applicable, subject only to Liens permitted by clause (b) below;

(b) which is subject to any Lien other than (i) a Lien in favor of the Administrative Collateral Agent or the UK Security Trustee, as applicable, (ii) a Permitted Encumbrance which does not have priority over the Lien in favor of the Administrative Collateral Agent or the UK Security Trustee, as applicable, and (iii) a Prior Claim that is unregistered and secures amounts that are not yet due and payable;

(c) which is, in either Collateral Agent's reasonable opinion, slow moving, obsolete, unmerchantable, defective, used, unfit for sale, not salable at prices approximating at least the cost of such Inventory in the ordinary course of business or unacceptable due to age, type, category, quantity, and/or failure to meet applicable customer specifications or acceptance procedures; or which does not comply with the rules or regulations of the United States Food and Drug Administration or any similar regulatory body located in the jurisdiction in which such Inventory is held for sale; or which is the subject of a recall;

(d) with respect to which any covenant, representation, or warranty contained in this Agreement or any applicable Security Agreement has been breached or is not true and which does not conform to all standards imposed by any Governmental Authority;

(e) in which any Person other than such Borrower shall (i) have any direct or indirect ownership, interest or title to such Inventory or (ii) be indicated on any purchase order or invoice with respect to such Inventory as having or purporting to have an interest therein;

(f) which is not finished goods or which constitutes work-in-process, raw materials (other than raw materials reasonably acceptable to either Collateral Agent and supported as saleable by an appraisal reasonably acceptable to either Collateral Agent, spare or replacement parts, subassemblies, packaging and shipping material (other than packaging and shipping material reasonably acceptable to either Collateral Agent and supported as saleable by an appraisal reasonably acceptable to either Collateral Agent, manufacturing supplies, samples, prototypes, displays or display items, bill-and-hold goods, goods that are returned or marked for return, repossessed goods, defective or damaged goods, goods held on consignment, or goods which are not of a type held for sale in the ordinary course of business;

(g) which is not located in the United States, Canada or the United Kingdom or which is in transit with a common carrier from a vendor or supplier;

(h) which is located in any location leased by such Borrower unless (i) the lessor has delivered to the Administrative Agent or the Administrative Collateral Agent a Collateral Access Agreement or (ii) a Reserve for rent, charges, and other amounts due or to become due with respect to such facility has been established by either Collateral Agent in its Permitted Discretion;

(i) which is located at an owned location subject to a mortgage in favor of a Person other than the Administrative Collateral Agent, unless the mortgagee has delivered a Collateral Access Agreement or other mortgagee agreement in form and substance satisfactory to the Administrative Agent;

(j) which is located in any third party warehouse or is in the possession of a bailee (other than a third party processor) and is not evidenced by a Document, unless (i) such warehouseman or bailee has delivered to the Administrative Agent or the Administrative Collateral Agent a Collateral Access Agreement and such other documentation as the Administrative Agent may require or (ii) an appropriate Reserve has been established by either Collateral Agent in its Permitted Discretion;

(k) which is in transit to or from any third party location or outside processor;

- (1) which is a discontinued product or component thereof;
- (m) which is the subject of a consignment by such Borrower as consignor;
- (n) which is beyond the "best if used by" date for such Inventory or is otherwise unacceptable to such Borrower's customers;

(o) which contains, bears or is subject to any intellectual property rights licensed to such Borrower unless either Collateral Agent is satisfied, after reviewing the licensing arrangements that it may sell or otherwise dispose of such Inventory without (i) the consent of the licensor, (ii) infringing the rights of such licensor, (iii) violating any contract with such licensor, and (iv) incurring any liability with respect to payment of royalties, other than royalties payable to the licensor incurred pursuant to sale of such Inventory under the applicable licensing agreement;

- (p) which is not reflected in a current perpetual inventory report of such Borrower;
- (q) for which reclamation rights have been asserted by the seller;
- (r) which is subject to any enforceable retention of title arrangement; or
- (s) which either Collateral Agent otherwise determines, in its Permitted Discretion, is unacceptable for any reason whatsoever.

In the event that Inventory of any Borrower which was previously Eligible Inventory ceases to be Eligible Inventory hereunder, such Borrower or the Borrower Representative shall notify the Administrative Agent thereof on and at the time of submission to the Administrative Agent of the next Aggregate Borrowing Base Certificate and the Borrowing Base Certificate of such Borrower. No Inventory acquired in the Cliffstar Acquisition, or generated in the business so acquired, may constitute Eligible Inventory until the completion of the Administrative Collateral Agent's due diligence (including its appraisals) relating thereto.

"Eligible Real Property" means (a) the real property listed on Schedule 1.01(a) and (b) other real property that is satisfactory to each Collateral Agent for inclusion in the Borrowing Base, in each case that is owned (or, in the case of certain real property in Canada beneficially owned) by a Borrower (i) that is acceptable in the Permitted Discretion of either Collateral Agent for inclusion in the Aggregate Borrowing Base and the Borrowing Base of such Borrower, (ii) in respect of which an appraisal report has been delivered to each Collateral Agent in form, scope and substance reasonably satisfactory to each Collateral Agent, (iii) in respect of which each Collateral Agent is satisfied that all actions necessary or desirable in order to create perfected first priority Lien (subject to Permitted Encumbrances which (a) have been approved by each Collateral Agent in the exercise of its Permitted Discretion and are disclosed in a title insurance policy issued in favor of the Administrative Collateral Agent or (b) which do not have priority over the Lien granted in favor of the Administrative Collateral Agent) on such real property have been taken, including, the filing and recording of Mortgages, (iv) in respect of which, if requested by the Administrative Collateral Agent, an environmental assessment report has been completed and delivered to the Administrative Agent in form and substance satisfactory to the Lenders and which does not indicate any material pending, threatened or existing Environmental Liability, or non compliance with any Environmental Law, (v) which is adequately protected by fully-paid valid title insurance with endorsements and in amounts acceptable to each Collateral Agent, insuring that the Administrative Collateral Agent, for the benefit of the Lenders, shall have a perfected first priority Lien on such real property (subject to Permitted Encumbrances), evidence of which shall have been provided in form and substance satisfactory to the Administrative Agent, and (vi) in respect of which, if requested by the Administrative Collateral Agent: (A) an ALTA survey (or its customary Canadian equivalent, as applicable) has been delivered for which all necessary fees have been paid and which is certified to Administrative Agent and the issuer of the title insurance policy in a manner satisfactory to the Administrative Agent by a land surveyor duly registered and licensed in the state in which such Eligible Real Property (or is similarly licensed and registered in Canada, as applicable) is located and acceptable to the Administrative Agent, and shows (subject to such modification or information shown as is customary in Canada) all buildings and other improvements, any offsite improvements, the location of any easements, parking spaces, rights of way, building setback lines and other dimensional regulations and the absence of encroachments, either by such improvements or on to such property, and other defects, other than encroachments and other defects acceptable to the Administrative Agent; (B) local counsel for the Agreement in states in which the Eligible Real Property is located have delivered a letter of opinion with respect to the enforceability and perfection of the Mortgages and any related fixture filings in form and substance satisfactory to the Administrative Agent; (C) such Borrower shall have used its reasonable best efforts to obtain estoppel certificates executed by all tenants of such Eligible Real Property and such other consents, agreements and confirmations of lessors and third parties have been delivered as the Administrative Agent may deem necessary or desirable and (D) a flood certificate or report (or, for any Eligible Real Property located in Canada, customary evidence of notice or flood plains and compliance with any relevant regulations, where applicable) has been delivered to the Administrative Agent and, if necessary, flood insurance satisfactory to the Administrative Agent shall have been procured and evidence thereof provided to the Administrative Agent, together with evidence that all other actions that the Administrative Agent may deem necessary or desirable in order to create perfected first priority Liens (subject to Permitted Encumbrances which (a) have been approved by either Collateral Agent in the

exercise of its Permitted Discretion and are disclosed in a title insurance policy issued in favor of the Administrative Collateral Agent or (b) which do not have priority over the Lien granted in favor of the Administrative Collateral Agent) on the property described in the Mortgages have been taken; <u>provided</u>, that notwithstanding anything contained herein to the contrary, in the event that the Borrowers shall fail to deliver the updated appraisals, insurance reports, and environmental reports required under items 1, 2 and 3 of <u>Schedule 5.15</u> on or prior to the dates required on such Schedule, the real property to which such delayed deliveries relate shall not be subject to qualification as Eligible Real Property until such time as such deliveries are complete.

"<u>EMU Legislation</u>" means the legislative measures of the European Council for the introduction of, changeover to or operation of a single or unified European currency.

"<u>Environmental Laws</u>" means all laws, rules, regulations, codes, ordinances, orders-in-council, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority having jurisdiction, relating in any way to the environment, preservation or reclamation of natural resources, the management, presence, release or threatened release of any Hazardous Material or to health and safety matters.

"Environmental Liability " means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any Restricted Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) the presence of or exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"<u>Equity Interests</u>" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"<u>ERISA Affiliate</u>" means any trade or business (whether or not incorporated) that, together with a Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) a Plan that is "at risk" within the meaning of Title IV of ERISA or the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by any Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by any Borrower or any ERISA Affiliate from the PBGC or a Plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan pursuant to Section 4042 of ERISA; (f) the incurrence by any Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by any Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA or is in endangered or critical status within the meaning of Section 305 of ERISA.

"Euro" or "€" refers to the single currency of the Partcipating Member States.

"<u>Eurodollar</u>", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

"Event of Default" has the meaning assigned to such term in Article VII.

"<u>Excluded Subsidiary</u>" means the collective reference to (i) the Restricted Subsidiaries listed on <u>Schedule 1.01(f)</u>, (ii) any Restricted Subsidiary created or acquired on or after the Effective Date that is designated by the Borrower Representative as an "Excluded Subsidiary" by notice to the Administrative Agent (accompanied by the certification contemplated below) within thirty days after the acquisition or creation thereof by the Company or any of its Restricted Subsidiaries (or, in the case of Restricted Subsidiaries organized under the laws of jurisdictions other than the laws of the United States (or any State thereof), the District of Columbia, Canada (or any Province thereof) or England, no later than the date on which a Financial Officer of the Company is required to deliver a certificate under Section 5.01(d) for any fiscal period ending at least thirty days after the date on which such Restricted Subsidiary was created or acquired) or, in each case, such longer period as may be agreed to by the Administrative Agent; provided, that no Restricted Subsidiary may at any time constitute an Excluded Subsidiary if:

(i) in the case of designation of any Restricted Subsidiary as an Excluded Subsidiary, immediately before and after such designation, any Specified Default shall have occurred and be continuing;

(ii) such Restricted Subsidiary is or becomes a "Guarantor" (or any other defined term having a similar purpose) under the 2009 Note Documents or the 2010 Note Documents;

(iii) such Restricted Subsidiary owns any Equity Interests of, or holds any Indebtedness of, any Loan Party other than Equity Interests owned on the Effective Date and reflected on <u>Schedule 3.15</u> and other than intercompany Indebtedness held on the Effective Date; or

(iv) if a Restricted Subsidiary is being designated as an Excluded Subsidiary hereunder, (A) the sum of (i) the net tangible assets of such Subsidiary as of such date of designation (the "Excluded Subsidiary Designation Date"), as set forth on such Subsidiary's most recent balance sheet, plus (ii) the aggregate amount of total assets of all Excluded Subsidiaries and Unrestricted Subsidiaries (other than the [\*\*\*]) shall not exceed 5.0% of the consolidated total assets of the Company and its Subsidiaries (other than the [\*\*\*]) at such date, pro forma for such designation and (B) the sum of (i) the EBITDA contributed by such Subsidiaries and Unrestricted Subsidiaries (other than the [\*\*\*]) shall not exceed 5.0% of EBITDA contributed by all Excluded Subsidiaries and Unrestricted Subsidiaries (other than the [\*\*\*]) shall not exceed 5.0% of EBITDA contributed by all Excluded Subsidiaries and Unrestricted Subsidiaries (other than the [\*\*\*]) shall not exceed 5.0% of EBITDA for the period of four fiscal quarters of the Company and its Subsidiaries (other than [\*\*\*]) most recently ended for which financial statements have been or are required to have been delivered pursuant to Sections 4.01(b), 5.01(a) or 5.01(b), pro forma for such designation. *[Names redacted]* 

No Restricted Subsidiary shall constitute an Excluded Subsidiary unless Borrower Representative shall have delivered to the Administrative Agent a certificate of a Financial Officer certifying that such Restricted Subsidiary satisfies the criteria for an Excluded Subsidiary and sets forth in reasonable detail the computations necessary to determine the satisfaction of such criteria. No Interim Holdco shall constitute an Excluded Subsidiary.

"Excluded Taxes" means, with respect to the Administrative Agent, either Collateral Agent, any Lender, any Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of any Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which any Borrower is located (c) any withholding taxes imposed under Section 1471 or 1472 of the Code and (d) in the case of a Foreign Lender (other than an assignee

pursuant to a request by a Borrower under Section 2.19(b)), any withholding tax that is imposed on amounts payable to such Foreign Lender (other than any amounts payable to such Foreign Lender by a party hereto in its capacity as a Loan Guarantor or as a Borrower of a Loan that was not made directly to such party under Article II) at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office) or is attributable to such Foreign Lender's failure to comply with Section 2.17(g), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrowers with respect to such withholding tax pursuant to Section 2.17(a).

"<u>Existing Credit Agreement</u>" means that certain Credit Agreement dated as of March 31, 2008 by and among the Company, Cott Beverages, the UK Borrower, the other loan parties party thereto, the lenders party thereto, JPMorgan Chase Bank, N.A., London Branch, as UK security trustee, JPMorgan Chase Bank, N.A., as administrative agent and administrative collateral agent and General Electric Capital Corporation, as co-collateral agent, as the same has been amended by the First Amendment.

"Existing Letters of Credit" shall mean the letters of credit referred to on Schedule 2.04 hereto.

"<u>Farm Products</u>" means all of either U.S. Co-Borrower's now owned or hereafter existing or acquired farm products of every kind and nature, including crops and products of crops, wherever located, including (a) "farm products" (as such term is defined in any Farm Products Law and/or the Uniform Commercial Code in any jurisdiction) and (b) "perishable agricultural commodities" (as such term is defined in any Farm Products Law).

"<u>Farm Products Law</u>" means (a) the Food Security Act of 1985, 7 U.S.C. Section 1631 et. seq., (b) the Perishable Agricultural Commodities Act of 1930, 7 U.S.C. Section 499A et seq., (c) Article 20 of the Agriculture and Markets Law of the State of New York or (d) any other federal, state, or local laws from time to time in effect which regulate any matters pertaining to Farm Products, in each case, as the same now exists or may hereafter from time to time be amended, modified, recodified, or supplemented, together with all rules and regulations thereunder.

"<u>Farm Products Notices</u>" means any written notice to any U.S. Co-Borrower pursuant to the applicable provisions of any Farms Products Law from (i) any Farm Products Seller or (ii) any lender to any Farm Products Seller or any other person with a Lien on the assets of any Farm Products Seller or (iii) the secretary of state (or equivalent official), agricultural secretary or commissioner (or equivalent official) or other Governmental Authority of any state, commonwealth or political subdivision thereof in which any Farm Products purchased by either of the U.S. Co-Borrowers are produced, in any case advising or notifying such U.S. Co-Borrower of the intention of such Farm Products Seller or other Person to preserve or seek the benefits of, or pursue any recovery with respect to, any Lien or trust applicable to any assets of

either U.S. Co-Borrower established in favor of such Farm Products Seller or other Person under the provisions of any law or claiming a Lien on any perishable agricultural commodity or any other Farm Products which may be or have been purchased by either U.S. Co-Borrower or any related or other assets of such U.S. Co-Borrower.

"Farm Products Seller" means, individually and collectively, sellers, producers or suppliers of any Farm Products or related services to either of the U.S. Co-Borrowers involved in the transaction.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"<u>Fee Letters</u>" means the collective reference to that certain fee letter dated as of the Effective Date among Chase, J.P. Morgan Securities, Inc. and the Company and any other fee letters that may be entered into from time to time by one or more Borrowers and any Agent.

"Financial Officer," means the chief financial officer, principal accounting officer, treasurer or controller of a Borrower.

"<u>First Amendment</u>" means the First Amendment to Credit Agreement, U.S. Pledge and Security Agreement and Canadian Pledge and Security Agreement, dated as of July 22, 2009, among the Company, Cott Beverages, the UK Borrower, the other loan parties party thereto, the lenders party thereto and the Agents.

"<u>Fixed Charge Coverage Ratio</u>" means the ratio, determined as of the end of each fiscal quarter of the Company for the mostrecently ended four fiscal quarters, of (a) EBITDA <u>minus</u> the unfinanced portion of Capital Expenditures to (b) Fixed Charges, all calculated for the Company and its Subsidiaries on a consolidated basis in accordance with GAAP.

For purposes of determining the Fixed Charge Coverage Ratio as of any date for the period of four consecutive fiscal quarters ended on or prior to March 31, 2011,

(i) (x) the unfinanced portion of Capital Expenditures for the fiscal quarter ended January 2, 2010 shall be \$18,500,000, (y) the unfinanced portion of Capital Expenditures for the fiscal quarter ended April 3, 2010 shall be \$12,100,000 and (z) the unfinanced portion of Capital Expenditures for the fiscal quarter ended July 3, 2010 shall be \$15,900,000, and

(ii) (x) EBITDA for the fiscal quarter ended January 2, 2010 shall be \$51,100,000, (y) EBITDA for the fiscal quarter ended April 3, 2010 shall be \$60,200,000 and (z) EBITDA for the fiscal quarter ended July 3, 2010 shall be \$74,000,000.

"Fixed Charge Trigger Level" means, at any time, the lesser of (i) 12.5% of the Aggregate Borrowing Base and (ii) \$37,500,000.

"<u>Fixed Charges</u>" means, with reference to any period, without duplication, (a) cash Interest Expense, <u>plus</u> (b) scheduled principal payments on Indebtedness made during such period (plus any payments of Permitted Deferred Consideration but excluding payments with respect to the Earnout), <u>plus</u> (c) expense for income taxes paid in cash (net of any cash refund in respect of income taxes actually received in such period in an amount not to exceed expenses for income taxes paid in cash during such period), <u>plus</u> (d) the principal component of all Capital Lease Obligation payments (including, without limitation, any prepayment of the Sidel Water Capital Lease, but only to the extent such prepayment exceeds the sum of the amount of cash collateral by the lessor thereof <u>plus</u> the then undrawn face amount of Letters of Credit supporting the obligations of Cott Beverages to such lessor that are cancelled as a result of such prepayment), <u>plus</u> (e) Restricted Payments made in cash (other than Restricted Payments made to any Loan Party and other than Restricted Payments made to the holders of Equity Interests in the [\*\*\*] ), <u>plus</u> (f) cash contributions to any Plan, any Canadian Pension Plan or any Canadian Benefit Plan in excess of the actual expense, <u>plus</u> (g) any payments by the Company or its Subsidiaries related to any purchase of the 2009 Notes or the 2010 Notes pursuant to Section 6.09(b)(x), all calculated for the Company and its Subsidiaries on a consolidated basis. [Names redacted]

For purposes of determining Fixed Charges as of any date for the period of four consecutive fiscal quarters ended on or prior to March 31, 2011, (x) the Fixed Charges for the fiscal quarter ended January 3, 2010 shall be \$26,100,000, (y) the Fixed Charges for the fiscal quarter ended April 3, 2010 shall be \$26,300,000 and (z) the Fixed Charges for the fiscal quarter ended July 3, 2010 shall be \$26,000,000.

"<u>Foreign Lender</u>" means any Lender that, with respect to any Borrower, is organized under the laws of a jurisdiction other than that in which such Borrower is organized, other than a Treaty Lender or other than, in respect of a Loan to the UK Borrower, a UK Qualifying Lender. For the purposes of this definition, (i) the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction and (ii) Canada and each province and territory thereof shall be deemed to constitute a single jurisdiction.

"Funding Accounts" has the meaning assigned to such term in Section 4.01(h).

"GAAP" means generally accepted accounting principles in the United States of America.

"<u>Governmental Authority</u>" means the government of the United States of America, Canada, the United Kingdom, any other nation or any political subdivision thereof, whether provincial, territorial, state, municipal or local; the European Central Bank, the Council of Ministers of the European Union or any other supranational body; and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"<u>Guarantee</u>" of or by any Person (the "<u>guarantor</u>") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "<u>primary obligor</u>") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or other obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

"Guaranteed Obligations" has the meaning assigned to such term in Section 10.01.

"Guaranteed Parties" has the meaning assigned to such term in Section 10.01.

"<u>Hazardous Materials</u>" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, contaminants, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"<u>HSBC Mexico</u>" means HSBC México, Sociedad Anónima, Multiple Banking Institution, HSBC Financial Group, acting as one party.

"Immaterial Subsidiary "means any Subsidiary that accounts for (i) less than 1% of the consolidated EBITDA of the Company and its Subsidiaries, measured as of any date of determination for the period of four fiscal quarters of the Company and its Subsidiaries most recently ended for which financial statements have been or are required to have been delivered pursuant to Sections 4.01(b), 5.01(a) or 5.01 (b), as applicable, and (ii) less than 1% of the consolidated total assets of the Company and its Subsidiaries determined as of the last day of such four fiscal quarter period.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (k) obligations under any liquidated earn-out and (l) any other Off-Balance Sheet Liability. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person's not liable therefor.

"Insolvency Laws" means each of the Bankruptcy Code, any state, provincial, territorial or federal bankruptcy laws, the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada), the Winding-Up and Restructuring Act (Canada), the Insolvency Act 1986 (United Kingdom), and Council Regulation 1346/2000/EC on insolvency proceedings (European Union), each as now and hereafter in effect, any successors to such statutes and any other applicable insolvency or other similar law of any jurisdiction, including any law of any jurisdiction permitting a debtor to obtain a stay or a compromise of the claims of its creditors against it and including any rules and regulations pursuant thereto.

"<u>Intellectual Property</u>" means trademarks, service marks, tradenames, copyrights, patents, trade secrets, industrial designs, internet domain names and other intellectual property, including any applications and registrations pertaining thereto and with respect to trademarks, service marks and tradenames, the goodwill of the business symbolized thereby and connected with the use thereof.

"Interest Election Request" means a request by the Borrower Representative to convert or continue a Revolving Borrowing in accordance with Section 2.07.

"Interest Expense" means, with reference to any period, total interest expense (including that attributable to Capital Lease Obligations) of the Company and its Subsidiaries for such period with respect to all outstanding Indebtedness of the Company and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Swap Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP), calculated on a consolidated basis for the Company and its Subsidiaries for such period in accordance with GAAP. Interest Expense shall be calculated on a Pro Forma Basis to give effect to any Indebtedness incurred, assumed or permanently repaid or extinguished during the relevant Test Period in connection with a Permitted Acquisition or sale, transfer, lease or other disposition of any assets (other than dispositions in the ordinary course of business) as if such incurrence, assumption, prepayment or extinguishment had occurred on the first day of the applicable Test Period.

"<u>Interest Payment Date</u>" means (a) with respect to any ABR Loan, Canadian Prime Loan or Overnight LIBO Loan (other than, in each case, any Swingline Loan), the first day of each calendar month and the Maturity Date and (b) with respect to any Eurodollar Loan or CDOR Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing or CDOR Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period and the Maturity Date.

"Interest Period" means with respect to any Eurodollar Borrowing or CDOR Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter, as the Borrower Representative may elect; <u>provided</u>, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Borrowing only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurodollar Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"<u>Interim Holdco</u>" means any Subsidiary of a U.S. Co-Borrower that is a direct or indirect holder of Equity Interests in any other U.S. Co-Borrower.

"<u>Inventory</u>" (a) in the case of the U.S. Co-Borrowers, any Loan Party organized under applicable laws of the United States, any state thereof or the District of Columbia, the Company, or any Loan Party organized under applicable laws of Canada or any province thereof, has the meaning assigned to such term in the U.S. Security Agreement and (b) in the case of the UK Borrower or any Loan Party organized under applicable law of the United Kingdom, has the meaning assigned to such term in the UK Security Agreement.

"<u>Issuing Bank</u>" means the Canadian Issuing Bank, a U.S. Issuing Bank or the UK Issuing Bank, as applicable, in each case in its capacity as the issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 2.06(i). Any Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"ITA" means the Income Tax Act (Canada), as amended.

"Joinder Agreement" has the meaning assigned to such term in Section 5.13.

"LC Collateral Account" has the meaning assigned to such term in Section 2.06(j).

"LC Disbursement" means a payment made by an Issuing Bank pursuant to a Letter of Credit.

"<u>LC Exposure</u>" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the applicable Borrower at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

"Lead Arrangers" means the collective reference to J.P.Morgan Securities Inc. and Deutsche Bank Securities, Inc.

"Lenders" means the Persons listed on the <u>Commitment Schedule</u> and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption (other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption), in each case, together with any Affiliate of such Person through which such Person elects, by notice to the Administrative Agent, to make any Loans available to any Borrower so long as such Person or its Affiliate is a party to this Agreement as a Lender; <u>provided</u> that for all purposes of voting or consenting with respect to (a) any amendment, supplement or modification to any Loan Document, (b) any waiver of any of the requirements of any Loan Document or any waiver of any Default of Event of Default and its consequences and (c) any other matter as to

which a Lender may vote or consent pursuant to Section 9.02 of this Agreement, the Person making such election shall be deemed the "Lender" rather than such Affiliate, which shall not be entitled to vote or consent (it being agreed that the failure of any such Affiliate to fund an obligation under this Agreement shall not relieve the Person that designated such Affiliate to Loans hereunder from its obligations hereunder). Unless the context otherwise requires, the term "Lenders" includes the Swingline Lenders.

"Letter of Credit" means any letter of credit (or similar instrument (including a bank guarantee) acceptable to the applicable Issuing Bank issued for the purpose of providing credit support) issued pursuant to this Agreement.

"<u>Letter of Credit Advance</u>" means, with respect to each Lender, such Lender's funding of its participation in any LC Disbursement in accordance with its Applicable Percentage pursuant to Section 2.06(d) and Section 2.06(e).

"Letter of Credit Request" has the meaning assigned to such term in Section 2.6(a).

" <u>LIBO Rate</u>" means, with respect to any Eurodollar Borrowing (other than a UK Swingline Loan or a Eurodollar Borrowing denominated in Sterling) for any Interest Period, the rate appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Disbursement Agent from time to time for purposes of providing quotations of interest rates applicable to deposits in the relevant currency in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for deposits in the relevant currency with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the "<u>LIBO Rate</u>" with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which deposits in the relevant currency of \$5,000,000 (or the Dollar Equivalent thereof) and for a maturity comparable to such Interest Period. In the case of Eurodollar Borrowings denominated in Sterling, the "<u>LIBO Rate</u>" with respect to such Eurodollar Borrowing for such Interest Period. In the case of Eurodollar Borrowings denominated in Sterling, the "<u>LIBO Rate</u>" with respect to such Eurodollar Borrowing for such Interest Period. In the case of Eurodollar Borrowings denominated in Sterling, the "<u>LIBO Rate</u>" with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which deposits in Sterling of the Dollar Equivalent of \$5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time on the first day of such Interest Period.

"<u>Lien</u>" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease, statutory trust

or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Loan Documents" means this Agreement, any promissory notes issued pursuant to the Agreement, the Collateral Documents, the Loan Guaranty and all other agreements, instruments, documents and certificates identified in Section 4.01 and executed and delivered to, or in favor of, the Administrative Agent, either Collateral Agent or any Lenders and including all other pledges, powers of attorney, consents, assignments, contracts, notices, letter of credit agreements and all other written matter whether heretofore, now or hereafter executed by or on behalf of any Loan Party, or any employee of any Loan Party, and delivered to the Administrative Agent, either Collateral Agent or the transactions contemplated thereby. Any reference in the Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to the Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

"Loan Guarantor" means each Loan Party.

"<u>Loan Guaranty</u>" means <u>Article X</u> of this Agreement and, if separate guarantees are required by the Administrative Agent, each separate Guarantee, in form and substance satisfactory to the Administrative Agent, delivered by each Loan Guarantor that is a foreign Subsidiary (which Guarantee shall be governed by the laws of the country in which such foreign Subsidiary is located if the Administrative Agent requests that such law govern such Guarantee), as it may be amended or modified and in effect from time to time.

"<u>Loan Parties</u>" means the Borrowers, the Borrowers' Restricted Subsidiaries party to a Loan Guaranty and any other Person who becomes a party to this Agreement pursuant to a Joinder Agreement or executes a separate Loan Guaranty and their respective successors and assigns.

"Loans" means the loans and advances made by the Lenders pursuant to this Agreement, including Swingline Loans, Overadvances and Protective Advances.

"Local Time" means, (a) local time in London, England with respect to the times for the receipt of Borrowing Requests for UK Revolving Loans denominated in Sterling or Euro, UK Swingline Loans and Letter of Credit Requests to the UK Issuing Bank, of any disbursement by the Disbursement Agent of UK Revolving Loans denominated in Sterling or Euros, UK Swingline Loans, UK Overadvances and UK Protective Advances and for payment by the Borrowers with respect to UK Revolving Loans denominated in Sterling or Euros, UK Swingline Loans, UK Overadvances and UK Protective Advances and UK Protective Advances and UK Protective Advances and reimbursement obligations in respect

of Letters of Credit issued by the UK Issuing Bank, (b) local time in Chicago, Illinois, with respect to the times for the determination of "Dollar Equivalent", for the receipt of Borrowing Requests of U.S. Revolving Loans and UK Revolving Loans denominated in dollars, U.S. Swingline Loans, U.S. Overadvances, U.S. Protective Advances, Letter of Credit Requests to a U.S. Issuing Bank, for receipt and sending of notices by and disbursement by the Disbursement Agent or any Lender and any U.S. Issuing Bank and for payment by the Loan Parties by the Borrowers with respect to U.S. Revolving Loans, UK Revolving Loans denominated in dollars, U.S. Swingline Loans, U.S. Overadvances, U.S. Protective Advances and reimbursement obligations in respect of Letters of Credit issued by a U.S. Issuing Bank, (c) local time in Toronto, Ontario with respect to the times for the receipt of Borrowing Requests of Canadian Revolving Loans, Canadian Swingline Loans, Canadian Overadvances, Canadian Protective Advances, Letter of Credit Requests to the Canadian Issuing Bank, for receipt and sending of notices by and disbursement by the Disbursement Agent or any Lender and the Canadian Issuing Bank and for payment by the Loan Parties by the Borrowers with respect to Canadian Revolving Loans, Canadian Overadvances, Canadian Protective Advances and reimbursement obligations in respect of Letters of Credit issued by the Canadian Issuing Bank, (d) local time in London, England, with respect to the times for the determination of "LIBO Rate" (with respect to Revolving Loans denominated in Sterling or Euro) and "Overnight LIBO Rate", (e) otherwise, if a place for any determination is specified herein, the local time at such place of determination and (f) otherwise, Chicago, Illinois time.

"<u>Mandatory Cost</u>" means, with respect to any period, the percentage rate per annum determined in accordance with <u>Schedule 1.01</u> (b).

"Margin Stock," means "Margin Stock", as such term is defined in Regulation U of the Board.

"<u>Material Adverse Effect</u>" means a material adverse effect on (a) the business, assets, operations, prospects or condition, financial or otherwise, of the Loan Parties taken as a whole, (b) the ability of any Loan Party to perform its obligations under the Loan Documents to which it is a party, (c) the Collateral, the Administrative Collateral Agent's Liens (on behalf of itself and the Lenders) on the Collateral or the UK Security Trustee's Liens on the Collateral or the priority of such Liens, or (d) the rights of or benefits available to the Administrative Agent, either Collateral Agent, the UK Security Trustee, any Issuing Bank or the Lenders thereunder.

"<u>Material Indebtedness</u>" means Indebtedness (other than the Loans and Letters of Credit), or obligations in respect of one or more Swap Agreements, of any one or more of the Company and its Subsidiaries in an aggregate principal amount exceeding \$20,000,000. For purposes of determining Material Indebtedness, the "obligations" of any Borrower or any Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that such Borrower or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time; <u>provided</u>, <u>however</u>, that the Earnout and the Permitted Deferred Consideration shall not be Material Indebtedness.

"<u>Maturity Date</u>" means August 17, 2014 or any earlier date on which the Commitments are reduced to zero or otherwise terminated pursuant to the terms hereof.

"Maximum Liability" has the meaning assigned to such term in Section 10.10.

"<u>Mexican Security Agreement</u>" means any security agreement or other instrument creating Liens on the assets of any member of the Cott Mexican Group in favor of the Administrative Collateral Agent to secure all or any portion of the Secured Obligations or in favor of any Loan Party to secure obligations of any member of the Cott Mexican Group to any Loan Party that is not a member of the Cott Mexican Group.

"Moody's means Moody's Investors Service, Inc.

"<u>Mortgages</u>" means any mortgage, deed of trust or other agreement which conveys or evidences a Lien in favor of the UK Security Trustee or the Administrative Collateral Agent, for the benefit of the Administrative Collateral Agent and the Lenders, on real property of a Loan Party, including any amendment, modification or supplement thereto.

"<u>Multiemployer Plan</u>" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA, but does not include any Canadian Union Plans.

"<u>Net Income</u>" means, for any period, the consolidated net income (or loss) of the Company and its Subsidiaries, determined on a consolidated basis in accordance with GAAP; <u>provided</u> that there shall be excluded (a) the income (or deficit) of any Person (other than any Subsidiary) in which the Company or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Company or such Subsidiary in the form of dividends or similar distributions, (b) the income (or deficit) of [\*\*\*], except to the extent that any such income is actually received by the Company or a Restricted Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Subsidiary that is not a Loan Party to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any contractual obligation (other than under any Loan Document) or Requirement of Law applicable to such Subsidiary. *[Names redacted]* 

"<u>Net Orderly Liquidation Value</u>" means, with respect to Inventory, Equipment or intangibles of any Person, the orderly liquidation value thereof as determined in a manner acceptable to either Collateral Agent by an appraiser acceptable to each Collateral Agent, net of all costs of liquidation thereof.

"<u>Net Proceeds</u>" means, with respect to any event, (a) the cash proceeds received in respect of such event including (i) any cash received in respect of any non-cash proceeds (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but excluding any interest payments), but only as and when received, (ii) in the case of a casualty, insurance proceeds and (iii) in the case of a condemnation or similar event, condemnation awards and similar payments, net of (b) the sum of (i) all reasonable fees and out-of-pocket expenses paid to third parties (other than Affiliates) in connection with such event, (ii) in the case of a sale, transfer or other disposition of an asset (including pursuant to a sale and leaseback transaction or a casualty or a condemnation or similar proceeding), the amount of all payments required to be made as a result of such event to repay Indebtedness (other than Loans) secured by such asset or otherwise subject to mandatory prepayment as a result of such event, (iii) the amount of all taxes paid (or reasonably estimated to be payable) and (iv) the amount of any reserves established to fund contingent liabilities reasonably estimated to be payable, in each case during the year that such event occurred or the next succeeding year and that are directly attributable to such event (as determined reasonably and in good faith by a Financial Officer).

"<u>New Equity</u>" means the \$74,704,000 in common shares to be issued by the Company on the Effective Date.

"<u>Non-Consenting Lender</u>" has the meaning assigned to such term in Section 9.02(d).

"Non-Paying Guarantor" has the meaning assigned to such term in Section 10.11.

[\*\*\*] [Definition relating to certain names redacted]

"Obligated Party" has the meaning assigned to such term in Section 10.02.

"<u>Obligations</u>" means all unpaid principal of and accrued and unpaid interest on the Loans (including interest accruing (or which would have accrued but for the commencement of any bankruptcy, insolvency, receivership or similar proceeding) after the commencement of any bankruptcy, insolvency, receivership or similar proceeding), all LC Exposure, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the Loan Parties to the Lenders or to any Lender, the Administrative Agent, either Collateral Agent, the Issuing Bank or any indemnified party arising under the Loan Documents.

"<u>Off-Balance Sheet Liability</u>" of a Person means (a) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (b) any indebtedness, liability or obligation under any so-called "synthetic lease" transaction entered into by such Person, or (c) any indebtedness, liability or obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheets of such Person (other than operating leases).

"<u>Offering Memorandum</u>" means the Offering Memorandum dated August 12, 2010 prepared in connection with the offering of the 2010 Notes by Cott Beverages.

"<u>Other Taxes</u>" means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

"Overadvance" has the meaning assigned to such term in Section 2.05(b).

"<u>Overnight LIBO</u>" when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Overnight LIBO Rate.

"<u>Overnight LIBO Rate</u>" means, with respect to any Overnight LIBO Borrowing or overdue amount, (a) the rate of interest per annum (rounded upwards, if necessary, to the next 1/16 of 1%) at which overnight deposits in Euros or Sterling, in an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day by a branch or Affiliate of Chase in the applicable offshore interbank market for such currency to major banks in such interbank market <u>plus</u> (b) the Mandatory Cost.

"Participant" has the meaning set forth in Section 9.04.

"Participating Member State" means each state so described in any EMU Legislation.

"Participating Specified Foreign Currency Lender" has the meaning assigned to such term in Section 12.01(a).

"Paying Guarantor" has the meaning assigned to such term in Section 10.11.

"<u>PBGC</u>" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Permitted Acquisition" means any Proposed Acquisition that satisfies each of the following conditions precedent:

(a) with respect to any Proposed Acquisition where the Acquisition Consideration exceeds \$1,500,000, the Administrative Agent shall receive at least 10 Business Days' prior written notice (or such shorter period as may be acceptable to the Administrative Agent) of such Proposed Acquisition, which notice shall include, without limitation, a reasonably detailed description of such Proposed Acquisition;

(b) such Proposed Acquisition shall have been approved by the Proposed Acquisition Target's board of directors (or equivalent);

(c) the Proposed Acquisition Target shall be engaged in a Permitted Business;

(d) all governmental and material third-party approvals necessary in connection with such Proposed Acquisition shall have been obtained and be in full force and effect;

(e) no additional Indebtedness or other liabilities shall be incurred, assumed or otherwise be reflected on a consolidated balance sheet of the Company and Proposed Acquisition Target after giving effect to such Proposed Acquisition, except (i) Loans made hereunder, (ii) ordinary course trade payables, accrued expenses and (iii) Indebtedness permitted under Section 6.01;

(f) with respect to any Proposed Acquisition having an Acquisition Consideration of at least \$10,000,000, the Borrower Representative shall have delivered to the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent and the Required Lenders and sufficiently in advance of such Proposed Acquisition, such other financial information, financial analysis, documentation or other information relating to such Proposed Acquisition as the Administrative Agent or any Lender shall reasonably request;

(g) with respect to any Proposed Acquisition having an Acquisition Consideration of at least \$10,000,000, the Administrative Agent shall be reasonably satisfied with the form and substance of the acquisition agreement and with all other material agreements, instruments and documents implementing such Acquisition or executed in connection therewith, including opinions, certificates and lien search results, and such Acquisition shall be consummated in accordance with the terms of such documents and in compliance with applicable law and regulatory approvals;

(h) at or prior to the closing of such Proposed Acquisition, the Company (or the Restricted Subsidiary making such Proposed Acquisition) and the Proposed Acquisition Target shall have executed such documents and taken such actions as may be required under Section 5.13; and

(i) at the time of such Proposed Acquisition and after giving effect thereto, (A) no Default shall have occurred and be continuing and (B) all representations and warranties contained in Article III and in the other Loan Documents shall be true and correct in all material respects.

"<u>Permitted Business</u>" means those businesses in which the Company and its Restricted Subsidiaries are engaged in on the Effective Date and any similar or related line of business.

"<u>Permitted Deferred Consideration</u>" means the \$14,000,000 owed by the Company to the Cliffstar Companies pursuant to, and payable on the terms and at the times set forth in, Section 2.02(ii) of the APA.

"<u>Permitted Discretion</u>" means a determination made in good faith and in the exercise of reasonable (from the perspective of a secured asset-based lender) business judgment. Any determination made by the Administrative Agent, either Collateral Agent or the Disbursement Agent in its Permitted Discretion, as the case may be, shall not be effective until three days after written notice thereof is given by the Administrative Agent, either Collateral Agent or the Disbursement Agent, as the case may be, to the Borrower Representative.

"Permitted Encumbrances" means:

(a) Liens imposed by law for taxes, assessments, levies or utility charges that are not yet due or are being contested in compliance with Section 5.04;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law and statutory trusts in favor of Farm Products Sellers, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 5.04;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII;

(f) easements, zoning restrictions, rights-of-way, licenses, servitudes, restrictions and restrictive covenants and similar encumbrances on real property imposed by law, currently of record, or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of any Loan Party or any of its Restricted Subsidiaries;

(g) title defects or irregularities on real property and encroachments or other matters as would be shown on a survey of the real property which are of a minor nature and do not detract from the value of the affected property or interfere with the ordinary conduct of business of any Loan Party or any of its Restricted Subsidiaries or adversely affect the property for its intended use;

(h) with respect to any real property in Canada, the reservations, limitations, provisos and conditions, if any, expressed in any original grant from the Crown of any real property or any interest therein which have been disclosed to the Administrative Agent and have been complied with and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of any Borrower or any Subsidiary;

(i) shared facilities agreements, parking agreements, servicing agreements, development agreements, site plan agreements, and other agreements with government authorities or any third party pertaining to the use or development of any real property which (x) in the case of Eligible Real Property, have been disclosed to the Administrative Agent and (y) have been materially complied with and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of any Loan Party or any of its Restricted Subsidiaries or adversely affect the property for its intended use; and

(j) with respect to any Eligible Real Property, the exceptions, satisfactory to each Collateral Agent in its Permitted Discretion, disclosed in the title insurance policy issued in favor of the Administrative Collateral Agent hereunder;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Investments" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, Canada, the United Kingdom or the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the such government), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;

(c) investments in demand deposits, time deposits, certificates of deposit, banker's acceptances and eurodollar time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of Canada, the United Kingdom or the United States of America or any province or state thereof which has a combined capital and surplus and undivided profits of not less than \$500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above; and

(e) money market funds that (i) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least \$5,000,000,000.

"Permitted Lien" means Liens permitted by Section 6.02.

" <u>Permitted Margin Stock</u>" means Margin Stock owned by any Loan Party or any of its Restricted Subsidiaries on the Effective Date.

"Permitted Perfection Limitations " means the limited perfection of the Liens on certain Collateral to the extent that (a) such Collateral consists of (i) cash (except any cash held in deposit accounts other than deposit accounts described in clause (ii) below) and letter of credit rights, in each case that are not otherwise perfected by the UCC or PPSA filings listing the applicable Loan Party or Restricted Subsidiary as debtor, (ii) any deposit account established solely for the purpose of funding payroll and other compensation and benefits to employees or having an average monthly balance of less than \$1,000,000 individually or \$5,000,000 in the aggregate except, in each case, any such deposit account maintained with the Administrative Agent, (iii) patents, trademarks, and copyrights to the extent that a security interest thereon cannot be protected by (x) the filing of a UCC or PPSA financing statement listing the applicable Loan Party or Restricted Subsidiary as debtor or (y) the recordation of such security interest with the U.S. Patent and Trademark Office, the U.S. Copyright Office or the applicable governmental recording office in Canada or the United Kingdom, and (iv) aircraft and motor vehicles that require notice of a Lien on their title papers to perfect such Lien, (b) except in the case of the perfection of Liens in Equity Interests issued by a Loan Party that are held by another Loan Party, perfection of such Liens would not be governed by the laws of the United States (or any state thereof), Canada (or any province thereof) or the United Kingdom or (c) Liens on such Collateral may be perfected only by possession (including possession of any certificate of title) and the Administrative Agent or the UK Security Trustee, as applicable, has not obtained or does not maintain possession of such Collateral.

"<u>Person</u>" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"<u>Plan</u>" means any employee pension benefit plan (other than a Canadian Pension Plan, a Canadian Union Plan or a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which any Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"<u>PP&E Cap</u>" means (i) at any time prior to the satisfaction by the Borrowers of the post-closing requirements set forth in items 1, 2 and 3 on <u>Schedule 5.15</u> \$28,333,334 and (ii) upon and after the satisfaction by the Borrowers of such post-closing requirements, \$50,000,000.

"<u>PP&E Component</u>" means, at the time of any determination, with respect to each Borrower, an amount equal to the difference between:

(a) the PP&E Percentage *multiplied by* the lesser of:

- (i) 50% of the fair market value (as determined by the most recent appraisal delivered in accordance with this Agreement) of such Borrower's Eligible Real Property <u>plus</u> 85% of the Net Orderly Liquidation Value of such Borrower's Eligible Equipment <u>less</u> Reserves established by either Collateral Agent in its Permitted Discretion; and
- (ii) the PP&E Cap at such time; minus
- (b) the PP&E Component included in any other Borrower's Borrowing Base

"<u>PP&E Percentage</u>" shall mean:

(i) at the time of any determination occurring prior to the satisfaction by the Borrowers of the post-closing requirements set forth in items 1, 2 and 3 on <u>Schedule 5.15</u>, the percentage equal to one hundred percent (100%) <u>minus</u> the percentage obtained by multiplying \$595,238 by the number of new calendar months that have begun since the Effective Date (starting with September, 2010) and dividing the result by \$28,333,334;

(ii) at the time of any determination occurring on or after the date the Borrowers satisfy the post-closing requirements set forth in items 1, 2 and 3 on <u>Schedule 5.15</u> until the Amortization Commencement Date, the "PP&E Percentage" shall be equal to one hundred percent (100%), and

(iii) at the time of any determination occurring on or after the Amortization Commencement Date, the percentage equal to one hundred percent (100%) <u>minus</u> the percentage obtained by dividing the number of full fiscal months of the Company elapsed since the Amortization Commencement Date by eight-four (84).

"<u>PPSA</u>" means the *Personal Property Security Act* (Ontario), including the regulations thereto, provided that, if perfection or the effect of perfection or non-perfection or the priority of any Lien created hereunder on the Collateral is governed by the personal property security legislation or other applicable legislation with respect to personal property security in effect in a jurisdiction other than Ontario, "PPSA" means the Personal Property Security Act or such other applicable legislation in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"Prepayment Event" means:

(a) any sale, transfer or other disposition (including pursuant to a sale and leaseback transaction) of any property or asset of any Loan Party, other than dispositions described in Sections 6.05(a) through 6.05(d) or in Sections 6.05(h) through 6.05(k); or

(b) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of any Loan Party; or

(c) the issuance by the Company of any Equity Interests after the Effective Date other than any over-allotment or "green shoe" offered after the Effective Date in connection with the New Equity or the receipt by the Company of any capital contribution; or

(d) the incurrence by any Loan Party of any Indebtedness, other than Indebtedness permitted under Section 6.01.

"<u>Prime Rate</u>" means the rate of interest per annum publicly announced from time to time by Chase as its prime rate at its offices at 270 Park Avenue in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"<u>Prior Claims</u>" shall mean all Liens created by applicable law (in contrast with Liens voluntarily granted) which rank or are capable of ranking prior to or *pari passu* with the Liens created by the Collateral Documents (or interests similar thereto under applicable law) including for amounts owing for employee source deductions, vacation pay, goods and services taxes, sales taxes, harmonized sales taxes, municipal taxes, workers' compensation, Quebec corporate taxes, pension fund obligations and overdue rents.

"<u>Private Brand Customer</u>s" shall mean customers of any Loan Party that are engaged in the business of selling private label beverages and/or retailer branded beverages.

"<u>Process Agent</u>" means CT Corporation, A Wolters Kluwer Company, 111 Eight Avenue, New York, NY 10011 (telephone no: (212) 894-8940), (or such other process agent as shall be reasonably approved by the Administrative Agent, which in the case of any Loan Guarantor, may be Cott Beverages) acting as designee, appointee and agent of each Loan Party that is not organized under the laws of any State of the United States to accept and forward for and on such Loan Party's behalf, service of any and all legal process, summons, notices and documents that may be served in any action or proceeding arising out of or in connection with this Agreement or any other Loan Document.

"<u>Pro Forma Basis</u>" means on a basis in accordance with GAAP and Regulation S-X promulgated by the United States Securities and Exchange Commission and otherwise reasonably satisfactory to the Administrative Agent.

"Projections" has the meaning assigned to such term in Section 5.01(f).

"<u>Proposed Acquisition</u>" means the proposed acquisition after the Effective Date by the Company or any of its Restricted Subsidiaries of all or a significant part of the assets or Equity Interests of any Proposed Acquisition Target, or all or a significant part of the assets of a division, business, branch or unit of any Proposed Acquisition Target, or the proposed merger after the Effective Date of any Proposed Acquisition Target with or into the Company or any Restricted Subsidiary of the Company (and, in the case of a merger or amalgamation with any Borrower, with such Borrower being the surviving corporation).

"Proposed Acquisition Target" means any Person or any operating division thereof subject to a Proposed Acquisition.

"Protective Advance" has the meaning assigned to such term in Section 2.04.

"Qualified Equity Interests" means all Equity Interests other than Disqualified Equity Interests.

"Quebec Security Documents" means a deed of hypothec executed by any Loan Party from time to time, and any other related documents, bonds, debentures or pledge agreements required to perfect a Lien in favor of the Administrative Collateral Agent in the Province of Quebec.

"Register" has the meaning set forth in Section 9.04.

"<u>Related Parties</u>" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"<u>Report</u>" means reports prepared by the Administrative Agent or another Person showing the results of appraisals, field examinations or audits pertaining to the assets of any Borrower from information furnished by or on behalf of any of the Borrowers, after the Administrative Agent has exercised its rights of inspection pursuant to this Agreement, which Reports may be distributed to the Lenders by the Administrative Agent.

"<u>Required Lenders</u>" means, at any time, Lenders having Credit Exposure and unused Commitments representing at least 50.1% of the sum of the total Credit Exposure and unused Commitments at such time.

"<u>Requirement of Law</u>" means, as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents (including, without limitation, the Memorandum and Articles of Association) of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"<u>Reserves</u>" means any and all reserves which either Collateral Agent deems necessary, in its Permitted Discretion, to maintain (including, without limitation, reserves for accrued and unpaid interest on the Secured Obligations, Banking Services Reserves to the extent relating to Secured Obligations, reserves for Swap Obligations to the extent relating to Secured Obligations, reserves for rent at locations leased by any Loan Party and for consignee's, warehousemen's, mortgagees' and bailee's charges to the extent any such location houses Eligible Inventory or Eligible Equipment, reserves for dilution of Accounts, reserves for Inventory shrinkage, reserves for customs charges and shipping charges related to any Inventory in transit, reserves for contingent liabilities of any Loan Party, reserves for the prescribed part of the UK Borrower's net property that would be made available for the satisfaction of its unsecured liabilities pursuant to Section 176A of the Insolvency Act 1986 together with its liabilities which constitute preferential debts pursuant to Section 386 of the Insolvency Act 1986 and for these purposes each Collateral Agent may make a good faith estimate of such amounts, and an amount estimated in good faith by such Collateral Agent (acting reasonably) as being necessary to reflect third party claims against Inventory of the UK Borrower ranking or which may rank *pari passu* with or prior to the claims of the Lenders under the Loan Documents, including without limitation claims of unpaid suppliers, reserves for amounts owed to Farm Products Sellers and reserves for taxes, fees, assessments, and other governmental charges and Prior Claims) with respect to the Collateral or any Loan Party.

"<u>Restricted Payment</u>" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Company or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Company or any option, warrant or other right to acquire any such Equity Interests in the Company.

"Restricted Subsidiaries" means all Subsidiaries of the Company that are not Unrestricted Subsidiaries and "Restricted Subsidiary" means any one of such entities.

"<u>Restructuring</u>" means an internal restructuring of the Company and its Subsidiaries, to be completed on the Effective Date, satisfactory to the Administrative Agent, in its discretion, resulting in a corporate structure of the restructured entities substantially as set forth on <u>Annex A</u>, which restructuring may also include the following intercompany Indebtedness:

(a) a subordinated original issue discount note from Cott Retail Brands Ltd. to Cott USA Finance LLC, to be pledged to the Administrative Collateral Agent;

(b) a subordinated note from Cott U.S. Acquisition LLC to Cott Beverages, to be pledged to the Administrative Collateral Agent; and

(c) certain other subordinated notes among Loan Parties, to be pledged to the Administrative Collateral Agent.

For the sake of clarity, the provisions in this Agreement related to the Restructuring are for informational purposes and are not intended to imply that the Company may not engage in future transactions otherwise permitted by this Agreement and the other Loan Documents that may change the structure of the Company and its Subsidiaries.

"<u>Revolving Exposure</u>" means, with respect to any Lender at any time, the sum of (a) the outstanding principal amount of such Lender's Revolving Loans and its LC Exposure and an amount equal to its Applicable Percentage of the aggregate principal amount of Swingline Loans outstanding at such time, <u>plus</u> (b) an amount equal to its Applicable Percentage of the aggregate principal amount of Overadvances outstanding at such time.

"Revolving Loan" means a Loan made pursuant to Section 2.01.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc.

"<u>Secured Obligations</u>" means all Obligations, together with all (i) Banking Services Obligations and (ii) Swap Obligations owing to one or more Lenders or their respective Affiliates; provided that (w) Banking Services Obligations in respect of Banking Services

provided by Chase or its Affiliates shall constitute Secured Obligations entitled to the benefits of the Collateral Documents without any further action on the part of any Person, (x) Banking Services Obligations in respect of Banking Services provided by any other Lender or its Affiliates shall constitute Secured Obligations upon delivery of a notice signed by the applicable Lender or its Affiliate and the Borrower Representative designating such Banking Services Obligations as Secured Obligations entitled to the benefits of the Collateral Documents, (y) Swap Obligations with respect to Swap Agreements in which Chase or its Affiliate is the counterparty shall constitute Secured Obligations entitled to the benefit of the Collateral Documents without any further action on the part of any Person, and (z) Swap Obligations with respect to Swap Agreements in which any other Lender or its Affiliate is a counterparty shall be Secured Obligations if on or before the thirtieth day after any transaction relating to such Swap Obligation is executed the Lender party thereto or its Affiliate (other than Chase and its Affiliates) shall have delivered written notice to the Administrative Agent that such a transaction has been entered into and that it constitutes a Secured Obligation entitled to the benefits of the Collateral Documents.

"<u>Security Agreement</u>" means, as the context may require, any U.S. Security Agreement, any Canadian Security Agreement, any Quebec Security Documents, any Mexican Security Agreement and/or any UK Security Agreement.

"Settlement" has the meaning assigned to such term in Section 2.05(d).

"Settlement Date" has the meaning assigned to such term in Section 2.05(d).

"<u>Sidel Water Capital Lease</u>" means the capital lease between Cott Beverages and General Electric Capital Corporation relating to the equipment and materials for the construction of high speed water lines obtained from Sidel.

"<u>Specified Default</u>" means any event or condition (x) which constitutes an Event of Default or (y) which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default under clauses (b), (d) (but only to the extent arising from failure to deliver a Borrowing Base Certificate on a timely basis) or (h) of Article VII.

"Specified Foreign Currencies" has the meaning assigned to such term in Section 2.01.

"<u>Specified Foreign Currency Funding Capacity</u>" means, at any date of determination, for any Lender, the ability of such Lender to fund Revolving Loans denominated in a Specified Foreign Currency, as set forth in the records of the Administrative Agent as notified in writing by such Lender to the Administrative Agent within three (3) Business Days of such Lender becoming a Lender hereunder.

- "Specified Foreign Currency Loan" has the meaning assigned to such term in Section 12.01(a).
- "Specified Foreign Currency Participation" has the meaning assigned to such term in Section 12.01(a).
- "Specified Foreign Currency Participation Fee" has the meaning assigned to such term in Section 12.06.
- "Specified Foreign Currency Participation Settlement" has the meaning assigned to such term in Section 12.02(i).
- "Specified Foreign Currency Participation Settlement Amount" has the meaning assigned to such term in Section 12.02(ii).
- "Specified Foreign Currency Participation Settlement Date" has the meaning assigned to such term in Section 12.02(i).
- "Specified Foreign Currency Participation Settlement Period" has the meaning assigned to such term in Section 12.02(i).

"<u>Spot Selling Rate</u>" means, on any date of determination, the spot selling rate determined by the Administrative Agent which shall be the spot selling rate posted by Reuters on its website for the sale of the applicable currency for dollars at approximately noon, New York City time, on the prior Business Day; <u>provided</u> that if, at the time of any such determination, for any reason, no such spot rate is being quoted, at the spot exchange rate therefor as determined by the Administrative Agent, in each case as of noon, New York City time on such date of determination thereof.

"<u>Statutory Reserve Rate</u>" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Sterling," or "£" refers to the lawful currency of the United Kingdom.

"<u>subsidiary</u>" means, with respect to any Person (the "<u>parent</u>") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity of which securities or other ownership interests representing more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held.

"Subsidiary" means any direct or indirect subsidiary of the Company or a Loan Party, as applicable.

"<u>Supermajority Lenders</u>" means, at any time, Lenders having Revolving Exposure and unused Commitments representing at least 75% of the sum of the total Revolving Exposure and unused Commitments at such time.

"<u>Swap Agreement</u>" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; <u>provided</u> that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrowers or the Subsidiaries shall be a Swap Agreement.

"<u>Swap Obligations</u>" of a Person means any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swap Agreements, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction.

"<u>Swingline Exposure</u>" shall mean, at any time, the sum of the aggregate undrawn amount of all outstanding Swingline Loans at such time. The Swingline Exposure of any Lender at any time shall be its Commitment Percentage of the total Swingline Exposure at such time.

"<u>Swingline Lender</u>" means the Canadian Swingline Lender, the UK Swingline Lender and/or the U.S. Swingline Lender, as applicable.

"<u>Swingline Loan</u>" means a US Swingline Loan, a Canadian Swingline Loan and/or a UK Swingline Loan, as the context may require.

"<u>TARGET</u>" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes interlinked national real time gross settlement systems and the European Central Bank's payment mechanism and which began operations on January 4, 1999.

"<u>TARGET Day</u>" means (a) until such time as TARGET is permanently closed down and ceases operations, any day on which both TARGET and TARGET2 are open for settlement of payments in Euro; and (b) following such time as TARGET is permanently closed down and ceases operations, any day on which TARGET2 is open for settlement of payments in Euro.

"<u>TARGET2</u>" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007.

"<u>Taxes</u>" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"<u>Tax Confirmation</u>" means a confirmation by a Lender to the UK Borrower that the person beneficially entitled to interest payable to that Lender in respect of an advance hereunder is either:

- (i) a company resident in the United Kingdom for United Kingdom tax purposes;
- (ii) a partnership each member of which is:
  - (1) a company so resident in the United Kingdom; or
  - (2) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits within the meaning of section 19 of the UK Corporation Tax Act 2009) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the UK Corporation Tax Act 2009 ; or

(iii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the UK Corporation Tax Act 2009) of that company.

"<u>Test Period</u>" means at any time, the four consecutive fiscal quarters of the Company then last ended (in each case taken as one accounting period) for which financial statements have been or are required to have been delivered pursuant to Section 4.01, Section 5.01 (a) or Section 5.01(b).

"<u>Transactions</u>" means the execution, delivery and performance by the Loan Parties of this Agreement, the borrowing of Loans and other credit extensions, the execution, delivery and performance of the 2010 Note Documents, including the issuance of the 2010 Notes, the issuance of the New Equity, the use of the proceeds of each of the foregoing, and the issuance of Letters of Credit hereunder.

"Treaty Lender" means a Lender which:

- (a) is treated as a resident of a Treaty State for the purposes of the Treaty;
- (b) does not carry on a business in the jurisdiction in which the applicable Borrower is located through a permanent establishment with which that Lender's participation in the Loan is effectively connected.

"<u>Treaty State</u>" means a jurisdiction having a double taxation agreement (a "<u>Treaty</u>") with the jurisdiction in which the relevant Borrower is located which makes provision for full exemption from the imposition of any withholding or deduction for or on account of tax imposed by the Borrower's jurisdiction on interest.

"<u>Type</u>", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate, the Alternate Base Rate, the CDOR Rate, the Canadian Prime Rate or the Overnight LIBO Rate.

"<u>UCC</u>" means the Uniform Commercial Code as in effect from time to time in the State of New York or any other state the laws of which are required to be applied in connection with the issue of perfection of security interests.

"<u>UK Borrower</u>" means Cott Beverages Limited, a company organized under the laws of England and Wales.

"<u>UK Group</u>" means the UK Borrower and its Subsidiaries.

"<u>UK Issuing Bank</u>" means JPMorgan Chase Bank, N.A., London Branch, in its capacity of the issuer of Letters of Credit for the account of the UK Borrower hereunder, and its successors in such capacity as provided in Section 2.06(i). The UK Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of the UK Issuing Bank, in which case the term "UK Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"<u>UK Letter of Credit Exposure</u>" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit issued by the UK Issuing Bank at such time for the account of the UK Borrower plus (b) the aggregate amount of all LC Disbursements of the UK Issuing Bank that have not yet been reimbursed by or on behalf of the UK Borrower at such time. The UK Letter of Credit Exposure of any Lender at any time shall be its Applicable Percentage of the total UK Letter of Credit Exposure at such time.

"UK Overadvance" means an Overadvance made to or for the account of the UK Borrower.

"<u>UK Pension Scheme</u>" means the Cott Beverages Limited Retirement & Death Benefits Scheme, PSR number 10169362 and HMRC approval number 00248486RS.

"UK Protective Advance" means a Protective Advance made to or for the account of the UK Borrower.

"<u>UK Qualifying Lender</u>" means a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance to the UK Borrower hereunder, gives a Tax Confirmation where the Lender falls within one of the categories in sub-paragraph (2) to the UK Borrower and is:

1) a Lender which is a bank (as is defined for the purpose of section 879 of the UK Income Tax Act 2007) making an advance hereunder and which is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance;

- 2) a Lender which is:
  - (i) a company resident in the United Kingdom for United Kingdom tax purposes;
  - (ii) a partnership each member of which is:
    - (x) a company so resident in the United Kingdom; or
    - (y) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which is required to bring into account in computing its chargeable profits (within the meaning of section 19 of the UK Corporation Tax Act 2009) the whole of any share of interest payable in respect of that advance that falls to it by reason of part 117 of the UK Corporation Tax Act 2009;
  - (iii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account that interest payable in respect of that advance in computing the chargeable profits (for the purposes of section 19 of the UK Corporation Tax Act 2009) of that company; or
- 3) a Treaty Lender.

"<u>UK Revolving Exposure</u>" means, with respect to any Lender at any time, the sum of (a) the outstanding principal amount of such Lender's UK Revolving Loans and its UK Letter of Credit Exposure and an amount equal to its Applicable Percentage of the aggregate principal amount of UK Swingline Loans outstanding at such time, <u>plus</u> (b) an amount equal to its Applicable Percentage of the aggregate principal amount of UK Overadvances outstanding at such time.

"UK Revolving Loan" means a Revolving Loan made to the UK Borrower.

"<u>UK Security Agreement</u>" means that certain Debenture dated as of the date hereof, between the UK Borrower and the UK Security Trustee as the same may be amended, restated or otherwise modified from time to time.

"<u>UK Security Trustee</u>" means JPMorgan Chase Bank, N.A., London Branch, in its capacity as security trustee for itself, the Administrative Agent, the Issuing Banks and the Lenders.

" UK Sublimit " means \$75,000,000.

"<u>UK Swingline Lender</u>" means JPMorgan Chase Bank, N.A., London Branch, in its capacity as lender of UK Swingline Loans hereunder.

"<u>UK Swingline Loan</u>" has the meaning assigned to such term in Section 2.05(a)(iii).

"<u>Unliquidated Obligations</u>" means, at any time, any Secured Obligations (or portion thereof) that are contingent in nature or unliquidated at such time, including any Secured Obligation that is: (i) an obligation to reimburse a bank for drawings not yet made under a letter of credit issued by it; (ii) any other obligation (including any guarantee) that is contingent in nature at such time; or (iii) an obligation to provide collateral to secure any of the foregoing types of obligations.

"<u>Unrestricted Subsidiary</u>" means any Subsidiary of the Company designated as an Unrestricted Subsidiary pursuant to Section 5.14, <u>provided</u>, that no Interim Holdco may constitute an Unrestricted Subsidiary. The Unrestricted Subsidiaries as of the Effective Date are listed on <u>Schedule 1.01(c)</u>.

"U.S. Co-Borrowers" means Cott Beverages and Cliffstar LLC.

"U.S. Group" means the U.S. Co-Borrowers and their respective Subsidiaries.

"<u>U.S. Issuing Bank</u>" means each of JPMorgan Chase Bank, N.A. and up to two other Lenders designated by Cott Beverages to serve as U.S. Issuing Bank hereunder in a written notice to the Administrative Agent, each in its capacity of the issuer of Letters of Credit for the account of a U.S. Co-Borrower, and their and its successors in such capacity as provided in Section 2.06(i). Any U.S. Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such U.S. Issuing Bank, in which case the term "U.S. Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"<u>U.S. Letter of Credit Exposure</u>" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit issued by a U.S. Issuing Bank at such time for the account of a U.S. Co-Borrower plus (b) the aggregate amount of all LC Disbursements of any U.S. Issuing Bank that have not yet been reimbursed by or on behalf of a U.S. Co-Borrower at such time. The U.S. Letter of Credit Exposure of any Lender at any time shall be its Applicable Percentage of the total U.S. Letter of Credit Exposure at such time.

"U.S. Overadvance" means an Overadvance made to or for the account of a U.S. Co-Borrower.

"U.S. Protective Advance" means a Protective Advance made to or for the account of a U.S. Co-Borrower.

"<u>U.S. Revolving Exposure</u>" means, with respect to any Lender at any time, the sum of (a) the outstanding principal amount of such Lender's U.S. Revolving Loans and its U.S. Letter of Credit Exposure and an amount equal to its Applicable Percentage of the aggregate principal amount of U.S. Swingline Loans outstanding at such time, <u>plus</u> (b) an amount equal to its Applicable Percentage of the aggregate principal amount of U.S. Overadvances outstanding at such time.

"U.S. Revolving Loan" means a Revolving Loan made to a U.S. Co-Borrower.

"<u>U.S. Security Agreement</u>" means that certain U.S. Pledge and Security Agreement, dated as of the date hereof, between the Loan Parties party thereto and the Administrative Collateral Agent, for the benefit of the Administrative Agent, the Collateral Agents and the Lenders, and any other pledge or security agreement entered into, after the date of this Agreement by any other Loan Party (as required by this Agreement or any other Loan Document for the purpose of creating a Lien on the property of any Loan Party organized in the U.S. (or any other property located therein)), or any other Person, as the same may be amended, restated or otherwise modified from time to time.

"<u>U.S. Swingline Lender</u>" means JPMorgan Chase Bank, N.A., in its capacity as lender of U.S. Swingline Loans hereunder.

"U.S. Swingline Loan" has the meaning assigned to such term in Section 2.05(a)(i).

"<u>VAT</u>" means value added tax as provided for in the VATA 1994 or any similar or substitute tax.

"VATA 1994" means The Value Added Tax Act 1994.

"<u>Withdrawal Liability</u>" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

Section 1.02. <u>Classification of Loans and Borrowings</u>. For purposes of this Agreement, Loans may be classified and referred to by Class (<u>e.g.</u>, a "Revolving Loan") or by Type (<u>e.g.</u>, a "Eurodollar Loan") or by Class and Type (<u>e.g.</u>, a "Eurodollar Revolving Loan"). Borrowings also may be classified and referred to by Class (<u>e.g.</u>, a "Revolving Borrowing") or by Type (<u>e.g.</u>, a "Eurodollar Borrowing") or by Class and Type (<u>e.g.</u>, a "Eurodollar Borrowing") or by Class and Type (<u>e.g.</u>, a "Eurodollar Borrowing").

Section 1.03. <u>Terms Generally</u>. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to, and in compliance with, any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

Section 1.04. <u>Accounting Terms; GAAP</u>. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; <u>provided</u> that, if the Borrower Representative notifies the Administrative Agent that the Borrowers request an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower Representative that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

Section 1.05. <u>Currency Translations</u>. (a) For purposes of this Agreement and the other Loan Documents, where the permissibility of a transaction or determinations of required actions or circumstances depend upon compliance with, or are determined by reference to, amounts stated in dollars, such amounts shall be deemed to refer to dollars or Dollar Equivalents and any requisite currency translation shall be based on the Spot Selling Rate and the permissibility of actions taken under Article VI shall not be affected by subsequent fluctuations in exchange rates (provided that if Indebtedness is incurred to refinance or renew other Indebtedness, and such refinancing or renewal would cause the applicable dollar denominated limitation to be exceeded if calculated at the Spot Selling Rate, such dollar denominated restriction shall be deemed not to have been exceeded so long as (x) such refinancing or renewal Indebtedness is denominated in the same currency as such Indebtedness being refinanced or renewed and (y) the principal amount of such refinancing or renewal Indebtedness does not exceed the principal amount of such Indebtedness being refinanced or renewed except as permitted under Section 6.01).

(b) For purposes of all determinations of Aggregate Availability, Aggregate Borrowing Base, Aggregate Credit Exposure, Applicable Commitment Fee Rate, Available Commitments, Borrowing Bases, Canadian Letter of Credit Exposure, Canadian Revolving Exposure, Canadian Sublimit, Commitments, Credit Exposure, LC Exposure, Revolving Exposure, Required Lenders, Supermajority Lenders, UK Letter of Credit Exposure, UK Revolving Exposure, UK Sublimit, U.S. Letter of Credit Exposure and U.S. Revolving Exposure (and the components of each of them), any amount in any currency other than dollars shall be deemed to refer to dollars or Dollar Equivalents and any requisite currency translation shall be based on the Spot Selling Rate. For purposes of all calculations and determinations hereunder, and all certificates delivered hereunder, all amounts represented by such terms shall be expressed in dollars or Dollar Equivalents.

Section 1.06. <u>Certificates</u>. Except as otherwise expressly provided herein, all certificates required to be delivered by a Financial Officer or other officer of any Loan Party may be delivered by a Financial Officer or other officer, as applicable, of such Loan Party on behalf of such Loan Party and not in such officer's individual capacity.

## **ARTICLE II**

## **The Credits**

Section 2.01. <u>Commitments</u>. Subject to the terms and conditions set forth herein, each Lender agrees to make Revolving Loans to (x) the Company in dollars or Canadian Dollars from time to time during the Availability Period, (y) the U.S. Co-Borrowers, on a joint and several basis, in dollars from time to time during the Availability Period and (z) the UK Borrower in Euros, Sterling or dollars from time to time during the Availability Period and (z) the UK Borrower in Euros, Sterling or dollars from time to time during the Availability Period and (z) the UK Borrower in Euros, Sterling or dollars from time to time during the Availability Period and (z) the UK Borrower in Euros, Sterling or dollars from time to time during the Availability Period and (z) the UK Borrower in Euros, Sterling or dollars from time to time during the Availability Period and (z) the UK Borrower in Euros, Sterling or dollars from time to time during the Availability Period and (z) the UK Borrower in Euros, Sterling or dollars from time to time during the Availability Period and (z) the UK Borrower in Euros, Sterling or dollars from time to time during the Availability Period and (z) the UK Borrower in Euros, Sterling or dollars from time to time during the Availability Period and (z) the UK Borrower of all Lenders exceeding the lesser of (x) the sum of the total Commitments of all Lenders or (y) the Aggregate Borrowing Base, (iii) the sum of the Canadian Revolving Loans plus Canadian Letter of Credit Exposure, plus Canadian Swingline Loans exceeding the Canadian Sublimit or (iv) the sum of the UK Revolving Loans, plus UK Letter of Credit Exposure plus UK Swingline Loans exceeding the UK Sublimit, subject, in each case, to the Administrative Agent's authority, in its sole discretion, to make Protective Advances and Overadvances pursuant to the terms of Sections 2.04 and 2.05. Within the foregoing limits and subject to the terms and conditions set forth herein, the Company, the UK Borrower and the U.S. Co-Borrowers may borrow, prepay and r

Section 2.02. Loans and Borrowings. (a) Each Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Loans of the same Class and Type made by the Lenders ratably in accordance with their respective Commitments of the applicable Class. Any Protective Advance, any Overadvance and any Swingline Loan shall be made in accordance with the procedures set forth in Sections 2.04 and 2.05.

(b) Subject to Section 2.14, each Revolving Borrowing denominated in dollars (other than Revolving Borrowings denominated in dollars requested by or on behalf of the UK Borrower) shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower Representative (or the applicable Borrower) may request in accordance herewith, each Revolving Borrowing denominated in Canadian Dollars shall be comprised entirely of Canadian Prime Loans or CDOR Loans as the Borrower Representative (or the applicable Borrower) may request in accordance herewith, each Revolving Borrowing denominated in Euros or Sterling shall be comprised entirely of Eurodollar Loans and each Revolving Borrowing denominated in dollars requested by or on behalf of the UK Borrower shall be comprised entirely of Eurodollar Loans, <u>provided</u> that all Borrowings made on the Effective Date must be made as ABR Borrowings (in the case of Borrowings by a U.S. Co-Borrower and Borrowings by the Canadian Borrower in Ganadian Dollars) or Eurodollar Borrowings (in the case of Borrowings (in the case of Borrowings by the Canadian Dollars) or CDOR Borrowings, as applicable, in accordance with Section 2.08. Each US Swingline Loan shall be an ABR Loan , each Canadian Swingline Loan in Canadian Dollars shall be an Overnight LIBO Loan. Each Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower by causing and each IL (IS).

(c) At the commencement of each Interest Period for any Eurodollar Revolving Borrowing, or CDOR Revolving Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000. ABR Revolving Borrowings and Canadian Prime Revolving Borrowings may be in any amount. Borrowings of more than one Type and Class may be outstanding at the same time; <u>provided</u> that there shall not at any time be more than a total of 10 Eurodollar Borrowings and CDOR Borrowings in the aggregate.

(d) Notwithstanding any other provision of this Agreement, neither the Borrower Representative nor any Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

(e) Each Loan to the U.S. Co-Borrowers shall be made in dollars, each Loan to the Company shall be made in dollars or Canadian Dollars and each Loan to the UK Borrower shall be made in dollars, Euros or Sterling.

Section 2.03. <u>Requests for Revolving Borrowings</u>. To request a Revolving Borrowing, the Borrower Representative (or the applicable Borrower) shall notify the Disbursement Agent of such request either in writing (delivered by hand or facsimile or, in the case of notices to the Disbursement Agent with respect to Canadian Revolving Loans or U.S. Revolving Loans, transmission of a pdf file containing an executed copy of the Borrowing Request) in a form approved by the Disbursement Agent and signed by the Borrower Representative (or the applicable Borrower) or by telephone in accordance with the following provisions of this Section 2.03:

(a) in the case of a Loan to the UK Borrower that is a Eurodollar Borrowing, not later than 1:00 p.m., Local Time, three Business Days before the date of the proposed Borrowing;

(b) in the case of a Loan to the Company denominated in Canadian Dollars (i) that is a Canadian Prime Borrowing, not later than 11:00 a.m., Local Time, on the date of the proposed Borrowing and (ii) that is a CDOR Borrowing, not later than 10:00 a.m., Local Time, three Business Days before the date of the proposed Borrowing;

(c) in the case of a Loan to the Company denominated in dollars (i) that is an ABR Borrowing, not later than 11:00 a.m., Local Time, on the date of the proposed Borrowing and (ii) that is a Eurodollar Borrowing, not later than 10:00 a.m., Local Time, three Business Days before the date of the proposed Borrowing; and

(d) in the case of a Loan to a U.S. Co-Borrower (i) that is an ABR Borrowing, not later than 11:00 a.m., Local Time, on the date of the proposed Borrowing and (ii) that is a Eurodollar Borrowing, not later than 11:00 a.m., Local Time, three Business Days before the date of the proposed Borrowing.

Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or facsimile (or, in the case of notices to the Disbursement Agent with respect to Canadian Revolving Loans or U.S. Revolving Loans, transmission of a pdf file to the Disbursement Agent containing an executed copy of the Borrowing Request) of a written Borrowing Request in a form approved by the Disbursement Agent and signed by the Borrower Representative. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.01:

(i) the name of the applicable Borrower;

(ii) the aggregate amount of the requested Borrowing and a breakdown of the separate wires comprising such Borrowing;

(iii) the date of such Borrowing, which shall be a Business Day;

(iv) in the case of a Borrowing requested on behalf of the Company or the UK Borrower, the currency of the requested Borrowing;

(v) whether such Borrowing is to be an ABR Borrowing, a Canadian Prime Borrowing, a Eurodollar Borrowing or a CDOR Borrowing; and

(vi) in the case of a Eurodollar Borrowing or a CDOR Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period."

If no election as to the Type of Revolving Borrowing is specified, then (i) a Revolving Borrowing requested in dollars (other a Revolving Borrowing requested by or on behalf of the UK Borrower) shall be an ABR Borrowing, (ii) a Revolving Borrowing requested in Canadian Dollars shall be a Canadian Prime Borrowing and (iii) a Revolving Borrowing requested in Euros or Sterling and a Revolving Borrowing requested in dollars by or on behalf of the UK Borrower shall be a Eurodollar Borrowing with an Interest Period of one month. If no Interest Period is specified with respect to any requested Eurodollar Revolving Borrowing or CDOR Revolving Borrowing, then the applicable Borrower (s) shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Disbursement Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

Section 2.04. Protective Advances. (a) Subject to the limitations set forth below, the Administrative Agent is authorized by the Borrowers and the Lenders, from time to time in the Administrative Agent's sole discretion (but shall have absolutely no obligation to), to make (or authorize the Disbursement Agent to make) Loans to the U.S. Co-Borrowers, jointly and severally, in dollars, to the Company in dollars or Canadian Dollars and to the U.K. Borrower in dollars, Euros or Sterling, on behalf of all Lenders, which either Collateral Agent, in its Permitted Discretion, deems necessary or desirable (i) to preserve or protect the Collateral, or any portion thereof, (ii) to enhance the likelihood of, or maximize the amount of, repayment of the Loans and other Obligations, or (iii) to pay any other amount chargeable to or required to be paid by the Borrowers or any of them pursuant to the terms of this Agreement, including payments of reimbursable expenses (including costs, fees, and expenses as described in Section 9.03) and other sums payable under the Loan Documents (any of such Loans are herein referred to as " Protective Advances "); provided that, the aggregate amount of Protective Advances outstanding at any time, together with the aggregate amount of Overadvances outstanding at such time, shall not exceed \$12,500,000 (or the Dollar Equivalent thereof); provided further that, the aggregate amount of outstanding Protective Advances plus the aggregate Revolving Exposure shall not exceed the aggregate Commitments; provided further that Protective Advance shall be made only if a Specified Default or Event of Default has occurred and is continuing. Protective Advances may be made even if the conditions precedent set forth in Section 4.02 have not been satisfied. The Protective Advances shall be secured by the Liens in favor of the Administrative Collateral Agent and the UK Security Trustee in and to the Collateral and shall constitute Obligations hereunder. All Protective Advances denominated in dollars (other than Protective Advances to the UK Borrower) shall be ABR Borrowings, all Protective Advances denominated in Canadian Dollars shall be Canadian Prime Borrowings and all Protective Advances denominated in Euros or Sterling and all Protective Advances to the UK Borrower denominated in dollars shall be Overnight LIBO Borrowings. The Administrative Agent's authorization to make Protective Advances may be revoked at any time by the Required Lenders. Any such revocation must be in writing and shall become effective prospectively upon the Administrative Agent's receipt thereof. At any time that there is sufficient Aggregate Availability and the conditions precedent set forth in Section 4.02 have been satisfied, the Administrative Agent may

(and, on at least a weekly basis when any Protective Advance is outstanding, shall) request the Lenders to make a Revolving Loan, in the currency in which the applicable Protective Advance was denominated, to repay a Protective Advance. At any other time the Administrative Agent may (and, on at least a weekly basis when any Protective Advance is outstanding, shall) require the Lenders to fund, in the currency in which the applicable Protective Advance was denominated, their risk participations described in Section 2.04(b).

(b) Upon the making of a Protective Advance by the Administrative Agent or by the Disbursement Agent in accordance with the terms hereof, each Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the Administrative Agent or Disbursement Agent, as applicable, without recourse or warranty, an undivided interest and participation in such Protective Advance in proportion to its Applicable Percentage. From and after the date, if any, on which any Lender is required to fund its participation in any Protective Advance purchased hereunder, the Administrative Agent or Disbursement Agent, as applicable, shall promptly distribute to such Lender, such Lender's Applicable Percentage of all payments of principal and interest and all proceeds of Collateral received by the Administrative Agent in respect of such Protective Advance.

## Section 2.05. Swingline Loans and Overadvances. (a) Swingline Loans Generally.

(i) The Disbursement Agent, the U.S. Swingline Lender and the Lenders agree that in order to facilitate the administration of this Agreement and the other Loan Documents, promptly after the Borrower Representative requests an ABR Borrowing on behalf of the U.S. Co-Borrowers (or Cott Beverages requests such Borrowing), the U.S. Swingline Lender may elect to have the terms of this Section 2.05(a)(i) apply to such Borrowing Request by advancing, on behalf of the Lenders and in the amount requested, same day funds to such U.S. Co-Borrower, on the applicable Borrowing date to the Funding Account(s) (each such Loan made solely by the U.S. Swingline Lender pursuant to this Section 2.05(a)(i) is referred to in this Agreement as a "U.S. Swingline Loan"), with settlement among them as to the U.S. Swingline Loans to take place on a periodic basis as set forth in Section 2.05(d). Each U.S. Swingline Loan shall be subject to all the terms and conditions applicable to other ABR Loans funded by the Lenders, except that all payments thereon shall be payable to the U.S. Swingline Lender solely for its own account. The aggregate amount of U.S. Swingline Loan if the requested U.S. Swingline Loan exceeds Aggregate Availability (before giving effect to such U.S. Swingline Loan). All U.S. Swingline Loans shall be ABR Borrowings.

(ii) The Disbursement Agent, the Canadian Swingline Lender and the Lenders agree that in order to facilitate the administration of this Agreement and the other Loan Documents, promptly after the Borrower Representative requests a Canadian Prime Borrowing or an ABR Borrowing on behalf of the Company (or Company requests such Borrowing), the Canadian Swingline Lender may elect to have the terms of this Section 2.05(a)(ii) apply to such Borrowing Request by advancing, on behalf of the Lenders and in the amount

requested, same day funds to the Company, on the applicable Borrowing date to the Funding Account(s) (each such Loan made solely by the Canadian Swingline Lender pursuant to this Section 2.05(a)(ii) is referred to in this Agreement as a "<u>Canadian Swingline Loan</u>"), with settlement among them as to the Canadian Swingline Loans to take place on a periodic basis as set forth in Section 2.05(d). Each Canadian Swingline Loan shall be subject to all the terms and conditions applicable to other Canadian Prime Loans or ABR Loans, as applicable, funded by the Lenders to the Company, except that all payments thereon shall be payable to the Canadian Swingline Loan store solely for its own account. The aggregate amount of Canadian Swingline Loans outstanding at any time shall not exceed \$10,000,000 or the Dollar Equivalent thereof. The Canadian Swingline Lender shall not make any Canadian Swingline Loan if (i) the requested Canadian Swingline Loan exceeds Aggregate Availability (before giving effect to such Canadian Swingline Loan) or (ii) the making of such Canadian Swingline Loan would result in the sum of total Canadian Revolving Loans, plus Canadian Letter of Credit Exposure, plus Canadian Swingline Loans exceeding the Canadian Sublimit. All Canadian Swingline Loans shall be Canadian Prime Borrowings or ABR Borrowings, as applicable.

(iii) The Disbursement Agent, the UK Swingline Lender and the Lenders agree that (a) the Borrower Representative or the UK Borrower may request Overnight LIBO Borrowings denominated in dollars, Euros and Sterling pursuant to this Section 2.05(a)(iii) and (b) in order to facilitate the administration of this Agreement and the other Loan Documents, promptly after the Borrower Representative requests a Eurodollar Borrowing on behalf of the UK Borrower (or the UK Borrower requests such Borrowing), and, in each case, the UK Swingline Lender may elect to have the terms of this Section 2.05(a)(iii) apply to such Borrowing Request by advancing, on behalf of the Lenders and in the amount requested, same day funds to the UK Borrower, on the applicable Borrowing date to the Funding Account(s) (each such Loan made solely by the UK Swingline Lender pursuant to this Section 2.05(a)(iii) is referred to in this Agreement as a "<u>UK Swingline Loan</u>"), with settlement among them as to the UK Swingline Loans to take place on a periodic basis as set forth in Section 2.05(d). Each UK Swingline Loan shall be subject to all the terms and conditions applicable to other Eurodollar Loans funded by the Lenders, except that all payments thereon shall be payable to the UK Swingline Lender solely for its own account and all UK Swingline Loans shall be Overnight LIBO Borrowings. The aggregate amount of UK Swingline Loans outstanding at any time shall not exceed \$15,000,000 or the Dollar Equivalent thereof. The UK Swingline Lender shall not make any UK Swingline Loan if (i) the requested UK Swingline Loan exceeds Aggregate Availability (before giving effect to such UK Swingline Loan) or (ii) the making of such UK Swingline Loan would result in the sum of total UK Revolving Loans, plus UK Letter of Credit Exposure, plus UK Swingline Loans exceeding the UK Sublimit.

(b) Any provision of this Agreement to the contrary notwithstanding, at the request of the Borrower Representative, the Disbursement Agent may in its sole discretion (but with absolutely no obligation), make U.S. Revolving Loans to the U.S. Co-Borrowers, jointly and severally, UK Revolving Loans to the UK Borrower and Canadian Revolving Loans to the Company, on behalf of the Lenders, in amounts that exceed Aggregate Availability (any such excess Revolving Loans are herein referred to collectively as "<u>Overadvances</u>"); provided that, no Overadvance shall result in a Default due to Borrowers' failure to comply with Section 2.01 for so long as such Overadvance remains outstanding in accordance with the terms of this paragraph, but solely with respect to the amount of such Overadvances to the Company shall constitute Canadian Prime Borrowings or ABR Borrowings, as applicable, and Overadvances to the U.S. Co-Borrowers shall constitute ABR Borrowings. All Overadvances to the UK Borrower shall constitute Overnight LIBO Borrowings. The Disbursement Agent may not make any Overadvances hereunder to the extent that after giving effect thereto, the aggregate amount of Overadvances soutstanding at such time, together with the aggregate amount of Protective Advances outstanding at such time, would exceed \$12,500,000 (or the Dollar Equivalent thereof) at any time, no Overadvance may remain outstanding for more than thirty days and no Overadvance shall cause any Lender's Revolving Exposure to exceed its Commitment; provided that, the Required Lenders may at any time revoke the Disbursement Agent's authorization to make Overadvances. Any such revocation must be in writing and shall become effective prospectively upon the Disbursement Agent's receipt thereof.

(c) Upon the making of a Swingline Loan or an Overadvance (whether before or after the occurrence of a Default and regardless of whether a Settlement has been requested with respect to such Swingline Loan or Overadvance), each Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the applicable Swingline Lender or the Disbursement Agent, as the case may be, without recourse or warranty, an undivided interest and participation in such Swingline Loan or Overadvance in proportion to its Applicable Percentage of the Commitment. The applicable Swingline Lender or the Disbursement Agent may, at any time (and shall, on at least a weekly basis when any Overadvance is outstanding), require the Lenders to fund, in the currency in which the applicable Swingline Loan or Overadvance was denominated, their participations. From and after the date, if any, on which any Lender is required to fund its participation in any Swingline Loan or Overadvance purchased hereunder, the Disbursement Agent shall promptly distribute to such Lender, such Lender's Applicable Percentage of all payments of principal and interest and all proceeds of Collateral received by the Disbursement Agent in respect of such Loan.

(d) The Disbursement Agent, on behalf of the applicable Swingline Lender, shall request settlement (a "<u>Settlement</u>") with the Lenders (i) in the case of U.S. Swingline Loans and Canadian Swingline Loans, on at least a weekly basis on any date that the Administrative Agent elects or (ii) in the case of UK Swingline Loans, on any date that the UK Security Trustee elects that is no less frequent than once every two weeks, in each case by notifying the Lenders of such requested Settlement by facsimile or e-mail no later than 12:00

noon Local Time (A) on the date of such requested Settlement (the "Settlement Date") with regard to U.S. Swingline Loans and Canadian Swingline Loans and (B) three Business Days prior to the Settlement Date with regard to UK Swingline Loans. Each Lender (other than the Swingline Lenders, in the case of the Swingline Loans) shall transfer, in the currency in which the applicable Loan was denominated, the amount of such Lender's Applicable Percentage of the outstanding principal amount of the applicable Loan with respect to which Settlement is requested to the Disbursement Agent, to such account of the Disbursement Agent as the Disbursement Agent may designate, not later than 2:00 p.m., Local Time, on such Settlement Date. Settlements may occur during the existence of a Default and whether or not the applicable conditions precedent set forth in Section 4.02 have then been satisfied. Such amounts transferred to the Disbursement Agent shall be applied against the amounts of the applicable Swingline Lender's Swingline Loans and, together with such Swingline Lender's Applicable Percentage of such Swingline Loan, shall constitute Revolving Loans of such Lenders, respectively. If any such amount is not transferred to the Disbursement Agent by any Lender on such Settlement Date, the applicable Swingline Lender shall be entitled to recover such amount on demand from such Lender together with interest thereon as specified in Section 2.07.

Section 2.06. Letters of Credit. (a) <u>General</u>. Subject to the terms and conditions set forth herein, the Borrower Representative may request the issuance of Letters of Credit for its own account or for the account of another Borrower (or any Borrower may request the issuance of Letters of Credit for its own account), in a form reasonably acceptable to the Administrative Agent and the applicable Issuing Bank (a "<u>Letter of Credit Request</u>"), at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by a Borrower to, or entered into by a Borrower with, an Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower Representative (or the applicable Borrower) shall hand deliver or facsimile (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable Issuing Bank) to the applicable Issuing Bank and the Disbursement Agent (prior to 9:00 am, Local Time, at least three Business Days prior to the requested date of issuance, amendment, renewal or extension (or such shorter period as may be agreed to by the Disbursement Agent and the applicable Issuing Bank in their sole discretion)) a Letter of Credit Request, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the currency of such Letter of Credit (which shall be in dollars, Canadian Dollars, Euros or Sterling), the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the applicable Issuing Bank, the applicable Borrower also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrowers shall be deemed to represent and warrant that), after giving effect to such issuance,

amendment, renewal or extension (i) the U.S. Letter of Credit Exposure shall not exceed \$15,000,000, the Canadian Letter of Credit Exposure shall not exceed \$1,500,000 (or such larger amount (not to exceed the UK Sublimit) as the UK Issuing Bank may agree in writing) and (ii) the total Revolving Exposures shall not exceed the lesser of the total Commitments and the Aggregate Borrowing Base. No UK Letter of Credit shall be issued, amended, renewed or extended if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrowers shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension, the sum of the UK Revolving Exposure plus the UK Letter of Credit Exposure would exceed the UK Sublimit. No Canadian Letter of Credit shall be issued, amended, renewed or extended if (and upon issuance, amendment, renewal or extension, the Borrowers shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension, the sum of the UK Revolving Exposure plus the UK Letter of Credit shall be issued, amended, renewed or extended if (and upon issuance, amendment, renewal or extension of each Letter of Credit shall be issued, amended, renewed or extended if (and upon issuance, amendment, renewal or extension, the Borrowers shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension, the sum of the Canadian Revolving Exposure plus the Canadian Letter of Credit Exposure would exceed the Canadian Sublimit.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Maturity Date <u>provided</u> that any Letter of Credit with a one-year tenor may provide for the automatic renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (ii) above); and <u>provided</u>, <u>further</u>, that a Letter of Credit may, upon the request of the applicable Borrower, be renewed for a period beyond the date that is five Business Days prior to the Maturity Date if such Letter of Credit has become subject to cash collateralization (at 105% of the face value of such Letter of Credit) or other arrangements, in each case satisfactory to the Administrative Agent and the applicable Issuing Bank.

(d) <u>Participations</u>. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of any Issuing Bank or the Lenders, the applicable Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from the applicable Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Disbursement Agent, in the same currency as the applicable LC Disbursement, for the account of the applicable Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement made by such Issuing Bank and not reimbursed by the Borrowers on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrowers for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) <u>Reimbursement</u>. If any Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the applicable Borrower shall reimburse such LC Disbursement by paying to the Disbursement Agent, in the currency in which the applicable Letter of Credit was issued, an amount equal to such LC Disbursement not later than 11:00 a.m., Local Time, on the date that such LC Disbursement is made, if the Borrower Representative or the applicable Borrower shall have received notice of such LC Disbursement prior to 9:00 a.m., Local Time, on such date, or, if such notice has not been received by the Borrower Representative or the applicable Borrower prior to such time on such date, then not later than 11:00 a.m., Local Time, on (i) the Business Day that the Borrower Representative or the applicable Borrower receives such notice, if such notice is received prior to 9:00 a.m., Local Time, on the day of receipt, or (ii) the Business Day immediately following the day that the Borrower Representative or the applicable Borrower receives such notice, if such notice is not received prior to such time on the day of receipt; provided that the Borrower Representative on behalf of the applicable Borrower (or the applicable Borrower) may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or 2.05 that such payment be financed with a Revolving Borrowing or Swingline Loan in an equivalent amount and like currency and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting Revolving Borrowing or Swingline Loan. Any such Borrowing shall be (i) an ABR Borrowing if in dollars (except if such Borrowing was requested by or on behalf of the UK Borrower), (ii) a Canadian Prime Rate Borrowing if in Canadian Dollars and (iii) a UK Swingline Loan if such Borrowing was requested by or on behalf of the UK Borrower. If any Borrower fails to make such payment when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the Borrowers in respect thereof and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Lender shall pay to the Disbursement Agent in the same currency as the applicable LC Disbursement, its Applicable Percentage of the payment then due from the applicable Borrower, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Disbursement Agent shall promptly pay to the applicable Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Disbursement Agent of any payment from a Borrower pursuant to this paragraph, the Disbursement Agent shall distribute such payment to the applicable Issuing Bank or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse the applicable Issuing Bank, then the Disbursement Agent shall distribute such payment to such Lenders and the applicable Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the applicable Issuing Bank for any LC Disbursement (other than the funding of Revolving Loans or a Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the Borrowers or the Loan Guarantors of their respective obligations to reimburse such LC Disbursement.

(f) <u>Obligations Absolute</u>. The Borrowers' obligations to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by an Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance

whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrowers' obligations hereunder. Neither the Administrative Agent, the Collateral Agents, the Lenders nor the Issuing Banks, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the applicable Issuing Bank; provided that the foregoing shall not be construed to excuse the applicable Issuing Bank from liability to any Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrowers to the extent permitted by applicable law) suffered by such Borrower that are caused by the applicable Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of an Issuing Bank (as finally determined by a court of competent jurisdiction), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the applicable Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) <u>Disbursement Procedures</u>. The applicable Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The applicable Issuing Bank shall promptly notify the Administrative Agent, the Disbursement Agent and the Borrower Representative (or applicable Borrower) by telephone (confirmed by facsimile) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; <u>provided</u> that any failure to give or delay in giving such notice shall not relieve the Borrowers or the Loan Guarantors of their obligations to reimburse the applicable Issuing Bank and the Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If any Issuing Bank shall make any LC Disbursement, then, unless a Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that a Borrower reimburses such LC Disbursement, at the rate per annum then applicable to ABR Revolving Loans, in the case of an LC Disbursement by the US Issuing Bank, at the rate per annum then applicable to Canadian Prime Loans, in the case of an LC Disbursement by the Canadian Issuing Bank and at the rate per annum then applicable to Eurodollar Loans, in the case of an LC Disbursement by the UK Issuing Bank; provided that, if the Borrowers fail to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(g) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the applicable Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (e) of this Section to reimburse such Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) <u>Replacement of the Issuing Banks</u>. Any Issuing Bank may be replaced at any time by written agreement among the Borrower Representative, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of an Issuing Bank. At the time any such replacement shall become effective, the Borrowers shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(i) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Borrower Representative receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph or if any of the other provisions hereof require cash collateralization, the Borrowers shall deposit in an account with the Administrative Collateral Agent, in the name of the Administrative Collateral Agent and for the benefit of the Administrative Agent, the Collateral Agents and the Lenders (the "LC Collateral Account"), an amount, in cash and in the currency in which the applicable Letters of Credit are denominated, equal to 105% of the LC Exposure as of such date plus accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to any Borrower described in clause (h) or (i) of Article VII. Such deposit shall be held by the Administrative Collateral Agent as collateral for the payment and performance of the Secured Obligations. The Administrative Collateral Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account, such account shall be subject to a Deposit Account Control Agreement and each Borrower hereby grants the Administrative Collateral Agent a security interest in the LC Collateral Account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Collateral Agent and at each Borrowers' risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Collateral Agent to reimburse the applicable Issuing Bank or Issuing Banks for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of Borrowers for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy other

Secured Obligations. If the Borrowers are required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the applicable Borrower or Borrower Representative for the account of the applicable Borrower within three Business Days after all such Defaults have been cured or waived.

(k) On the Effective Date, (i) each Existing Letter of Credit, to the extent outstanding, shall be automatically and without further action by the parties thereto deemed converted into Letters of Credit issued pursuant to this Section 2.06 at the request of any U.S. Co-Borrower and subject to the provisions hereof as if such Existing Letters of Credit had been issued on the Effective Date, (ii) such Letters of Credit shall each be included in the calculation of LC Exposure and "U.S. Letter of Credit Exposure" and (iii) all liabilities of the U.S. Co-Borrowers and the other Loan Parties with respect to such Existing Letters of Credit shall constitute Obligations. No Existing Letter of Credit converted in accordance with this Section 2.06(k) shall be amended, extended or renewed except in accordance with the terms hereof. Notwithstanding the foregoing, the U.S. Co-Borrowers shall not be required to pay any additional issuance fees with respect to the issuance of the Existing Letters of Credit solely as a result of such letter of credit being converted to a Letter of Credit hereunder, it being understood that the fronting, participation and other fees set forth in Section 2.12(b) shall otherwise apply to such Existing Letters of Credit.

Section 2.07. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 1:00 p.m., Local Time (2:00 p.m., Local Time, in the case of Loans denominated in Sterling or Euros and in the case of a Canadian Prime Borrowing), to the account of the Disbursement Agent most recently designated by it for such purpose by notice to the Lenders in an amount equal to such Lender's Applicable Percentage; provided that, Swingline Loans shall be made as provided in Section 2.05. The Disbursement Agent will make such Loans available to the Borrower Representative (or, if directed by the Borrower Representative, to the account of the applicable Borrower) by promptly crediting the amounts so received, in like funds, to the Funding Account (s); provided that Revolving Loans made to finance the reimbursement of (i) an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Disbursement Agent to the applicable Issuing Bank and (ii) a Protective Advance or an Overadvance shall be retained by the Disbursement Agent and disbursed in its discretion.

(b) Unless the Disbursement Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Disbursement Agent such Lender's share of such Borrowing, the Disbursement Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrower, but severally and not jointly with the applicable Lenders) to pay to the Disbursement Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the applicable Borrower to but excluding the date of payment to the Disbursement Agent, at (i) in the case of such Lender, the greater of the Federal

Funds Effective Rate and a rate determined by the Disbursement Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrowers, the interest rate applicable to ABR Loans (in the case of dollar-denominated amounts), Canadian Prime Loans (in the case of Canadian Dollar-denominated amounts) or Overnight LIBO Loans (in the case of Euro or Sterling-denominated amounts). If such Lender pays such amount to the Disbursement Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

Section 2.08. Interest Elections. (a) Each Revolving Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Revolving Borrowing or a CDOR Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower Representative may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Revolving Borrowing or a CDOR Revolving Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower Representative may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, Overadvances or Protective Advances, which may not be converted or continued.

(b) To make an election pursuant to this Section, the Borrower Representative shall notify the Disbursement Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrowers were requesting a Revolving Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or facsimile to the Disbursement Agent of a written Interest Election Request in a form approved by the Disbursement Agent and signed by the Borrower Representative.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrower and the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing, a Canadian Prime Borrowing, a Eurodollar Borrowing or a CDOR Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing or a CDOR Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing or a CDOR Borrowing but does not specify an Interest Period, then the Borrowers shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Disbursement Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower Representative fails to deliver a timely Interest Election Request with respect to a Eurodollar Revolving Borrowing or a CDOR Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to (i) an ABR Borrowing, in the case of a Eurodollar Revolving Borrowing denominated in dollars, (ii) an Overnight LIBO Borrowing, in the case of a Eurodollar Revolving Borrowing denominated in Euros or Sterling or (iii) a Canadian Prime Borrowing, in the case of a CDOR Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower Representative, then, so long as an Event of Default is continuing (i) no outstanding Revolving Borrowing may be converted to or continued as a Eurodollar Borrowing or a CDOR Borrowing and (ii) unless repaid, (1) each Eurodollar Revolving Borrowing denominated in dollars shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto, (2) each Eurodollar Revolving Borrowing denominated in Euros or Sterling shall be converted to a Canadian Prime Borrowing at the end of the Interest Period applicable thereto, (2) each Eurodollar Revolving Borrowing denominated in Euros or Sterling shall be converted to a Canadian Prime Borrowing at the end of the Interest Period applicable thereto and (3) each CDOR Borrowing shall be converted to a Canadian Prime Borrowing at the end of the Interest Period applicable thereto.

Section 2.09. <u>Termination and Reduction of Commitments</u>; Increase in Commitments. (a) Unless previously terminated, all Commitments shall terminate on the Maturity Date.

(b) The Borrowers may at any time terminate the Commitments upon (i) the payment in full of all outstanding Loans, together with accrued and unpaid interest thereon and on any Letters of Credit, (ii) the cancellation and return of all outstanding Letters of Credit (or alternatively, with respect to each such Letter of Credit, the furnishing to the Administrative Collateral Agent of a cash deposit in the currency in which the applicable Letters of Credit are denominated (or at the discretion of the Administrative Agent a back up standby letter of credit satisfactory to the Administrative Agent and in the currency in which the applicable Letters of Credit are denominated) equal to 105% of the LC Exposure as of such date), (iii) the payment in full of the accrued and unpaid fees and (iv) the payment in full of all reimbursable expenses and other Obligations together with accrued and unpaid interest thereon.

(c) The Borrowers may from time to time reduce the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000, (ii) the Borrowers shall not reduce the Commitments if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.10, the sum of the Revolving Exposures would exceed the lesser of the total Commitments and the Aggregate Borrowing Base and (iii) the Borrowers shall not reduce the Commitments to an aggregate amount less than \$125,000,000 (except for a termination of the Commitments under paragraph (b) of this Section).

(d) The Borrower Representative shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) or (c) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower Representative pursuant to this Section shall be irrevocable; <u>provided</u> that a notice of termination of the Commitments delivered by the Borrower Representative may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower Representative (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

(e) The Borrowers shall have the right to increase the aggregate Commitments by obtaining additional Commitments, either from one or more of the Lenders or another lending institution <u>provided</u> that (i) any such request for an increase shall be in a minimum amount of \$20,000,000 (or if less, the remaining principal amount of increases that are available under paragraph (f) of this Section), (ii) the Borrower Representative, on behalf of the Borrowers, may make a maximum of two (2) such requests, (iii) the Administrative Agent has approved the identity of any such new Lender, such approval not to be unreasonably withheld, (iv) any such new Lender assumes all of the rights and obligations of a "Lender" hereunder, and (v) the procedure described in Section 2.09(f) has been satisfied and <u>provided</u>, <u>further</u> with respect to any Commitment increase occurring more than 60 days after the Effective Date, Borrowers shall give the existing Lenders at least ten Business Days' written notice that it intends to increase the Commitments (which notice shall include the amount of such proposed increase) and Borrowers shall give the existing Lenders the first opportunity to provide such increase in the Commitment during such ten Business Day period prior to agreeing to any increased Commitment with any new Lender. If more than one existing Lender offers to provide the increased Commitment, such increase shall be allocated amount the offering Lenders pro rata.

(f) Any amendment hereto for such an increase or addition shall be in form and substance satisfactory to the Administrative Agent and shall only require the written signatures of the Administrative Agent, the Borrowers and the Lender(s) being added or increasing their Commitment, subject only to the approval of all Lenders if any such increase would cause the Commitment to exceed \$300,000,000. As a condition precedent to such an increase, the Borrowers shall deliver to the Administrative Agent a certificate of each Loan Party (in sufficient copies for each Lender) signed by an authorized officer of such Loan Party (i) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase, and (ii) in the case of the Borrowers, certifying that, before and after giving effect to such increase, (A) the representations and warranties contained in Article III and the other Loan Documents are true and correct in all material respects, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, and (B) no Default exists.

(g) Within a reasonable time after the effective date of any increase, the Administrative Agent shall, and is hereby authorized and directed to, revise the Commitment Schedule to reflect such increase and shall distribute such revised Commitment Schedule to each of the Lenders and the Borrowers, whereupon such revised Commitment Schedule shall replace the old Commitment Schedule and become part of this Agreement. On the Business Day following any such increase, all outstanding Loans shall be reallocated among the Lenders (including any newly added Lenders) in accordance with the Lenders' respective revised Applicable Percentages.

Section 2.10. <u>Repayment and Amortization of Loans</u>; <u>Evidence of Debt</u>. (a) The Borrowers hereby unconditionally promise to pay (i) to the Disbursement Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan on the Maturity Date, (ii) to the Disbursement Agent the then unpaid amount of each Protective Advance on the earlier of the Maturity Date and demand by the Disbursement Agent and (iii) to the Disbursement Agent the then unpaid principal amount of each Overadvance on the earliest of the Maturity Date, the 30 th day after such Overadvance is made and demand by the Disbursement Agent.

(b) At all times that full cash dominion is in effect pursuant to Section 7.3 of the U.S. Security Agreement or Section 7.3 of the Canadian Security Agreement, on each Business Day, the Disbursement Agent shall apply all funds credited to the Collection Account on such Business Day or the immediately preceding Business Day (at the discretion of the Disbursement Agent, whether or not immediately available) <u>first</u> to prepay any Protective Advances and Overadvances that may be outstanding, pro rata, and <u>second</u> to prepay the Revolving Loans (including Swing Line Loans) without a corresponding reduction in Commitments and to cash collateralize outstanding LC Exposure.

(c) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrowers to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(d) The Disbursement Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrowers to each Lender hereunder and (iii) the amount of any sum received by the Disbursement Agent hereunder for the account of the Lenders and each Lender's share thereof.

(e) The entries made in the accounts maintained pursuant to paragraph (c) or (d) of this Section shall be <u>prima facie</u> evidence of the existence and amounts of the obligations recorded therein; <u>provided</u> that the failure of any Lender or the Disbursement Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrowers to repay the Loans in accordance with the terms of this Agreement.

(f) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrowers shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

Section 2.11. <u>Prepayment of Loans</u>. (a) The Borrowers shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (e) of this Section.

(b) Except for Overadvances permitted under Section 2.05, in the event and on such occasion that the total Revolving Exposure exceeds the lesser of (A) the aggregate Commitments or (B) the Aggregate Borrowing Base, including as a result of any currency exchange fluctuation, the Borrowers shall prepay the Revolving Loans, LC Exposure and/or Swingline Loans in an aggregate amount equal to such excess.

(c) In the event and on each occasion that any Net Proceeds are received by or on behalf of any Loan Party in respect of any Prepayment Event, the Borrowers shall, immediately after such Net Proceeds are received by any Loan Party, prepay the Obligations as set forth in Section 2.11(d) below in an aggregate amount equal to 100% of such Net Proceeds, provided that, (1) in the case of any event described in clause (a) of the definition of the term "Prepayment Event," no prepayment under this Section shall be required unless and until the aggregate amount of proceeds from all such Prepayment Events after the Effective Date exceeds \$1,000.000, (2) in the case of any event described in clause (a) or (b) of the definition of the term "Prepayment Event," if the Borrower Representative shall deliver to the Administrative Agent a certificate of a Financial Officer to the effect that the Loan Parties intend to apply the Net Proceeds from such event (or a portion thereof specified in such certificate), within 180 days after receipt of such Net Proceeds (which period will be extended to up to a date not later than 360 days after the receipt of such Net Proceeds if within such 180 day period the applicable Loan Party enters into a binding contract to acquire, replace or rebuild), to acquire (or replace or rebuild) real property, equipment or other tangible assets (excluding inventory) to be used in the business of the Loan Parties, and certifying that no Specified Default has occurred and is continuing, then either (i) so long as full cash dominion is not in effect, no prepayment shall be required pursuant to this paragraph in respect of the Net Proceeds specified in such certificate or (ii) if full cash dominion is in effect, if the Net Proceeds specified in such certificate are to be applied by (A) the Borrowers, then such Net Proceeds shall be applied by the Administrative Agent to reduce the outstanding principal balance of the Revolving Loans (without a permanent reduction of the Commitment) and upon such application, the Administrative Agent shall establish a Reserve against the Aggregate Borrowing Base in an amount equal to the amount of such proceeds so applied and (B) any Loan Party that is not a Borrower, then such Net Proceeds shall be deposited in a cash collateral account maintained with the Administrative Collateral Agent and in either case, thereafter, such funds shall be made available to the applicable Loan Party as follows:

(1) the Borrower Representative shall request a Revolving Loan (specifying that the request is to use Net Proceeds pursuant to this Section) or the applicable Loan Party shall request a release from the cash collateral account be made in the amount needed;

(2) so long as the conditions set forth in Section 4.02 have been met, the Lenders shall make such Revolving Loan or the Administrative Collateral Agent shall release funds from the cash collateral account; and

(3) in the case of Net Proceeds applied against the Revolving Loan, the Reserve established with respect to such proceeds shall be reduced by the amount of such Revolving Loan;

provided that to the extent of any such Net Proceeds therefrom that have not been so applied by the end of such 180-day period (or 360 day period, if applicable), at which time a prepayment shall be required in an amount equal to such Net Proceeds that have not been so applied, and (3) in the case of any event described in clause (c) of the definition of the term "Prepayment Event" arising from the issuance of any Qualified Equity Interests, if the Borrower Representative shall deliver to the Administrative Agent a certificate of a Financial Officer to the effect that the Loan Parties intend to apply the Net Proceeds to voluntarily redeem or repurchase 2009 Notes or 2010 Notes or to the prepayment of the Sidel Water Capital Lease, in each case to the extent then permitted pursuant to Section 6.09(b)(xi) hereof and certifying that no Default or Event of Default has occurred and is continuing, then (i) so long as full cash dominion is not in effect, no prepayment shall be required for 3 Business Days pursuant to this paragraph in respect of the Net Proceeds specified in such certificate, or (ii) if full cash dominion is in effect, such Net Proceeds shall be applied by the Administrative Agent to reduce the outstanding principal balance of the Revolving Loans (without a permanent reduction of the Commitment) or (iii) 3 Business Days after receipt of such Net Proceeds to the extent that such Net Cash Proceeds shall not have then been used to redeem or repurchase the 2009 Notes or 2010 Notes or to prepay the Sidel Water Capital Lease pursuant to Section 6.09 (b)(xi), such Net Proceeds shall be applied by the Administrative Agent (other than any portion of Net Proceeds which would cause the aggregate UK Revolving Loans to be reduced below \$10,000,000) to reduce the outstanding principal balance of the Revolving Loans (without a permanent reduction of the Commitment). For purposes of this Section 2.11(c) the 2009 Notes or 2010 Notes shall be deemed to be "redeemed" at the time that a Borrower or Restricted Subsidiary deposits with the trustee under the 2009 Indenture or 2010 Indenture, as applicable, the funds sufficient to redeem the applicable 2009 Notes or 2010 Notes.

(d) All such amounts pursuant to Section 2.11(c) shall be applied, <u>first</u> to prepay any Protective Advances and Overadvances that may be outstanding, pro rata, and <u>second</u> to prepay the Revolving Loans (including Swing Line Loans) without a corresponding reduction in the Commitment and, if full cash dominion is in effect pursuant to Section 7.3 of the U.S. Security Agreement and Section 7.3 of the Canadian Security Agreement or if an Event of Default has occurred and is continuing, to cash collateralize outstanding LC Exposure. Notwithstanding the foregoing, if any payment pursuant to this Section would require a payment on a day that is not the last day of an Interest Period and if such payment would otherwise

require the payment of break funding amounts pursuant to Section 2.16, then (so long as no Event of Default has then occurred and is continuing) the Borrowers may deposit such required payments in a cash collateral account with the Administrative Collateral Agent, subject to the sole dominion and control of the Administrative Collateral Agent and make the required payment at the end of the appropriate Interest Period.

(e) The Borrower Representative shall notify the Disbursement Agent (and in the case of prepayment of a Swingline Loan, the applicable Swingline Lender) by telephone (confirmed by facsimile or, in the case of Canadian Swingline Loans and US Swingline Loans, by transmission of a pdf file containing such notice) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Revolving Borrowing or CDOR Revolving Borrowing, not later than 10:00 a.m., Local Time, three Business Days before the date of prepayment, or (ii) in the case of prepayment of an ABR Revolving Borrowing, a Canadian Prime Revolving Borrowing or an Overnight LIBO Revolving Borrowing, not later than 10:00 a.m., Local Time, one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.09, then such notice of prepayment of any such notice relating to a Revolving Borrowing, the Disbursement Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Revolving Borrowing shall be in an amount that would be permitted in the case of an advance of a Revolving Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Revolving Borrowing shall be applied ratably to the Revolving Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.13.

Section 2.12. Fees. (a) The Borrowers agree to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the Applicable Commitment Fee Rate on the average daily amount of the Available Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which the Lenders' Commitments terminate. Accrued commitment fees shall be payable in arrears on the first day of each calendar month and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed.

(b) The Borrowers agree to pay (i) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Rate used to determine the interest rate applicable to Eurodollar Loans on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to the applicable Issuing Bank a fronting fee, which shall accrue at the rate of 0.125% per annum on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the period from and including the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date of the termination of the Commitments and the

date on which there ceases to be any LC Exposure, as well as such Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of each calendar month shall be payable on the first day of each calendar month following such last day, commencing on the first such date to occur after the Effective Date; <u>provided</u> that all such fees shall be payable on the date on which the Commitments terminate and any such fees accruing after the date on which the Commitments terminate shall be payable on demand. Any other fees payable to an Issuing Bank pursuant to this paragraph shall be payable within 10 days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed.

(c) The Borrowers agree to pay fees payable under the Fee Letters in the amounts, to the Persons and at the times set forth in the Fee Letters to which they are a party.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available dollars, to the Administrative Agent (or to the applicable Issuing Bank, in the case of fees payable to an Issuing Bank) for distribution, in the case of commitment fees and participation fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

Section 2.13. Interest. (a) The Loans comprising each ABR Borrowing (including each U.S. Swingline Loan and each Canadian Swingline Loan, Overadvance and Protective Advance in dollars) shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Canadian Prime Borrowing (including each Canadian Swingline Loan, Overadvance and Protective Advance in Canadian Dollars) shall bear interest at the Canadian Prime Rate plus the Applicable Rate.

(c) The Loans comprising each Eurodollar Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(d) The Loans comprising each CDOR Borrowing shall bear interest at the CDOR Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(e) The Loans comprising each Overnight LIBO Borrowing (including each UK Swingline Loan and each Overadvance and Protective Advance in Euros or Sterling) shall bear interest at the Overnight LIBO Rate plus the Applicable Rate.

(f) Notwithstanding the foregoing, during the occurrence and continuance of an Event of Default, and upon written notice from the Administrative Agent (which notice may be effective retroactively to the date of Default and which notice shall be given by the Administrative Agent upon the written instructions of the Required Lenders) or automatically in the case of a Default described in clauses (h), (i) or (j) of Article VII (i) all Loans shall bear interest at 2% plus the rate otherwise applicable to such Loans as provided in the preceding paragraphs of this Section and (ii) in the case of any other amount outstanding hereunder, such amount shall accrue at 2% plus the Base Rate. In addition, in the event of a Default in the payment of any amount due hereunder other than principal of a Loan (whether or not such

Default shall then constitute an Event of Default), such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (1) in the case of any other amount denominated in dollars, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section, (2) in the case of any other amount denominated in Canadian Dollars, 2% plus the rate applicable to Canadian Prime Loans as provided in paragraph (b) of this Section and (3) in the case of any other amount denominated in Euros or Sterling, 2% plus the rate applicable to Overnight LIBO Loans as provided in paragraph (e) of this Section. Such interest shall be payable on written demand.

(g) Accrued interest on each Loan (for ABR Loans, Canadian Prime Loans and Overnight LIBO Loans, accrued through the last day of the prior calendar month) shall be payable in arrears on each Interest Payment Date for such Loan and upon termination of the Commitments; <u>provided</u> that (i) interest accrued pursuant to paragraph (f) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan or Canadian Prime Revolving Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Loan or CDOR Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(h) All interest hereunder shall be computed on the basis of a year of 360 days, except that (i) interest computed by reference to the Canadian Prime Rate or CDOR Rate and interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and (ii) interest computed by reference to LIBO Rate with respect to loans denominated in Sterling shall be computed on the basis of a year of 365 days, and in each case shall be payable for the actual number of days elapsed. The applicable Alternate Base Rate, Canadian Prime Rate, Adjusted LIBO Rate, LIBO Rate, CDOR Rate or Overnight LIBO Rate shall be determined by the Disbursement Agent, and such determination shall be conclusive absent manifest error.

(i) All interest hereunder shall be paid in the currency in which the Loan giving rise to such interest is denominated.

(j) For purposes of disclosure pursuant to the *Interest Act* (Canada), the annual rates of interest or fees to which the rates of interest or fees provided in this Agreement and the other Loan Documents (and stated herein or therein, as applicable, to be computed on the basis of 360 days or any other period of time less than a calendar year) are equivalent are the rates so determined multiplied by the actual number of days in the applicable calendar year and divided by 360 or such other period of time, respectively.

Section 2.14. <u>Alternate Rate of Interest</u>. (a) If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period; or

(ii) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower Representative and the Lenders by telephone or facsimile as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower Representative and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a Eurodollar Borrowing shall be ineffective, (ii) if any Borrowing Request requests a Eurodollar Revolving Borrowing denominated in dollars, such Borrowing shall be made as an ABR Borrowing and (iii) if any Borrowing Request requests a Eurodollar Revolving Borrowing denominated in Euros or Sterling, such Borrowing shall be made as an Alternate Rate Borrowing.

(b) If at any time:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Overnight LIBO Rate; or

(ii) the Administrative Agent is advised by the Required Lenders that the Overnight LIBO Rate will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in any Overnight LIBO Borrowing;

then the Administrative Agent shall give notice thereof to the Borrower Representative and the Lenders by telephone or facsimile as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower Representative and the Lenders that the circumstances giving rise to such notice no longer exist, any Overnight LIBO Borrowing (including any UK Swingline Loan) shall be made as an Alternate Rate Borrowing.

(c) If prior to the commencement of any Interest Period for a CDOR Borrowing:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the CDOR Rate, as applicable, for such Interest Period; or

(ii) the Administrative Agent is advised by the Required Lenders that the CDOR Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower Representative and the Lenders by telephone or facsimile as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower Representative and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a CDOR Borrowing shall be ineffective and (ii) if any Borrowing Request requests a CDOR Borrowing, such Borrowing shall be made as a Canadian Prime Borrowing.

Section 2.15. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate or Overnight LIBO Rate) or any Issuing Bank; or

(ii) impose on any Lender or any Issuing Bank or the London interbank market any other condition affecting this Agreement or CDOR Loans, Overnight LIBO Loans or Eurodollar Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any CDOR Loan, Overnight LIBO Loan or Eurodollar Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender or such Issuing Bank of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender or such Issuing Bank hereunder (whether of principal, interest or otherwise), then the Borrowers will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered. This Section 2.15(a) does not apply to the extent any such increased cost is:

(i) attributable to a tax deduction required by law to be made by a Borrower in accordance with Section 2.17;

(ii) compensated for by Section 2.17(c) (or would have been compensated for under Section 2.17(c) but was not compensated solely because any of the exclusions in Section 2.17(c) applied); or

(iii) attributable to the willful breach by the relevant Lender or its Affiliates of any law or regulation.

(b) If any Lender or any Issuing Bank determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or such Issuing Bank's capital or on the capital of such Lender's or such Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Bank's holding company with respect to capital adequacy), then from time to time the Borrowers will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank or such Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or any Issuing Bank setting forth in reasonable detail the amount or amounts necessary to compensate such Lender or such Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower Representative and shall be conclusive absent manifest error. The Borrowers shall pay such Lender or such Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender or any Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such Issuing Bank's right to demand such compensation; <u>provided</u> that the Borrowers shall not be required to compensate a Lender or an Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or such Issuing Bank, as the case may be, notifies the Borrower Representative of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such Issuing Bank's intention to claim compensation therefor; <u>provided further</u> that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

Section 2.16. <u>Break Funding Payments</u>. In the event of (a) the payment of any principal of any Eurodollar Loan or CDOR Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan or CDOR Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan or CDOR Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.09(d) and is revoked in accordance therewith), or (d) the assignment of any Eurodollar Loan or CDOR Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower Representative pursuant to Section 2.19, then, in any such event, the Borrowers shall compensate each Lender for the loss (but not the loss of the Applicable Rate), cost and expense attributable to such event. In the case of a Eurodollar Loan or CDOR Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest (excluding the Applicable Rate) which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate or the CDOR Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then

current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market, or for Canadian Dollar deposits of a comparable amount and period to such CDOR Loan from other banks in the Canadian bankers' acceptance market, as applicable. A certificate of any Lender setting forth in reasonable detail any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower Representative and shall be conclusive absent manifest error. The Borrowers shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

Section 2.17. Taxes. (a) Any and all payments by or on account of any obligation of the Borrowers hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrowers shall be required to deduct any Indemnified Taxes or Other Taxes from such payments by law, then (i) the Borrowers shall notify the Disbursement Agent accordingly, (ii) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, Collateral Agent, Lender or Issuing Bank (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (iii) the Borrowers shall make such deductions and (iv) the Borrowers shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law. A Borrower is not required to make an increased payment to a Lender under Section 2.17 above for a tax deduction in respect of tax imposed by the United Kingdom from a payment of interest on a Borrowing, if on the date on which the payment falls due:

(i) the payment could have been made to the relevant Lender without a tax deduction if it was a UK Qualifying Lender, but on that date that Lender is not or has ceased to be a UK Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration or application of) any law or Treaty, or any published practice or concession of any relevant taxing authority; or

(ii) (1) the relevant Lender is a UK Qualifying Lender solely under sub-paragraph 2 of the definition of UK Qualifying Lender, (2) an officer of H.M. Revenue & Customs has given (and not revoked) a direction (a "<u>Direction</u>") under section 931 of the UK Income Tax Act 2007 (as that provision has effect on the date on which the relevant Lender became a party to this Agreement) which relates to that payment and that Lender has received from the UK Borrower a certified copy of such Direction; and (3) the payment could have been made to the Lender without any tax deduction in the absence of such Direction; or

(iii) the relevant Lender is a UK Qualifying Lender solely under sub-paragraph 2 of the definition of UK Qualifying Lender (a "<u>UK Non-Bank Lender</u>") and it has not, other than by reason of any change after the date of this Agreement in (or in the interpretation, administration, or application of) any law, or any published practice or concession of any relevant taxing authority, given a Tax Confirmation to the UK Borrower.

(b) A UK Non-Bank Lender which becomes a party to this Agreement either on the Effective Date or on the day on which it accedes to this Agreement gives a Tax Confirmation to the UK Borrower by entering into or acceding to this Agreement.

(c) A UK Non-Bank Lender shall promptly notify the UK Borrower and the Administrative Agent if there is any change in the position from that set out in the Tax Confirmation.

(d) In addition to their obligations under clause (a), the Borrowers shall pay any Other Taxes applicable to any and all payments by or on account of any of the obligations of the Borrowers hereunder to the relevant Governmental Authority in accordance with applicable law.

(e) The Borrowers shall jointly and severally indemnify the Administrative Agent, the Disbursement Agent, each Collateral Agent, each Lender and each Issuing Bank, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent, the Disbursement Agent, such Collateral Agent, such Lender or such Issuing Bank, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrowers hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower Representative by a Lender or an Issuing Bank, or by the Administrative Agent or either Collateral Agent on its own behalf or on behalf of a Lender or an Issuing Bank, shall be conclusive absent manifest error.

(f) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrowers to a Governmental Authority, the Borrower Representative shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which any Borrower is located, which in the case of the UK Borrower shall only be the case where the Foreign Lender is a UK Qualifying Lender, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower Representative (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrower Representative as will permit such payments to be made without withholding or at a reduced rate.

(h) A Treaty Lender and each Borrower which makes a payment to which that Treaty Lender is entitled shall co-operate at the expense of the applicable Borrower in completing any procedural formalities necessary for that Borrower to obtain authorization to make that payment without a withholding in respect of Tax or at a reduced rate. The applicable Borrower shall reimburse each Lender for its reasonable costs and expenses (including reasonable fees and expenses of counsel) incurred by it in relation to the application for such authorization.

(i) If the Administrative Agent, Disbursement Agent, either Collateral Agent or a Lender determines, in its sole discretion, that it has received a refund (including any foreign tax credit to the extent such credit results in actual tax savings that would not otherwise be available to such Administrative Agent, Disbursement Agent, Collateral Agent or Lender) of any Taxes or Other Taxes as to which it has been indemnified by the Borrowers or with respect to which the Borrowers have paid additional amounts pursuant to this Section 2.17, it shall pay over such refund to the Borrowers (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrowers under this Section 2.17 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Collateral Agent or Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that the Borrowers, upon the request of the Administrative Agent, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent, Disbursement Agent or such Collateral Agent, Disbursement Agent or such Collateral Agent, Disbursement Agent or Lender, agree to repay the amount paid over to the Borrowers (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent, Disbursement Agent or such Collateral Agent, Disbursement Agent or Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Administrative Agent, the Disbursement Agent or any Collateral Agent or Lender reson nor shall it be construed to require the Administrative Agent, the Disbursement Agent, either Collateral Agent or a Lender, as the case may be, to apply for or otherwise initiate any refund contemplated in this section.

(j) All amounts set out, or expressed to be payable under any Loan Document by any party to the Administrative Agent, the Disbursement Agent, either Collateral Agent, any Lender or any Issuing Bank which (in whole or in part) constitute the consideration for VAT purposes shall be deemed to be exclusive of any VAT which is chargeable on such supply. If VAT is chargeable on any supply made by the Administrative Agent, the Disbursement Agent, either Collateral Agent, any Lender or any Issuing Bank to any party under any Loan Document, that party shall pay to the Administrative Agent, the Disbursement Agent, such Collateral Agent, such Lender or such Issuing Bank as the case may be (in addition to and at the same time as paying the consideration) an amount equal to the amount of the VAT.

(k) Where any party is required under any Loan Document to reimburse the Administrative Agent, the Disbursement Agent, either Collateral Agent, any Lender or any Issuing Bank as the case may be for any costs or expenses, that party shall also at the same time pay and indemnify the Administrative Agent, the Disbursement Agent, either Collateral Agent, any Lender or any Issuing Bank as the case may be against all VAT incurred by the Administrative Agent, the Disbursement Agent, such Collateral Agent, such Lender or such Issuing Bank as the case may be in respect of the costs or expenses to the extent that the Administrative Agent, the Disbursement Agent, such Collateral Agent, such Lender or such Issuing Bank as the case may be reasonably determines that it is not entitled to credit or repayment of the VAT.

#### (1) PTR Scheme Designation.

(i) Each Treaty Lender:

(1) irrevocably appoints the Administrative Agent to act as syndicate manager under, and authorizes the Administrative Agent to operate, and take any action necessary or desirable under, the PTR Scheme in connection with this Agreement;

(2) shall co-operate with the Administrative Agent in completing any procedural formalities necessary under the PTR Scheme, and shall promptly supply to the Administrative Agent such information as the Administrative Agent may request in connection with the operation of the PTR Scheme;

(3) without limiting the liability of any Borrower under this Agreement, shall, within five Business Days of demand, indemnify the Administrative Agent for any liability or loss incurred by the Administrative Agent as a result of the Administrative Agent acting as syndicate manager under the PTR Scheme in connection with the Treaty Lender's participation in any Loan (except to the extent that the liability or loss arises directly from the Administrative Agent's gross negligence or willful misconduct); and

(4) shall, within five Business Days of demand, indemnify each Borrower for any Tax which such Borrower becomes liable to pay in respect of any payments made to such Treaty Lender arising as a result of any incorrect information supplied by such Treaty Lender under clause (i)(2) above which results in a provisional authority issued by H.M. Revenue & Customs under the PTR Scheme being withdrawn.

(ii) Each Borrower acknowledges that it is fully aware of its contingent obligations under the PTR Scheme and shall:

(1) promptly supply to the Administrative Agent such information as the Administrative Agent may request in connection with the operation of the PTR Scheme; and

(2) act in accordance with any provisional notice issued by H.M. Revenue & Customs under the PTR Scheme.

(iii) The Administrative Agent agrees to provide, as soon as reasonably practicable, a copy of any provisional authority issued to it under the PTR Scheme in connection with any Loan to those Borrowers specified in such provisional authority.

(iv) All of the parties hereto acknowledge that the Administrative Agent:

(1) is entitled to rely completely upon information provided to it in connection with clause (i) or clause (ii) above;

(2) is not obliged to undertake any enquiry into the accuracy of such information, nor into the status of the Treaty Lender or, as the case may be, Borrower providing such information; and

(3) shall have no liability to any person for the accuracy of any information it submits in connection with clause (i)(1) above.

In this Section 2.17(k), "<u>PTR Scheme</u>" means the Provisional Treaty Relief scheme as described in H.M. Revenue & Customs (formerly the Inland Revenue) Guidelines dated January 2003 and administered by H.M. Revenue & Customs.

Section 2.18. Payments Generally; Allocation of Proceeds; Sharing of Set-offs. (a) The Borrowers shall make each payment required to be made by them hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to 2:00 p.m., Local Time, on the date when due, in immediately available funds, without set-off or counterclaim. Except as otherwise expressly set forth herein, all payments of Loans shall be paid in the currency in which such Loans were made. Any amounts received after such time on any date may, in the discretion of the Disbursement Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Disbursement Agent at its offices at (i) for payments of U.S. Revolving Loans, U.S. Swingline Loans, LC Disbursements of any U.S. Issuing Bank, fronting fees payable to any U.S. Issuing Bank, Overadvances denominated in dollars, Protective Advances denominated in dollars, fees payable pursuant to Section 2.12(a), participation fees payable pursuant to Section 2.12(b), fees payable pursuant to 2.12(c) and all other payments in dollars, 10 South Dearborn Street, Chicago, Illinois 60603 USA, (ii) for payments of Canadian Revolving Loans, Canadian Swingline Loans, LC Disbursements of the Canadian Issuing Bank, fronting fees payable to the Canadian Issuing Bank, Overadvances denominated in Canadian Dollars and Protective Advances denominated in Canadian Dollars, 200 Bay Street, Suite 1800, Royal Bank Plaza, South Tower, Toronto, Ontario M5J 2J2 and (iii) for payments of UK Revolving Loans, UK Swingline Loans, LC Disbursements of the UK Issuing Bank, fronting fees payable to the UK Issuing Bank, Overadvances denominated in Sterling or Euros and Protective Advances denominated in Sterling or Euros, 125 London Wall, London EC2Y 5AJ, United Kingdom, except payments to be made directly to an Issuing Bank or a Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Disbursement Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars, except that all payments in respect of Loans (and

interest thereon) and Letters of Credit shall be made in the same currency in which such Loan was made or such Letter of Credit was issued At all times that full cash dominion is in effect pursuant to Section 7.3 of the U.S. Security Agreement and Section 7.3 of the Canadian Security Agreement and at all times with respect to collections of the UK Borrower and Loan Parties organized under the laws of the United Kingdom, solely for purposes of determining the amount of Loans available for borrowing purposes, checks (in addition to immediately available funds applied pursuant to Section 2.10(b)) from collections of items of payment and proceeds of any Collateral shall be applied in whole or in part against the Obligations, on the Business Day after receipt, subject to actual collection.

(b) Any proceeds of Collateral received by the Administrative Agent (i) not constituting either (A) a specific payment of principal, interest, fees or other sum payable under the Loan Documents (which shall be applied as specified by the Borrowers), (B) a mandatory prepayment (which shall be applied in accordance with Section 2.11) or (C) amounts to be applied from the Collection Account when full cash dominion is in effect (which shall be applied in accordance with Section 2.10(b)) or (ii) after an Event of Default has occurred and is continuing and the Administrative Agent so elects or the Required Lenders so direct, such funds shall be applied ratably first, to pay any fees, indemnities, or expense reimbursements including amounts then due to the Administrative Agent, the Disbursement Agent, either Collateral Agent and any Issuing Bank from the Borrowers (other than in connection with Banking Services or Swap Obligations), second, to pay any fees or expense reimbursements then due to the Lenders from the Borrowers (other than in connection with Banking Services or Swap Obligations), third, to pay interest due in respect of the Overadvances and Protective Advances ratably, fourth, to pay the principal of the Overadvances and Protective Advances ratably, fifth, to pay interest then due and payable on the Loans (other than the Overadvances and Protective Advances) ratably, sixth, to prepay principal on the Loans (other than the Overadvances and Protective Advances) and unreimbursed LC Disbursements ratably, seventh, to pay an amount to the Administrative Collateral Agent equal to one hundred five percent (105%) of the aggregate undrawn face amount of all outstanding Letters of Credit, to be held as cash collateral for such Obligations, eighth, to payment of any amounts owing with respect to Banking Services and Swap Obligations that are Secured Obligations, and ninth, to the payment of any other Secured Obligation due to the Administrative Agent, the Disbursement Agent, either Collateral Agent or any Lender by the Borrowers. Notwithstanding anything to the contrary contained in this Agreement, unless so directed by the Borrower Representative, or unless a Specified Default is in existence, neither the Administrative Agent, the Disbursement Agent, either Collateral Agent nor any Lender shall apply any payment which it receives to any Eurodollar Loan or CDOR Loan of a Class, except (a) on the expiration date of the Interest Period applicable to any such Eurodollar Loan or CDOR Loan or (b) in the event, and only to the extent, that there are no outstanding ABR Loans or Canadian Prime Loans of the same Class and, in any such event, the Borrowers shall pay the break funding payment required in accordance with Section 2.16. The Disbursement Agent and the Lenders shall have the continuing and exclusive right to apply and reverse and reapply any and all such proceeds and payments to any portion of the Secured Obligations.

(c) At the election of the Administrative Agent or the Disbursement Agent, as the case may be, all payments of principal, interest, LC Disbursements, fees, premiums, reimbursable expenses (including, without limitation, all reimbursement for fees and expenses pursuant to Section 9.03), and other sums payable under the Loan Documents, may be paid from the proceeds of Borrowings made hereunder whether made following a request by the Borrower Representative pursuant to Section 2.03 or a deemed request as provided in this Section or may be deducted from any deposit account of any Borrower maintained with the Disbursement Agent. Each Borrower hereby irrevocably authorizes (i) the Disbursement Agent to make a Borrowing for the purpose of paying each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents and agrees that all such amounts charged shall constitute Loans (including Swingline Loans and Overadvances, but such a Borrowing may only constitute a Protective Advance if it is to reimburse costs, fees and expenses as described in Section 9.03) and that all such Borrowings shall be deemed to have been requested pursuant to Sections 2.03, 2.04 or 2.05, as applicable and (ii) the Disbursement Agent to charge any deposit account of any Borrower maintained with the Disbursement Agent for each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents and agrees that all such amounts charged shall constitute Loans (2.03, 2.04 or 2.05, as applicable and (ii) the Disbursement Agent to charge any deposit account of any Borrower maintained with the Disbursement Agent for each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents.

(d) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrowers pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participation, there than to the Borrowers or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

(e) Unless the Administrative Agent shall have received notice from the Borrower Representative prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or an Issuing Bank hereunder that the Borrowers will not make such payment, the Administrative Agent and the Disbursement Agreement may assume that the Borrowers have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the applicable Issuing Bank, as the case may be, the amount due. In such event, if the Borrowers have not in fact made such payment, then each of the Lenders or the applicable Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent and, if applicable, the Disbursement Agent,

forthwith on demand the amount so distributed to such Lender or such Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent and, if applicable, the Disbursement Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(f) If any Lender shall fail to make any payment required to be made by it hereunder, then the Administrative Agent and, if applicable, the Disbursement Agent, may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by it for the account of such Lender to satisfy such Lender's obligations hereunder until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account as cash collateral for, and apply any such amounts to, any future funding obligations of such Lender hereunder; application of amounts pursuant to clauses (i) and (ii) above shall be made in such order as may be determined by the Administrative Agent and, if applicable, the Disbursement Agent, in its discretion.

Section 2.19. <u>Mitigation Obligations</u>; <u>Replacement of Lenders</u>. If any Lender requests compensation under Section 2.15, or if the Borrowers are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, or with respect to clause (b) below, if any Lender becomes a Defaulting Lender, then:

(a) such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender (and the Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment);

(b) the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent (and if a Commitment is being assigned, each Issuing Bank), which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

Section 2.20. <u>Returned Payments</u>. If after receipt of any payment which is applied to the payment of all or any part of the Obligations, the Administrative Agent, Disbursement Agent, either Collateral Agent, any Issuing Bank or any Lender is for any reason compelled to surrender such payment or proceeds to any Person because such payment or application of proceeds is invalidated, declared fraudulent, set aside, determined to be void or voidable as a preference, impermissible setoff, or a diversion of trust funds, or for any other reason, then the Obligations or part thereof intended to be satisfied shall be revived and continued and this Agreement shall continue in full force as if such payment or proceeds had not been received by the Administrative Agent, the Disbursement Agent or such Collateral Agent or such Lender. The provisions of this Section 2.20 shall be and remain effective notwithstanding any contrary action which may have been taken by the Administrative Agent, Disbursement Agent, either Collateral Agent, any Issuing Bank or any Lender in reliance upon such payment or application of proceeds. The provisions of this Section 2.20 shall survive the termination of this Agreement.

Section 2.21. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) the commitment fee payable pursuant to Section 2.12(a) shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender;

(b) the Commitment and Revolving Exposure of such Defaulting Lender shall not be included in determining whether all Lenders or the Required Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 9.02), provided that any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender which (i) affects such Defaulting Lender differently than other affected Lenders (other than as a result of such Defaulting Lender having a greater or lesser Revolving Exposure or Commitment than other affected Lenders) or (ii) would increase the Commitment of the Defaulting Lender, shall require the consent of such Defaulting Lender;

(c) if any Swingline Exposure or LC Exposure exists at the time a Lender becomes a Defaulting Lender then:

(i) all or any part of such Swingline Exposure and LC Exposure shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent (x) the sum of all non-Defaulting Lenders' Revolving Credit Exposures plus such Defaulting Lender's Swingline Exposure and LC Exposure does not exceed the total of all non-Defaulting Lenders' Commitments and (y) the conditions set forth in Section 4.02 are satisfied at such time;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, at the request of the Administrative Agent, the Borrowers shall within one Business Day following notice by the Administrative Agent (x) first, prepay such Swingline Exposure and (y) second, cash collateralize such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.06(j) for so long as such LC Exposure is outstanding;

(iii) if the Borrowers cash collateralize any portion of such Defaulting Lender's LC Exposure pursuant to Section 2.21(c), the Borrower shall not be required to pay any fees pursuant to Section 2.12(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to Section 2.21(c), then the fees payable to the Lenders pursuant to Section 2.12(a) and Section 2.12(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; or

(v) if any Defaulting Lender's LC Exposure is neither cash collateralized nor reallocated pursuant to Section 2.21(c), then, without prejudice to any rights or remedies of each Issuing Bank or any Lender hereunder, all facility fees that otherwise would have been payable to such Defaulting Lender (solely with respect to the portion of such Defaulting Lender's Commitment that was utilized by such LC Exposure) and letter of credit fees payable under Section 2.12(b) with respect to such Defaulting Lender's LC Exposure shall be payable to each Issuing Bank until such LC Exposure is cash collateralized and/or reallocated;

(d) so long as any Lender is a Defaulting Lender, no Issuing Bank shall be required to issue, amend or increase any Letter of Credit, unless it is satisfied that 100% of the related exposure will be covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrowers in accordance with Section 2.21(c) or pursuant to Section 2.21(e)(iii) or such other arrangements that are satisfactory to such Issuing Bank; and

(e) in the event and on the date that each of the Administrative Agent, the Borrower, each Issuing Bank and each Swingline Lender agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and LC Exposure of the other Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

Section 2.22. Joint and Several Liability. Each U.S. Co-Borrower is accepting joint and several liability with the other U.S. Co-Borrower hereunder and under the other Loan Documents in consideration of the financial accommodations to be provided by the Administrative Agent, the Collateral Agents, the Issuing Banks and the Lenders under this Agreement, for the mutual benefit, directly and indirectly, of each U.S. Co-Borrower and in consideration of the undertakings of the other U.S. Co-Borrower to accept joint and several liability for the Obligations of the U.S. Co-Borrower. Each U.S. Co-Borrower, jointly and severally, hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and

several liability with the other U.S. Co-Borrower, with respect to the payment and performance of all of the Obligations (including any Obligations arising under this Section 2.22), it being the intention of the parties hereto that all the Obligations of the U.S. Co-Borrowers shall be the joint and several obligations of each U.S. Co-Borrower without preferences or distinction among them. If and to the extent that any U.S. Co-Borrower shall fail to make any payment with respect to any of the Obligations as and when due or to perform any of the Obligations in accordance with the terms thereof, then in each such event the other U.S. Co-Borrower will make such payment with respect to, or perform, such Obligation. The Obligations of each U.S. Co-Borrower under the provisions of this Section 2.22 constitute the absolute and unconditional, full recourse Obligations of each U.S. Co-Borrower enforceable against each such U.S. Co-Borrower to the full extent of its properties and assets, irrespective of the validity, regularity or enforceability of this Agreement or any other circumstances whatsoever. Nothing contained in this Section 2.22 shall effect the obligations of any U.S. Co-Borrower or any other Loan Party under any other provision of this Agreement (including Article X hereof) or any other Loan Document.

## **ARTICLE III**

## **Representations and Warranties**

Each Loan Party represents and warrants to the Lenders that:

Section 3.01. <u>Organization</u>; <u>Powers</u>. Each of the Loan Parties and each of its Restricted Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

Section 3.02. <u>Authorization; Enforceability</u>. The Transactions are within each Loan Party's organizational powers and have been duly authorized by all necessary organizational actions and, if required, actions by equity holders. The Loan Documents to which each Loan Party is a party have been duly executed and delivered by such Loan Party and constitute a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 3.03. <u>Governmental Approvals; No Conflicts</u>. The Transactions (including the incurrence of Indebtedness on the date of each Borrowing or other extension of credit hereunder) (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except for filings necessary to perfect Liens created pursuant to the Loan Documents, (b) will not violate any Requirement of Law applicable to any Loan Party or any of its Subsidiaries, (c) will not violate or result in a default under any indenture or other agreement governing Indebtedness or any other material agreement or other instrument binding upon any

Loan Party or any of its Restricted Subsidiaries, or give rise to a right thereunder to require any payment to be made by any Loan Party or any of its Restricted Subsidiaries and (d) will not result in the creation or imposition of any Lien on any asset of any Loan Party or any of its Restricted Subsidiaries, except Liens created pursuant to the Loan Documents.

Section 3.04. <u>Financial Condition</u>; No Material Adverse Change. (a) The Company has heretofore furnished to the Lenders (i) the Company's consolidated balance sheet and statements of income, stockholders equity and cash flows (A) as of and for the fiscal year ended January 2, 2010, reported on by PricewaterhouseCoopers LLP, independent public accountants, and (B) as of and for the fiscal quarters and the portions of the fiscal year ended April 3, 2010 and July 3, 2010, certified by its chief financial officer, (ii) the Cliffstar Companies' (A) audited consolidated balance sheet and statements of income, stockholders equity and cash flows as of and for the fiscal year ended January 2, 2010, and (B) unaudited consolidated balance sheet and statements of income, stockholders equity and cash flows dated as of June 6, 2010, and (iii) pro forma consolidated financial statements of the Company and its Subsidiaries and a pro forma consolidated statement of income of the Borrower for the twelve-month period ending on the last day of the most recently completed four fiscal quarter period ended on June 30, 2010, prepared after giving effect to the Cliffstar Acquisition as if the Cliffstar Acquisition had occurred at the beginning of such period, certified by its chief financial officer. Such financial statements in clauses (i) and (ii) present fairly, in all material respects, the financial position and results of operations and cash flows of the Company and its consolidated Subsidiaries and/or the Cliffstar Companies and their consolidated Subsidiaries, as the case may be, as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (i)(B) above.

(b) No event, change or condition has occurred that has had, or could reasonably be expected to have, a Material Adverse Effect, since January 2, 2010.

Section 3.05. <u>Properties</u>. (a) As of the Effective Date, <u>Schedule 3.05</u> sets forth the address and the estate of each parcel of real property that is owned or leased by each Loan Party. Each of such leases and subleases is valid and enforceable in accordance with its terms and is in full force and effect, and no default by any party to any such lease or sublease exists except where the failure of such lease or sublease to be valid and enforceable or the existence of any such default could not reasonably be expected to result in a Material Adverse Effect. Each of the Loan Parties has good and indefeasible (or in the Province of Ontario, Canada, marketable and insurable, or in the UK, good and marketable) title to, or valid leasehold interests in, all its real and personal property, except where the failure to have such title or interests, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. None of the real and personal property of any Loan Party is subject to any Lien, except for Permitted Liens.

(b) Each Loan Party owns, or is licensed to use, all Intellectual Property used in its business as currently conducted, except where the failure to own such Intellectual Property or possess such license, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. A correct and complete list of all (i) Intellectual Property owned by any Loan Party as of the Effective Date which is subject of a registration or application in any Intellectual Property registry or which is otherwise material to the business of the Loan Parties as

currently conducted and (ii) material Intellectual Property license agreements to which any Loan Party is a party or otherwise bound (whether as licensor or licensee), as of the Effective Date, is set forth on <u>Schedule 3.05</u>. The use thereof by the Loan Parties and the conduct of the business of the Loan Parties, as currently conducted does not, to their knowledge, infringe upon or otherwise violate in any material respect the rights of any other Person, and there are no claims pending, or to the Loan Parties' knowledge, threatened, to such effect. As of the Effective Date, the Loan Parties' rights thereto are not subject to any licensing agreements or similar arrangement other than as set forth on <u>Schedule 3.05</u> or as is not material to their business as currently conducted.

Section 3.06. <u>Litigation and Environmental Matters</u>. (a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of any Loan Party, (x) on the Effective Date relating to the Cliffstar Acquisition or (y) threatened against or affecting the Loan Parties or their Restricted Subsidiaries (i) which could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Agreement or the Transactions.

(b) (i) Except for the Disclosed Matters, as of the date hereof neither any Loan Party nor any of its Subsidiaries (1) has received notice of any claim with respect to any Environmental Liability or (2) knows of any basis for any Environmental Liability that could, in the case of this clause (2), reasonably be expected to result in a Material Adverse Effect and (ii) except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither any Loan Party nor their Restricted Subsidiaries (1) has failed to comply with any applicable Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law or (2) has become subject to any Environmental Liability.

(c) Since the Effective Date, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in, or could reasonably be expected to result in, a Material Adverse Effect.

Section 3.07. <u>Compliance with Laws and Agreements</u>. Each Loan Party and each of their Restricted Subsidiaries is in compliance with all Requirements of Law (other than Environmental Law, which is addressed by Section 3.06) applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

Section 3.08. <u>Investment Company Status</u>. Neither any Loan Party nor any of their respective Restricted Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

Section 3.09. <u>Taxes</u>. Each Loan Party and each of their Restricted Subsidiaries has timely filed or caused to be filed all material Tax returns and reports required to have been filed and has paid or caused to be paid all material Taxes required to have been paid by it, except Taxes that are being contested in good faith by appropriate proceedings and for which such Loan Party or Restricted Subsidiary has set aside on its books adequate reserves. No tax liens have

been filed and no claims are being asserted with respect to any such taxes except where (a) such liens or claims are being contested in good faith by appropriate proceedings, (b) such Loan Party or Restricted Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) such liens or claims could not reasonably be expected to result in a Material Adverse Effect. Each of the Company and its Subsidiaries has withheld all employee withholdings and has made all employer contributions to be withheld and made by it pursuant to applicable law on account of the Canada and Quebec pension plans, employment insurance and employee income taxes. As of the Effective Date, no Taxes are imposed, by withholdings or otherwise, on any payment to be made by the UK Borrower under any Loan Document, or are imposed on, or by virtue of, the execution or delivery by the UK Borrower of any Loan Document. As of the Effective Date, the UK Borrower is not required to make any deduction for or on account of Tax from any payment it may make under any Loan Document. Each Borrower is resident for Tax purposes only in the jurisdiction of its establishment or incorporation as the case may be.

Section 3.10. <u>ERISA</u>; <u>Canadian Pension Plans</u>; <u>Benefit Plans</u>. (a) No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

(b) As of the Effective Date, Schedule 3.10 lists all Canadian Union Plans, Canadian Benefit Plans and Canadian Pension Plans currently maintained or contributed to by the Loan Parties and their Subsidiaries. The Canadian Pension Plans are duly registered under the ITA and all other applicable laws which require registration. Each Loan Party and each of their Subsidiaries has complied with and performed all of its obligations under and in respect of the Canadian Pension Plans and Canadian Benefit Plans under the terms thereof, any funding agreements and all applicable laws, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect. All employer and employee payments, contributions or premiums required to be remitted, paid to or in respect of each Canadian Pension Plan, Canadian Union Plan or Canadian Benefit Plan by a Loan Party have been paid in a timely fashion in accordance with the terms thereof, any funding agreement and all applicable laws, except where required by law or collective agreement or where the failure to do so could not reasonably be expected to result in a Material Adverse Effect. To the knowledge of any Loan Party, there have been no improper withdrawals or applications of the assets of the Canadian Pension Plans or the Canadian Benefit Plans. No promises of benefit improvements under the Canadian Pension Plans or the Canadian Benefit Plans have been made except where such improvement could not be reasonably expected to have a Material Adverse Effect. There has been no partial termination of any Canadian Pension Plan that has a defined benefit provision and no facts or circumstances have occurred or existed that could result, or be reasonably anticipated to result, in the declaration of a partial termination of any such plan under Requirements of Law. Except as set forth on Schedule 3.10, there are no outstanding disputes concerning the assets of the Canadian Pension Plans, the Canadian Benefit Plans or, with respect to the Canadian Union Plans, there are no outstanding disputes involving any Loan Party, in each case that could reasonably be expected to have a Material Adverse Effect. As of the Effective Date, none of the Loan Parties sponsors any Canadian Pension Plan that has a defined benefit provision or any other Canadian Pension Plan that requires the preparation of an actuarial report.

(c) Neither the UK Borrower nor any of its Subsidiaries is or has at any time after April 27, 2004 been (1) an employer (for the purposes of Sections 38 to 51 of the Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pensions Schemes Act 1993), other than the UK Pension Scheme or (2) "connected" with or an "associate" of (as those terms are used in Sections 39 and 43 of the Pensions Act 2004) such an employer.

Section 3.11. <u>Disclosure</u>. Each Borrower has disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which it or any Subsidiary is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. Neither the Offering Memorandum nor any of the reports, financial statements, certificates or other information furnished by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or any other Loan Document (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; <u>provided</u> that, with respect to projected financial information, the Borrowers represent only that such information was delivered in good faith based upon assumptions believed to be reasonable at the time delivered and, if such projected financial information was delivered prior to the Effective Date, as of the Effective Date.

Section 3.12. <u>Material Agreements</u>. Neither any Loan Party nor any of their respective Restricted Subsidiaries is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in (i) any material agreement to which it is a party or (ii) any agreement or instrument evidencing or governing Material Indebtedness except in each case, where such default could not reasonably be expected to result in the acceleration of any obligations due under such agreement or instrument or otherwise result in the cancellation or termination of such agreement or instrument or a material increase in cost thereunder.

Section 3.13. <u>Solvency</u>. (a) Immediately after the consummation of each of the Cliffstar Acquisition and the Transactions to occur on the Effective Date, (i) the fair value of the assets of each Loan Party, at a fair valuation, will exceed its debts and liabilities, subordinated, contingent or otherwise; (ii) the present fair saleable value of the property of each Loan Party will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) each Loan Party will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) each Loan Party will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted after the Effective Date.

(b) No Loan Party intends to, and no Loan Party believes that it will, incur debts beyond its ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by it and the timing of the amounts of cash to be payable on or in respect of its Indebtedness.

Section 3.14. <u>Insurance</u>. <u>Schedule 3.14</u> sets forth a description of all insurance maintained by or on behalf of the Loan Parties as of the Effective Date. As of the Effective Date, all premiums in respect of such insurance have been paid. The Borrowers believe that the insurance maintained by or on behalf of the Loan Parties is adequate.

Section 3.15. <u>Capitalization and Subsidiaries</u>. As of the Effective Date, (a) <u>Schedule 3.15</u> sets forth (i) a correct and complete list of the name and relationship to the Company of each and all of the Company's Subsidiaries after giving effect to the Cliffstar Acquisition, the Transactions and the Restructuring, (ii) a true and complete listing of each class of each of the Borrowers' authorized Equity Interests, of which all of such issued shares are validly issued, outstanding, fully paid and non-assessable (to the extent such concepts are applicable), and, in the case of Loan Parties (other than the Company) and their Subsidiaries owned beneficially and of record by the Persons identified on <u>Schedule 3.15</u>, and (iii) the type of entity of the Company and each of its Subsidiaries. Each of the issued and outstanding Equity Interests owned by any Loan Party in each of their Subsidiaries has been (to the extent such concepts are relevant with respect to such ownership interests) duly authorized and is fully paid and non-assessable.

Section 3.16. <u>Security Interest in Collateral</u>. The provisions of this Agreement and the other Loan Documents create legal and valid Liens on all the Collateral in favor of, as applicable, the UK Security Trustee or the Administrative Collateral Agent, for the benefit of the Administrative Collateral Agent and the Lenders, and upon filing of UCC financing statements (or their equivalent under the PPSA), as necessary, the taking of actions or making of filings with respect to Intellectual Property registrations or applications issued or pending, and, in the case of real property, filing of the Mortgages as necessary, such Liens constitute perfected and continuing Liens on the Collateral, securing the Secured Obligations, enforceable against the applicable Loan Party and all third parties, and having priority over all other Liens on the Collateral except in the case of (a) Permitted Liens, to the extent any such Permitted Liens would have priority over the Liens in favor of the Administrative Collateral Agent or the UK Security Trustee, as applicable, pursuant to any applicable law, (b) Permitted Perfection Limitations and (c) Liens created by a UK Borrower where (i) registration of particulars of such Liens at the Companies Registration Office in England, Scotland and Wales is required under Section 860 of the Companies Act of 2006, (ii) registration of particulars of such Liens at the Trade Marks Registry at the Patent Office in England, Scotland and Wales is required and, in any such case, such registration is not duly effected. As of the Effective Date, the jurisdictions in which the filing of tuCC financing statements (or their equivalent under the PPSA) are necessary are listed on <u>Schedule 3.16</u> and the jurisdictions in which the filing of the Mortgages are necessary are listed on Schedule 3.16.

Section 3.17. <u>Employment Matters</u>. As of the Effective Date, there are no strikes, lockouts or slowdowns, and no unfair labor practice charges, against any Loan Party and their Restricted Subsidiaries pending or, to the knowledge of the Borrowers, threatened. The hours worked by and payments made to employees of the Loan Parties and their Subsidiaries have not been in material violation of the Fair Labor Standards Act, the *Employee Standards Act* (Ontario) or any other applicable federal, provincial, territorial, state, local or foreign law dealing with such matters. All material payments due from any Loan Party or any Subsidiary, or for which

any claim may be made against any Loan Party or any Subsidiary, on account of wages, vacation pay and employee health and welfare insurance and other benefits, including on account of the Canada and Quebec Pension Plans, have been paid or accrued as a liability on the books of the Loan Party or such Subsidiary.

Section 3.18. <u>Common Enterprise</u>. The successful operation and condition of each of the Loan Parties is dependent on the continued successful performance of the functions of the group of the Loan Parties as a whole and the successful operation of each of the Loan Parties is dependent on the successful performance and operation of each other Loan Party. Each Loan Party expects to derive benefit (and its board of directors or other governing body has determined that it may reasonably be expected to derive benefit), directly and indirectly, from (i) successful operations of each of the other Loan Parties and (ii) the credit extended by the Lenders to the Borrowers hereunder, both in their separate capacities and as members of the group of companies. Each Loan Party has determined that execution, delivery, and performance of this Agreement and any other Loan Documents to be executed by such Loan Party is within its purpose, will be of direct and indirect benefit to such Loan Party, and is in its best interest.

Section 3.19. 2009 Note Documents and 2010 Note Documents. The Borrowers have delivered to the Administrative Agent true, complete and correct copies of each of the 2009 Note Documents and the 2010 Note Documents (including all schedules, exhibits and annexes thereto). The Loans and all other Secured Obligations of the Loan Parties under this Agreement and each of the other Loan Documents are permitted to be incurred under each of the 2009 Note Documents and the 2010 Note Documents. This Agreement is within the definition of "Credit Agreement" under each of the 2009 Note Documents and the 2010 Note Documents.

Section 3.20. <u>Centre of Main Interests</u>. For the purposes of the Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the "Regulation"), the UK Borrower's centre of main interests (as that term is used in Article 3(1) of the Regulation) is situated in England and Wales and it has no "establishment" (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction.

Section 3.21. Stock Ownership. As of the Effective Date, the fair market value of all Permitted Margin Stock is less than \$25,000.

Section 3.22. <u>Unrestricted Subsidiaries</u>. As of the Effective Date, the aggregate amount of EBITDA and total assets of all Unrestricted Subsidiaries listed on Schedule 1.01(c) (other than the [\*\*\*]) does not exceed 5.0% of EBITDA for the period of four fiscal quarters of the Company and its Subsidiaries (other than [\*\*\*]) most recently ended or 5.0% of consolidated total assets of the Company and its Subsidiaries as of the Effective Date. *[Names redacted]* 

Section 3.23. <u>Representations and Warranties in Asset Purchase Agreement</u>. On the Effective Date, all representations and warranties made by the Cliffstar Companies in the APA that are material to the interests of the Lenders are true and correct in all material respects.

Section 3.24. <u>Intercompany Advances</u>. As of the Effective Date, <u>Schedule 3.24</u> sets forth (a) a true and correct list of all loans and advances made by any Loan Party to any other Loan Party or by any Loan Party to any Subsidiary (i) as of July 3, 2010 and (ii) in connection with the Cott Acquisition and the Restructuring outstanding on the Effective Date, and (b) a true and correct list of all unpaid intercompany transfers of goods sold and delivered by or to any Loan Party as of July 3, 2010.

Section 3.25. <u>Fixed Charge Coverage Ratio</u>. The Fixed Charge Coverage Ratio determined as of July 3, 2010 (with the unfinanced portion of Capital Expenditures, EBITDA and Fixed Charges for the fiscal quarter ending on October 3, 2009 being calculated on a basis consistent with the calculations used to determine the unfinanced portion of Capital Expenditures, EBITDA and Fixed Charges for the fiscal quarters ended January 2, 2010, April 3, 2010 and July 3, 2010 as set forth in the definition of Fixed Charge Coverage Ratio and Fixed Charges) was greater than 1.1 to 1.

## ARTICLE IV

# **Conditions**

Section 4.01. <u>Effective Date</u>. The obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) <u>Credit Agreement and Loan Documents</u>. The Administrative Agent (or its counsel) shall have received (i) from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence satisfactory to the Administrative Agent (which may include facsimile or pdf transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement, and (ii) duly executed copies (or facsimile or pdf copies) of the Loan Documents and such other certificates, documents, instruments and agreements as the Administrative Agent shall reasonably request in connection with the transactions contemplated by this Agreement and the other Loan Documents, including any promissory notes requested by a Lender pursuant to Section 2.10 payable to the order of each such requesting Lender and written opinions of the United States and Canadian Loan Parties' counsel, addressed to the Administrative Agent, the Disbursement Agent, the Collateral Agents, the Issuing Banks and the Lenders in form and substance acceptable to the Administrative Agent and written opinions of the Administrative Agent's counsel with respect to matters concerning the UK Loan Parties, such opinion to be in form and substance acceptable to the Administrative Agent.

(b) <u>Financial Statements and Projections</u>. The Lenders shall have received (i) audited consolidated financial statements of the Company and its Subsidiaries for the January 2, 2010 fiscal year, (ii) audited consolidated financial statements of the Cliffstar Companies and their Subsidiaries for the January 2, 2010 fiscal year, (iii) unaudited interim consolidated financial statements of the Company and its Subsidiaries and for Cliffstar Corporation and its subsidiaries for each fiscal quarter ended after the date of the latest applicable financial statements delivered pursuant to clauses (i) and (ii) of this paragraph as to which such financial statements are available, and such financial

statements shall not, in the reasonable judgment of the Administrative Agent, reflect any material adverse change in the consolidated financial condition of the Company and its Subsidiaries or Cliffstar Corporation and its subsidiaries, respectively, as reflected in the financial statements or projections provided to the Administrative Agent and the Lenders prior to the Effective Date (iv) satisfactory pro forma consolidated financial statements of the Company and its Subsidiaries for the twelve-month period ending June 30, 2010, prepared after giving effect to the Cliffstar Acquisition and the Transactions as if the Cliffstar Acquisition and the Transactions had occurred at the beginning of such period and (v) monthly projections for fiscal year 2010 and annual projections for fiscal years 2011 through 2014, in each case satisfactory to the Administrative Agent in its sole discretion.

(c) <u>Closing Certificates</u>; <u>Certified Certificate of Incorporation</u>; <u>Good Standing Certificates</u>. The Administrative Agent shall have received (i) a certificate of each Loan Party, dated the Effective Date and executed by its Secretary, Assistant Secretary or Director, which shall (A) certify the resolutions of its Board of Directors, members or other body authorizing the execution, delivery and performance of the Loan Documents to which it is a party, (B) identify by name and title and bear the signatures of the Financial Officers and any other officers of such Loan Party authorized to sign the Loan Documents to which it is a party, authorized to sign the Loan Documents to which it is a party, and (C) contain appropriate attachments, including the certificate or articles of incorporation or organization of each Loan Party, together with all amendments thereto, certified by the relevant authority of the jurisdiction of organization of such Loan Party and a true and correct copy of its by-laws, memorandum and articles of association or operating, management or partnership agreement (or other equivalent organizational documents), together with all amendments thereto, and (ii) a long form certificate of good standing, status or compliance, as applicable, together with any bring-down certificates or facsimiles, if any, for each Loan Party from its jurisdiction of organization, each dated a recent date on or prior to the Effective Date.

(d) <u>No Default Certificate</u>. The Administrative Agent shall have received a certificate, signed by the chief financial officer or treasurer of each Borrower, on the Effective Date (i) stating that no Default has occurred and is continuing, (ii) stating that the representations and warranties contained in Article III are true and correct as of such date, and (iii) certifying any other factual matters as may be reasonably requested by the Administrative Agent.

(e) <u>Fees</u>. The Lenders, the Collateral Agents and the Administrative Agent shall have received all other fees required to be paid (including, pursuant to the Fee Letters), and all expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel), on or before the Effective Date. All such amounts will be paid with proceeds of Loans made on the Effective Date and will be reflected in the funding instructions given by the Borrower Representative to the Administrative Agent on or before the Effective Date.

(f) Lien Searches. The Administrative Agent shall have received the results of a recent lien search and/or, with respect to Eligible Real Property, appropriate title reports in each of the jurisdictions where assets of the Loan Parties are located (except that with respect to any Loan Party that is organized under the laws of the United States or any state thereof, the Administrative Agent shall have received search results only in such Loan Party's jurisdiction of formation or organization) and each of the jurisdictions where Eligible Real Property or Eligible Equipment is located and such search or title report shall reveal no Liens on any of the assets of the Loan Parties except for Permitted Liens or those discharged on or prior to the Effective Date pursuant to a pay-off letter or other documentation satisfactory to the Administrative Agent.

(g) <u>Pay-Off Letter</u>. The Administrative Agent shall have received satisfactory pay-off letters for (or other evidence satisfactory to the Administrative Agent of the payment in full of) (i) all existing Indebtedness under the Existing Credit Agreement and (ii) all existing Indebtedness of the Cliffstar Companies, in each case confirming that all Liens upon any of the property of the Loan Parties or the Cliffstar Companies, as applicable, constituting Collateral will be terminated concurrently with such payment.

(h) <u>Funding Accounts</u>. The Administrative Agent shall have received a notice setting forth the deposit account(s) of the Borrowers (the "<u>Funding Accounts</u>") to which the Lender is authorized by the Borrowers to transfer the proceeds of any Borrowings requested or authorized pursuant to this Agreement.

(i) Customer List. The Administrative Agent shall have received a true and complete Customer List.

(j) <u>Cliffstar Control Agreements</u>. The Administrative Collateral Agent or the UK Security Trustee, as applicable, shall have received Deposit Account Control Agreements over the Cliffstar Deposit Accounts in accordance with Article VII of the U.S. Security Agreement.

(k) <u>Solvency</u>. The Administrative Agent shall have received a solvency certificate, in form and substance satisfactory to the Administrative Agent, from a Financial Officer.

(1) <u>Borrowing Base Certificate</u>. Each Collateral Agent shall have received an Aggregate Borrowing Base Certificate which calculates the Aggregate Borrowing Base as of the end of the week immediately preceding the Effective Date. Each Collateral Agent shall have also received a Borrowing Base Certificate from each Borrower which calculates the Borrowing Base of such Borrower as of the end of the week immediately preceding the Effective Date.

(m) <u>Closing Availability</u>. After giving effect to all Borrowings to be made on the Effective Date and the issuance of any Letters of Credit on the Effective Date and payment of all fees and expenses due hereunder and the consummation of the Cliffstar Acquisition and the Transactions, and with all of the Loan Parties' indebtedness, liabilities, and obligations current, the Borrowers' Aggregate Availability shall not be less than \$75,000,000.

(n) <u>Pledged Stock; Stock Powers; Pledged Notes</u>. The Administrative Collateral Agent or the UK Security Trustee, as applicable, shall have received (i) the certificates representing the shares of Equity Interests pledged pursuant to the Security Agreements (other than the Equity Interests identified on Item 6 of Schedule 5.15), together with an undated stock power or stock transfer form, as applicable, for each such certificate executed in blank by a duly authorized officer of the pledgor thereof and (ii) each promissory note (if any) pledged to the Administrative Collateral Agent or the UK Security Trustee, as applicable, pursuant to the Security Agreements (other than the promissory note identified on Item 6 of Schedule 5.15), endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof.

(o) <u>Filings, Registrations and Recordings</u>. Each document (including any Uniform Commercial Code and PPSA financing statement) required by the Collateral Documents or under law or reasonably requested by the Administrative Collateral Agent or the UK Security Trustee to be filed, registered or recorded in order to create in favor of the Administrative Collateral Agent, for the benefit of the Lenders, or the UK Security Trustee, as applicable, a perfected Lien on the Collateral described therein, prior and superior in right to any other Person (other than with respect to Liens expressly permitted by Section 6.02), shall be in proper form for filing, registration or recordation.

(p) [Intentionally Omitted].

(q) <u>Mortgages (hypothec), etc</u>. The Administrative Collateral Agent shall have received, with respect to each parcel of real property which is identified on <u>Schedule 1.01(a)</u>, each of the following, in form and substance reasonably satisfactory to the Administrative Collateral Agent:

(i) a Mortgage (or hypothec) on such property;

(ii) evidence that a counterpart of the Mortgage (or hypothec) has been recorded in the place necessary, in the Administrative Agent's judgment, to create a valid and enforceable first priority Lien (subject to Permitted Encumbrances which (a) have been approved by the Administrative Agent in the exercise of its Permitted Discretion and are disclosed in a title insurance policy issued in favor of the Administrative Collateral Agent or (b) which do not have priority over the Lien granted in favor of the Administrative Collateral Agent for the benefit of itself and the Lenders (or has been delivered to the title company for recording) and which may be set up against third parties;

(iii) ALTA (or its customary Canadian equivalent) or other mortgagee's title policy;

(iv) an ALTA (or its customary Canadian equivalent) survey prepared and certified to the Administrative Agent by a surveyor acceptable to the Administrative Agent; <u>provided</u> that for the purposes of the Effective Date and without in any way affecting the obligations of the Loan Parties pursuant to Section 5.15, surveys delivered pursuant to the Existing Credit Agreement shall be deemed acceptable for the purposes of this subsection (q)(iv);

(v) an opinion of Borrowers' local counsel in the applicable jurisdiction in which such parcel of real property is located in form and substance and from counsel reasonably satisfactory to the Administrative Agent;

(vi) if any such parcel of real property is determined by the Administrative Agent to be in a flood zone, a flood notification form signed by the Borrower Representative and evidence that flood insurance is in place for the building and contents (or, for real property located in Canada, customary evidence of notice or flood plains and compliance with any relevant regulations, where applicable), all in form and substance satisfactory to the Administrative Agent; and

(vii) such other information, documentation, and certifications as may be reasonably required by the Administrative Agent.

(r) <u>Insurance</u>. The Administrative Agent shall have received evidence of insurance coverage in form, scope, and substance reasonably satisfactory to the Administrative Agent and otherwise in compliance with the applicable terms of the Security Agreements (including Section 5.09 of this Agreement and Section 4.11 of the U.S. Security Agreement).

(s) Letter of Credit Application. The Administrative Agent shall have received a properly completed letter of credit application (whether standalone or pursuant to a master agreement, as applicable) if the issuance of a Letter of Credit will be required on the Effective Date. The Borrowers shall have executed the Issuing Banks' master agreements for the issuance of commercial Letters of Credit.

(t) <u>Tax Withholding</u>. The Administrative Agent shall have received a properly completed and signed IRS Form W-8 or W-9, as applicable, for each Loan Party or such other similar form as required under the laws of the relevant jurisdiction.

(u) <u>Process Agent</u>. The Administrative Agent shall have received evidence of the acceptance by the Process Agent of its appointment as process agent by the UK Borrower and the Company and Cott Beverages shall have been appointed as the Process Agent for each other Loan Party that is not organized under the laws of any State of the United States.

(v) <u>Restructuring</u>. If the Company determines to enter into the Restructuring, the Company and its Subsidiaries shall have completed, to the satisfaction of the Administrative Agent, in its discretion, an internal restructuring prior to or contemporaneous with the Effective Date resulting in a corporate structure substantially as set forth on <u>Annex A</u>, and the Administrative Agent shall be satisfied with all transactions entered into in connection with the Restructuring, including all documents related to the Restructuring and the Administrative Agent and its counsel shall have received other documents relating to the Restructuring as the Administrative Agent may reasonably request, each in form and substance satisfactory to the Administrative Agent, in its discretion.

#### (w) [Intentionally Omitted].

(x) <u>Appraisals and Field Examinations</u>. The Administrative Agent and the Administrative Collateral Agent shall have received (i) appraisals of Inventory of the U.S. Co-Borrowers from an appraiser selected and engaged by the Administrative Agent, and prepared on a basis satisfactory to the Administrative Agent and the Administrative Collateral Agent, such appraisals to include, without limitation, information required by applicable law and regulations, with such appraisals being at the sole cost and expense of the Loan Parties and (ii) access to the properties, books, records and employees of the Cliffstar LLC and the Cliffstar Companies to conduct field examinations, to ensure the adequacy of assets that will constitute Borrowing Base Collateral on the Effective Date and related reporting and control systems, with such field examination being at the sole cost and expense of the Loan Parties and subject to the satisfaction of the Administrative Agent.

## (y) Cliffstar Acquisition.

(i) The Cliffstar Acquisition shall have been consummated in accordance with the terms of the APA without material waiver or amendment thereof unless consented to by the Administrative Agent and the Lead Arrangers and in compliance with applicable law and regulatory approvals.

(ii) All material governmental and material third party approvals required under the APA shall have been obtained and be in effect.

(iii) The Administrative Agent shall have received true and correct copies of the APA and all agreements executed in connection therewith together with a certificate of an authorized officer of the Company (A) certifying as to the accuracy and completeness of such documents and (B) the matters set forth in clauses (i) and (ii) above, and such materials shall have been made available to each Lender requesting a copy of the same.

(z) <u>2009 Note Documents and 2010 Note Documents</u>. The Administrative Agent shall have received true and correct copies of each of (i) the 2009 Note Documents, and (ii) the 2010 Note Documents, in each case including all schedules, exhibits and annexes thereto and together with a certificate of an authorized officer of the Company certifying as to the accuracy and completeness of such documents, and such materials shall have been made available to each Lender requesting a copy of the same.

(aa) <u>Flow of Funds Memorandum</u>. The Administrative Agent shall have received a flow of funds memorandum reflecting any Loans to be made hereunder on the Effective Date, the proceeds of the issuance of the 2010 Notes and the New Equity, and intercompany transfers to be made on the Effective Date, all payments to be made by or on behalf of any Loan Party under the APA on the Effective Date and all other payments to be made with the proceeds of any Loans or the proceeds of the issuance of the 2010 Notes or the New Equity.

(bb) <u>Other Documents</u>. The Administrative Agent shall have received such other documents as the Administrative Agent, the Disbursement Agent, any Issuing Bank, any Lender or their respective counsel may have reasonably requested.

The Administrative Agent shall notify the Borrowers and the Lenders of the Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans and of any Issuing Bank to issue Letters of Credit hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 9.02) at or prior to 2:00 p.m., Chicago time, on August 30, 2010 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

Section 4.02. <u>Each Credit Event</u>. The effectiveness of this Agreement or the obligation of each Lender to make a Loan on the occasion of any Borrowing, and of each Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrowers set forth in this Agreement shall be true and correct in all material respects on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, except for any representation and warranty made as of an earlier date, which representation shall remain true and correct in all material respects as of such earlier date.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing.

(c) After giving effect to any Borrowing or the issuance of any Letter of Credit, Aggregate Availability is not less than zero.

(d) The Indebtedness hereunder, including any Loan made or Letter of Credit issued on such date (and all reimbursement and other obligations in respect thereof), is permitted Indebtedness under each of the 2009 Indenture and the 2010 Indenture.

(e) If the aggregate amount of Loans and Letters of Credit outstanding under this Agreement shall exceed \$250,000,000 at the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, the Administrative Agent shall have received a certificate together with such Borrowing Request or Letter of Credit Request, in each case signed by a Financial Officer of the Borrower Representative (together with such support therefor as the Administrative Agent may reasonably request), certifying that, at the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, and the 2010 Indenture.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrowers on the date thereof as to the matters specified in paragraphs (a), (b), (c) and (d) of this Section.

Notwithstanding the failure to satisfy the conditions precedent set forth in paragraphs (a) or (b) of this Section, unless otherwise directed by the Required Lenders, the Administrative Agent may, but shall have no obligation to, continue to make (or authorize a Disbursement Agent to make) Loans and an Issuing Bank may, but shall have no obligation to, issue or cause to be issued any Letter of Credit (or amend, renew or extend any Letter of Credit) for the ratable account and risk of Lenders from time to time if the Administrative Agent believes that making such Loans or issuing or causing to be issued (or amending, renewing or extending) any such Letter of Credit is in the best interests of the Lenders.

# ARTICLE V

## **Affirmative Covenants**

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated (or have been cash collateralized in accordance with Section 2.06 (j) hereof) and all LC Disbursements shall have been reimbursed, each Loan Party executing this Agreement covenants and agrees, jointly and severally with all of the Loan Parties, with the Lenders that:

Section 5.01. <u>Financial Statements</u>; <u>Borrowing Base and Other Information</u>. The Borrowers will furnish to the Administrative Agent (to be made available by the Administrative Agent to each Lender either by posting such documents on Intralinks or other electronic transmission system or by other method selected by the Administrative Agent) the following information:

(a) within 90 days after the end of each fiscal year of the Company, its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by PricewaterhouseCoopers LLP or other independent public accountants reasonably acceptable to the Required Lenders (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, accompanied by any management letter prepared by said accountants (it being understood that the information required by this Section 5.01(a) may be furnished in the form of the Company's annual report on Form 10-K filed with the United States Securities and Exchange Commission for the applicable fiscal year (so long as the financial statements and independent public accountants report thereon comply with the requirements set forth above));

(b) within 45 days after the end of each of the first three fiscal quarters of the Company, its consolidated and consolidating balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of the Financial Officers of the Borrower Representative as presenting fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes (it being understood that the information required by this Section 5.01(b) may be furnished in the form of the Company's quarterly report on Form 10-Q filed with the United States Securities and Exchange Commission for the applicable fiscal quarter (so long as the financial statements and certification thereof comply with the requirements set forth above));

(c) within 30 days after the end of each fiscal month of the Company, its consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal month and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of the Financial Officers of the Borrower Representative as presenting fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes; provided that financial statements shall be deliverable under this clause (c) only for the period(s) commencing on such date, if any, as Aggregate Availability is at least \$30,000,000 for a period of 10 consecutive Business Days.

(d) concurrently with any delivery of financial statements under clause (a) or (b) or (c) above, a certificate of a Financial Officer or Treasurer of the Borrower Representative in substantially the form of Exhibit C (i) certifying, in the case of the financial statements delivered under clause (b) or (c), as presenting fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes, (ii) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (iii) in the case of financial statements delivered under clause (a) or (b) above, setting forth reasonably detailed calculations of the Fixed Charge Coverage Ratio for the fiscal quarter most recently ended and, if applicable, demonstrating compliance with Section 6.13 and (iv) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(e) concurrently with any delivery of financial statements under clause (a) above, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Default (which certificate may be limited to the extent required by accounting rules or guidelines and need not be delivered at all if accounting rules or guidelines then in effect prohibit delivery of such a certificate);

(f) as soon as available, but in any event not more than 45 days after the commencement of each fiscal year of the Company, a copy of the plan and forecast (including a projected balance sheet, income statement and funds flow statement in form acceptable to the Administrative Agent) of the Company for each month of the upcoming fiscal year (the "<u>Projections</u>") in form reasonably satisfactory to the Administrative Agent;

(g) as soon as available but in any event within 15 days of the end of each calendar month (or, in the case of July 2010, on or before August 31, 2010), and at such other times as may be requested by either Collateral Agent, as of the period then ended, an Aggregate Borrowing Base Certificate, together with a Borrowing Base Certificate for each Borrower which calculates such Borrower's Borrowing Base, and supporting information in connection therewith, together with any additional reports with respect to the Aggregate Borrowing Base or any Borrowing Base of a Borrower as either Collateral Agent may reasonably request; and the PP&E Component of the Borrowing Bases shall be updated (i) from time to time upon receipt of periodic valuation updates received from either Collateral Agent's asset valuation experts, (ii) concurrent with the sale or commitment to sell any assets constituting part of the PP&E Component, (iii) in the event such assets are idled for a period in excess of ten (10) consecutive days for any reason other than routine maintenance or repairs, reconfiguration or due to seasonal production in the ordinary course of business, or (iv) in the event that the value of such assets is otherwise impaired, as determined in either Collateral Agent's Permitted Discretion; provided that (A) if on any date Aggregate Availability is less than the greater of (i) the Borrowing Base Reporting Trigger Level at such time and (ii) \$40,000,000, then for the period(s) commencing on any such date and ending on the date, if any, on which Aggregate Availability is equal to or greater than the greater of (y) the Borrowing Base Reporting Trigger Level at such time and (z) \$40,000,000, for a period of 10 consecutive Business Days, or (B) if requested by the Administrative Agent, either Collateral Agent or the Required Lenders, during any period that an Event of Default is continuing, the Borrowers will be required to furnish an Aggregate Borrowing Base Certificate, Borrowing Base Certificates for each Borrower and supporting information in connection therewith to each Collateral Agent as soon as available but in any event within 3 Business Days after the end of each calendar week, and at such other times as may be requested by either Collateral Agent, as of the period then ended;

(h) as soon as available but in any event within 15 days of the end of each calendar month (or, in the case of July 2010, on or before August 31, 2010) and at such other times as may be reasonably requested by either Collateral Agent, as of the period then ended, all delivered electronically in a text formatted file reasonably acceptable to each Collateral Agent:

(i) a detailed aging of each Borrower's Accounts (1) including a listing of all invoices aged by invoice date and due date (with an explanation of the terms offered) and (2) reconciled to the Aggregate Borrowing Base Certificate and the Borrowing Base Certificate of such Borrower delivered as of such date prepared in a manner reasonably acceptable to each Collateral Agent, together with a summary specifying the name, address, and balance due for each Account Debtor;

(ii) a schedule detailing each Borrower's Inventory, in form satisfactory to each Collateral Agent, (1) by location (showing Inventory in transit, any Inventory located with a third party under any consignment, bailee arrangement, or warehouse agreement), by class (raw material, work- in- process and finished goods), by product type, and by volume on hand, which Inventory shall be valued at the lower of cost (determined on a first-in, first-out basis) or market and adjusted for Reserves as either Collateral Agent has previously indicated to the Borrower Representative are deemed by either Collateral Agent to be appropriate, (2) including a report of any variances or other results of Inventory counts performed by such Borrower since the last Inventory schedule (including information regarding sales or other reductions, additions, returns, credits issued by such Borrower and complaints and claims made against such Borrower), and (3) reconciled to the Aggregate Borrowing Base Certificate and the Borrowing Base Certificate of such Borrower delivered as of such date;

(iii) a worksheet of calculations prepared by each Borrower to determine Eligible Accounts and Eligible Inventory, such worksheets detailing the Accounts and Inventory excluded from Eligible Accounts and Eligible Inventory and the reason for such exclusion;

(iv) a reconciliation of each Borrower's Accounts and Inventory between the amounts shown in such Borrower's general ledger and financial statements and the reports delivered pursuant to clauses (i) and (ii) above; and

(v) a reconciliation of the loan balance per each Borrower's general ledger to the loan balance under this Agreement;

(i) as soon as available but in any event within 15 days of the end of each calendar month (or, in the case of July 2010, on or before August 31, 2010) and at such other times as may be requested by either Collateral Agent, as of the month then ended, a schedule and aging of the Borrowers' accounts payable, delivered electronically in a text formatted file acceptable to each Collateral Agent;

(j) promptly upon either Collateral Agent's reasonable request:

(i) copies of invoices in connection with the invoices issued by the Borrowers in connection with any Accounts, credit memos, shipping and delivery documents, and other information related thereto;

(ii) copies of purchase orders, invoices, and shipping and delivery documents in connection with any Inventory or Equipment purchased by any Loan Party; and

(iii) a schedule detailing the balance of all intercompany accounts of the Loan Parties and their Restricted Subsidiaries;

(k) concurrently with any delivery of an Aggregate Borrowing Base Certificate under clause (g) above, and at such other times as may be requested by either Collateral Agent, as of the period then ended, the Borrowers' sales journal, cash receipts journal (identifying trade and non-trade cash receipts) and debit memo/credit memo journal;

(1) concurrently with the delivery of a certificate of a Financial Officer pursuant to Section 5.01(d) for the first and third quarters of each fiscal year of the Company, an updated Customer List;

(m) (i) as soon as possible and in any event within 15 days after the end of each calendar month, a detailed listing of all advances of proceeds of Loans requested by the Borrower Representative for each Borrower during the immediately preceding calendar month and (ii) concurrently with the delivery of each certificate of a Financial Officer pursuant to Section 5.01(d), a detailed listing of all intercompany loans made by any of the Loan Parties or their Restricted Subsidiaries during the applicable calendar month or quarter;

(n) concurrently with the delivery of a certificate of a Financial Officer pursuant to Section 5.01(d) for the first and third quarters of each fiscal year of the Company (or as soon thereafter as is practicable if an order has been placed by each U.S. Co-Borrower to obtain the same prior to the date of the delivery of such certificate), certificates of good standing for each U.S. Co-Borrower from the appropriate governmental officer in each U.S. Co-Borrower's jurisdiction of incorporation;

(o) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by any Borrower or any Subsidiary with the Securities and Exchange Commission or any other U.S. or Canadian federal or provincial securities commission, or any Governmental Authority succeeding to any or all of the functions of any such commission, or with any national securities exchange, or distributed by any Borrower to its shareholders generally, as the case may be; provided that information required to be delivered pursuant to this Section 5.01(o) shall be deemed to have been delivered to the Administrative Agent on the date on which the Borrower Representative provides written notice or an automatic e-mail link to the Administrative Agent that such information has been posted on the Company's website

on the Internet at <u>http://www.cott.com/investors/filings/en.htm</u> or is available via the EDGAR system of the United States Securities and Exchange Commission on the Internet (to the extent such information has been posted or is available as described in such notice);

(p) concurrently with the delivery of each certificate of a Financial Officer pursuant to Section 5.01(d) that is delivered in connection with the delivery of financial statements under Section 5.01(a), and at such other times as may be reasonably requested by either Collateral Agent, a list of (i) all Intellectual Property owned by the Loan Parties which is the subject of a registration or application in any intellectual property registry which has been acquired, filed or issued since the previous update was provided to the Administrative Agent and (ii) any material licenses of Intellectual Property to which any Loan Party has become a party to or otherwise bound by (whether as licensor or licensee) since the last update provided to the Collateral Agents;

(q) concurrently with the delivery of each certificate of a Financial Officer pursuant to Section 5.01(d) that is delivered in connection with the delivery of financial statements under Section 5.01(a) or 5.01(b), (i) a calculation of (x) EBITDA for the period of four fiscal quarters of the Company and its Subsidiaries most recently ended for which financial statements have been or are required to have been delivered pursuant to Sections 4.01(b), 5.01(a) or 5.01(b), as applicable, and (y) consolidated total assets of the Company and its Subsidiaries as at the last day of such four fiscal quarter period and (ii) reasonably detailed calculations demonstrating compliance with the limitations set forth in Section 5.13(a)(iii); and

(r) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of any Borrower or any Subsidiary, or compliance with the terms of this Agreement, as either Collateral Agent or the Administrative Agent (on behalf of itself or any Lender) may reasonably request.

Section 5.02. <u>Notices of Material Events</u>. The Borrowers will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(a) the occurrence of any Default;

(b) receipt of any notice of any governmental investigation or any litigation or proceeding commenced or threatened against any Loan Party or any of their respective Restricted Subsidiaries that (i) seeks damages in excess of \$20,000,000, (ii) seeks injunctive relief which, if granted, could reasonably be expected to result in a Material Adverse Effect, (iii) is asserted or instituted against any Plan, Canadian Benefit Plan, Canadian Pension Plan, its fiduciaries or its assets and which could reasonably be expected to result in a Material Adverse Effect, (iv) alleges criminal misconduct by any Loan Party or any of their respective Restricted Subsidiaries, (v) alleges the violation of any law regarding, or seeks remedies in connection with, any Environmental Laws and which could reasonably be expected to result in a Material Adverse Effect, (vi) contests any tax, fee, assessment, or other governmental charge in excess of \$20,000,000, or (vii) involves any material product recall;

(c) any loss, damage, or destruction to the Collateral in the amount of \$2,500,000 or more per occurrence or related occurrences, whether or not covered by insurance;

(d) any and all default notices received under or with respect to any leased location or public warehouse where Collateral in the amount of \$2,500,000 or more included in the Aggregate Borrowing Base (or which would be included but for such notice) is located (which shall be delivered within five Business Days after receipt thereof);

(e) notwithstanding the forgoing, the Borrower will, within five Business Days, furnish to the Administrative Agent written notice of the fact that a Loan Party has entered into a Swap Agreement or an amendment to a Swap Agreement, together with a description (including nature and amount) of the terms of such Swap Agreement or amendment, as the case may be;

(f) the occurrence of any ERISA Event or breach of the representations and warranties in Section 3.10 that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrowers and their Subsidiaries in an aggregate amount exceeding \$10,000,000;

(g) the release into the environment of any Hazardous Material that is required by any applicable Environmental Law to be reported to a Governmental Authority and which could reasonably be expected to lead to any material Environmental Liability; and

(h) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower Representative setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

Section 5.03. <u>Existence; Conduct of Business</u>. Each Loan Party will, and will cause each of its Restricted Subsidiaries to, (a) do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and, except where any of the following could not reasonably be expected to result in a Material Adverse Effect, the rights, qualifications, franchises, governmental authorizations, intellectual property rights, licenses and permits used or useful in the conduct of its business, and all requisite authority to conduct its business in each jurisdiction in which its business is conducted; <u>provided</u> that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03 and (b) engage only in Permitted Businesses.

Section 5.04. <u>Payment of Obligations</u>. Each Loan Party will, and will cause each of its Restricted Subsidiaries to, pay or discharge all Material Indebtedness, the Earnout, the Permitted Deferred Consideration, and all other material liabilities and obligations, including Taxes, before

the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings and, in the case of the Earnout, pursuant to the terms of the APA, (b) such Loan Party or Restricted Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

Section 5.05. <u>Maintenance of Properties</u>. Each Loan Party will, and will cause each of its Restricted Subsidiaries to, keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

Section 5.06. <u>Books and Records</u>; <u>Inspection Rights</u>. Each Loan Party will, and will cause each of its Restricted Subsidiaries to, (i) keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities and (ii) permit any representatives designated by the Administrative Agent and/or any Collateral Agent and, after the occurrence and during the continuance of an Event of Default, any Lender (including employees of the Administrative Agent and/or any Collateral Agent, and, after the occurrence and during the continuance of an Event of Default, any Lender (including employees of the Administrative Agent and/or any Collateral Agent, and, after the occurrence and during the continuance of an Event of Default, any Lender, or any consultants, accountants, lawyers and appraisers retained by the Administrative Agent and/or any Collateral Agent), upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, including environmental assessment reports and Phase I or Phase II studies, and to discuss its affairs, finances and condition with its officers and independent accountants (so long as management of the Borrower Representative is permitted to be present), all at such reasonable times and as often as reasonably requested. After the occurrence and during the continuance of any Event of Default, each Loan Party shall provide the Administrative Agent and/or any Collateral Agent, after exercising its rights of inspection, may prepare and distribute to the Lenders certain Reports pertaining to the Loan Parties' and their respective Subsidiaries' assets for internal use by the Administrative Agent, the Collateral Agents and the Lenders.

Section 5.07. <u>Compliance with Laws</u>. (a) Each Loan Party will, and will cause each of its Restricted Subsidiaries to, comply with all Requirements of Law applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(b) U.S. and Canadian Pension Plans and Benefit Plans.

(i) For each existing, or hereafter adopted, Plan, Canadian Pension Plan, Canadian Union Plan and Canadian Benefit Plan, each Loan Party will, and will cause each Subsidiary to, in a timely fashion comply with and perform in all material respects all of its obligations under and in respect of such Plan, Canadian Pension Plan, Canadian Union Plan or Canadian Benefit Plan, including under any funding agreements and all applicable laws.

(ii) All employer or employee payments, contributions or premiums required to be remitted, paid to or in respect of each Plan, Canadian Pension Plan, Canadian Union Plan or Canadian Benefit Plan by a Loan Party shall be paid or remitted by each Loan Party and each Subsidiary of each Loan Party in a timely fashion in accordance with the terms thereof, any funding agreements and all applicable laws.

(iii) The Loan Parties shall deliver to each Lender (i) if requested by such Lender, copies of each annual and other return, report or valuation with respect to each Plan and Canadian Pension Plan as filed with any applicable Governmental Authority; (ii) promptly after receipt thereof, a copy of any material direction, order, notice, ruling or opinion that any Loan Party or any Subsidiary of any Loan Party may receive from any applicable Governmental Authority with respect to any Plan or Canadian Pension Plan; (iii) notification within 30 days of any increases having a cost to one or more of the Loan Parties and their Subsidiaries in excess of \$1,000,000 per annum in the aggregate, in the benefits of any existing Plan, Canadian Pension Plan or Canadian Benefit Plan, or the establishment of any new Plan, Canadian Pension Plan or Canadian Benefit Plan, or the commencement of contributions to any such plan to which any Loan Party was not previously contributing; and (iv) notification within 30 days of any voluntary or involuntary termination of, or participation in, a Plan, Canadian Pension Plan or Canadian Union Plan.

## (c) UK Pension Plans and Benefit Plans.

(i) The UK Borrower shall ensure that all pension schemes registered in the UK, operated or maintained for the benefit of members of it or its Subsidiaries and/or any of their employees comply with the requirements of Section 222 of the Pensions Act 2004 and that no action or omission is taken by the UK Borrower, any of its Subsidiaries or any Loan Party in relation to such a pension scheme which has or is reasonably likely to have a Material Adverse Effect (including, without limitation, the termination or commencement of winding-up proceedings of any such pension scheme or the UK Borrower or any of its Subsidiaries ceasing to employ any member of such a pension scheme).

(ii) The UK Borrower shall ensure that neither it nor any of its Subsidiaries is or has been at any time after April 27, 2004 an employer (for the purposes of Sections 38 to 51 of the Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pension Schemes Act 1993), other than the U.K. Pension Plan, or "connected" with or an "associate" of (as those terms are used in Sections 39 and 43 of the Pensions Act 2004) such an employer.

(iii) The UK Borrower shall deliver to the Administrative Agent at such times as those reports are prepared in order to comply with the then current statutory or auditing requirements (as applicable either to the trustees of any relevant schemes or to the UK Borrower), actuarial reports in relation to all pension schemes mentioned in Section 5.07(c)(i) above.

(iv) The UK Borrower shall promptly notify the Administrative Agent of any material change in the rate of contributions to any pension schemes mentioned in Section 5.07(c)(i) above paid or which results in a change to the schedule of contributions in accordance with Section 227 of the Pensions Act 2004 or in accordance with Section 56 of the Pensions Act 1995, as applicable.

(v) The UK Borrower shall immediately notify the Administrative Agent of any investigation or proposed investigation by the Pensions Regulator (being the body corporate so entitled established under Part I of the Pensions Act 2004) which may lead to the issue by the Pensions Regulator of a Financial Support Direction under Section 43 of the Pensions Act 2004 or a Contribution Notice under Section 38 or Section 47 of the Pensions Act 2004 to it or any of its Subsidiaries. The UK Borrower shall immediately notify the Administrative Agent if it receives such a Financial Support Direction or Contribution Notice from the Pensions Regulator.

(d) <u>Environmental Covenant</u>. The Loan Parties and each Subsidiary (1) shall be at all times in compliance with all Environmental Laws, and (2) shall similarly ensure that the assets and operations are in compliance with all Environmental Laws and that no Hazardous Materials are, contrary to any Environmental Laws, discharged, emitted, released, generated, used, stored, managed, transported or otherwise dealt with, except, in each case, where failure to comply with such Environmental Laws could not reasonably be expected to have a Material Adverse Effect.

Section 5.08. <u>Use of Proceeds</u>. The proceeds of the Loans will be used only (i) to refinance in full the repayment of the Indebtedness of the Loan Parties and their Subsidiaries under the Existing Credit Agreement, (ii) to pay fees and expenses in connection with the Transactions, (iii) to finance in part the Cliffstar Acquisition and (iv) for working capital needs and general corporate purposes. No part of the proceeds of any Loan and no Letter of Credit will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

Section 5.09. Insurance. Each Loan Party will, and will cause each Subsidiary to, maintain with financially sound and reputable carriers having a financial strength rating of at least A by A.M. Best Company (a) insurance in such amounts (with no greater risk retention) and against such risks (including loss or damage by fire and loss in transit; theft, burglary and employee dishonesty; business interruption; and general liability) and such other hazards, as is customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (b) all insurance required pursuant to the Collateral Documents, or (in the case of Loan Parties and Subsidiaries located outside of the United States, such other insurance maintained with other carriers as is satisfactory to the Administrative Agent in its Permitted Discretion. With respect to parcels of real property covered by the Mortgages which lie in an area designated as having special flood hazards by the Federal Emergency Management Agency or any successor agency thereto, the Loan Parties

maintain flood insurance in an amount which complies with the National Flood Insurance Program, as set forth in the Flood Disaster Protection Act of 1973, as amended from time to time. The Borrowers will furnish to the Lenders, upon request of the Administrative Agent, information in reasonable detail as to the insurance so maintained. The Borrowers shall require all such policies to name the Administrative Collateral Agent, on behalf of itself and the Lenders, as additional insured or loss payee, as applicable.

Section 5.10. <u>Casualty and Condemnation</u>. The Borrowers (a) will furnish to the Administrative Agent (for delivery to the Lenders) prompt written notice of any casualty or other insured damage to any material portion of the Collateral or the commencement of any action or proceeding for the taking of any material portion of the Collateral or interest therein under power of eminent domain or by condemnation or similar proceeding and (b) will ensure that the Net Proceeds of any such event (whether in the form of insurance proceeds, condemnation awards or otherwise) are collected and applied in accordance with the applicable provisions of this Agreement and the Collateral Documents.

Section 5.11. Appraisals and Field Examinations. At any time that the Administrative Agent and/or any Collateral Agent requests, the Loan Parties will provide the Administrative Agent and the Collateral Agents with appraisals or updates thereof of their Inventory, equipment and real property from an appraiser selected and engaged by the Administrative Agent, and prepared on a basis satisfactory to the Administrative Agent and each Collateral Agent, such appraisals and updates to include, without limitation, information required by applicable law and regulations, with all such appraisals and updates being at the Borrowers' cost and expense except as limited in the following proviso; provided, however, that (A) in the case of appraisals of Inventory, (i) if no Event of Default has occurred and is continuing and Average Utilization has at all times during the preceding twelve fiscal months been less than or equal to thirty-three percent (33%), one such appraisal per calendar year shall be at the sole expense of the Loan Parties, (ii) if no Event of Default has occurred and is continuing and Average Utilization has at any time during the preceding twelve fiscal months been greater than thirty-three percent (33%), two such appraisals per calendar year shall be at the sole expense of the Loan Parties and (iii) if an Event of Default has occurred and is continuing, each such appraisal shall be at the sole expense of the Loan Parties and (B) in the case of appraisals of equipment and real property, (i) if no Event of Default has occurred and is continuing, one such appraisal per calendar year shall be at the sole expense of the Loan Parties, (ii) if an Event of Default has occurred and is continuing, each such appraisal shall be at the sole expense of the Loan Parties and (iii) appraisals of parcels of real property not identified on Schedule 1.01(a) shall not be at the expense of the Loan Parties, except to the extent such appraisals are required by any Requirement of Law. In addition, at any time that the Administrative Agent and/or any Collateral Agent requests, the Loan Parties will provide the Administrative Agent and the Collateral Agents (and any third party retained by any of them) with access to their properties, books, records and employees to conduct field examinations, to ensure the adequacy of Borrowing Base Collateral and related reporting and control systems; provided, however, that if no Event of Default has occurred and is continuing and Average Utilization has at all times during the preceding twelve fiscal months been less than or equal to thirty-three percent (33%), one such field examination per calendar year shall be at the sole expense of the Loan Parties, (ii) if no Event of Default has occurred and is continuing and Average Utilization has at any time during the preceding twelve fiscal months been greater than thirty-three percent (33%), two such field examinations per calendar year shall be at the sole expense of the Loan Parties and (iii) if an Event of Default has occurred and is continuing, each such field examination shall be at the sole expense of the Loan Parties.

Section 5.12. Depository Banks. Each Loan Party (other than the members of the Cott Mexican Group) will maintain Chase as its principal depository bank, including for the maintenance of operating, administrative, cash management, collection activity, and other deposit accounts for the conduct of its business, provided that each Loan Party may maintain deposit accounts at other financial institutions provided such institutions have delivered deposit account control agreements (or similar agreements) satisfactory to the Administrative Collateral Agent or UK Collateral Trustee, as the case may be, to the extent required under the relevant Security Agreement, and provided, further that (i) if Cliffstar LLC does not obtain Deposit Account Control Agreements from Harris Bank, N.A. on or prior to the sixty days after the Effective Date (or such longer period of up to thirty days as may be agreed to by the Administrative Agent in its sole discretion), Cliffstar LLC shall no later than such sixtieth day (A) establish with Chase separate lock box (the "Chase Lock Box") and cash management accounts (collectively, the "Chase Accounts"); (B) begin notifying all Account Debtors (including by way of all invoices distributed on or after such date) to send all payments to the Chase Lock Box or Chase Accounts, as appropriate and (C) transfer all amounts credited to any account at Harris Bank, N.A. to a Chase Account on each Business Day (or such longer period as may be agreed to by the Administrative Agent in its sole discretion), and (ii) whether or not Cliffstar LLC obtains Deposit Account Control Agreements from Harris Bank, N.A. on or prior to sixty days after the Effective Date, Cliffstar LLC will have 180 days after the Effective Date (or such longer period as may be agreed to by the Administrative Agent in its sole discretion) to establish Chase as its principal depository bank, including for the maintenance of operating, administrative, cash management, collection activity, and other deposit accounts for the conduct of its business, and shall (except as may otherwise be agreed by the Administrative Collateral Agent in its sole discretion) close all deposit accounts maintained at Harris Bank, N.A.

Section 5.13. <u>Additional Collateral; Further Assurances</u>. (a) Subject to applicable law, (i) each Borrower and each Subsidiary that is a Loan Party shall (within 30 days after such formation or acquisition, or such longer period as may be agreed to by the Administrative Agent) cause each of their respective Restricted Subsidiaries formed or acquired after the date of this Agreement in accordance with the terms of this Agreement (other than Excluded Subsidiaries) (A) to become a Loan Party by executing the Joinder Agreement set forth as <u>Exhibit D</u> hereto (the "<u>Joinder Agreement</u>"), (<u>provided</u>, <u>however</u>, that a Subsidiary of the UK Borrower shall not be required to execute a Joinder Agreement to the extent that to do so would result in any breach of corporate benefit, financial assistance, fraudulent preference or thin capitalization laws or regulations (or analogous restrictions) of any applicable jurisdiction) and (B) for each such Person that is not organized under the laws of any State of the United States, provide the Administrative Agent with evidence of the acceptance by the Process Agent (which may be Cott Beverages) of its appointment as process agent by such Person, (ii) if at any time an Excluded Subsidiary ceases to be an Excluded Subsidiary, each Borrower and each Subsidiary that is a Loan Party by executing the Joinder Agreement (<u>provided</u>, <u>however</u>, that a Subsidiary, each Borrower and each Subsidiary that is a Loan Party by executing the Joinder Agreement (<u>provided</u>, <u>however</u>, that a Subsidiary of the UK Borrower shall not be required to execute a Joinder Agreement to the extent that to do so would result in any breach of corporate benefit, if any time an Excluded Subsidiary ceases to be an Excluded Subsidiary, each Borrower and each Subsidiary that is a Loan Party by executing the Joinder Agreement (<u>provided</u>, <u>however</u>, that a Subsidiary of the UK Borrower shall not be required to execute a Joinder Agreement to the extent that to do so would result in any breach of corporate

benefit, financial assistance, fraudulent preference or thin capitalization laws or regulations (or analogous restrictions) and (y) provide the Administrative Agent with evidence of the acceptance by the Process Agent (which may be Cott Beverages) of its appointment as process agent by such Person and (iii) if, as of the last day of any fiscal quarter of the Company and its Subsidiaries, (A) the aggregate amount of total assets of all Excluded Subsidiaries and Unrestricted Subsidiaries (other than [\*\*\*]) exceeds 5.0% of the consolidated total assets of the Company and its Subsidiaries (other than [\*\*\*]) at such date or (B) the aggregate amount of EBITDA contributed by all Excluded Subsidiaries and Unrestricted Subsidiaries (other than [\*\*\*]) exceeds 5.0% of EBITDA for the period of four fiscal quarters of the Company and its Subsidiaries (other than [\*\*\*]) most recently ended for which financial statements have been or are required to have been delivered pursuant to Sections 4.01(b), 5.01(a) or 5.01(b), as applicable, each Borrower and each Subsidiary that is a Loan Party (within 30 days of the delivery of such financial statements or such longer period as the Administrative Agent may agree) shall cause a sufficient number of Excluded Subsidiaries and/or Unrestricted Subsidiaries (other than the [\*\*\*]) (x) to become Loan Parties by executing the Joinder Agreement and (y) provide the Administrative Agent with evidence of the acceptance by the Process Agent (which may be Cott Beverages) of its appointment as process agent by such Person, such that the total assets of, and EBITDA contributed by, the remaining Excluded Subsidiaries and Unrestricted Subsidiaries (other than the [\*\*\*]) represent less than 5.0% of the consolidated total assets of the Company and its Subsidiaries (other than [\*\*\*]) at such date and less than 5.0% of EBITDA for the period of four fiscal quarters of the Company and its Subsidiaries (other than [\*\*\*]) for such period. Upon execution and delivery of such a Joinder Agreement, each such Person (i) shall automatically become a Loan Guarantor hereunder and thereupon shall have all of the rights, benefits, duties, and obligations in such capacity under the Loan Documents and (ii) will grant Liens to the Administrative Collateral Agent, for the benefit of the Administrative Agent, the Collateral Agents and the Lenders, or to the UK Security Trustee, as applicable, in any property of such Loan Party which constitutes Collateral, including, to the extent requested by the Administrative Agent in its Permitted Discretion, any parcel of real property located in the U.S. owned by any Loan Party. [Names redacted]

(b) Each Borrower (other than the U.S. Co-Borrowers) and each Subsidiary that is a Loan Party (other than any Subsidiary that is organized under the laws of any State of the United States or the District of Columbia) will cause 100% of the issued and outstanding Equity Interests of each of their respective Subsidiaries to be subject at all times to a first priority, perfected Lien in favor of the Administrative Collateral Agent or the UK Security Trustee, as applicable, pursuant to the terms and conditions of the Loan Documents or other security documents as the Administrative Agent shall reasonably request (subject to Permitted Perfection Limitations). Each U.S. Co-Borrower and each Subsidiary that is a Loan Party organized under the laws of any State of the United States or the District of Columbia will cause (i) 100% of the issued and outstanding Equity Interests of each of its domestic Subsidiaries and any Interim Holdco owned by it and (ii) 65% (or such greater percentage that, due to a change in applicable law after the date hereof, (1) could not reasonably be expected to cause the undistributed earnings of such foreign Subsidiary as determined for U.S. federal income tax purposes to be treated as a deemed dividend to such foreign Subsidiary's U.S. parent and (2) could not reasonably be expected to cause any material adverse tax consequences) of the issued and outstanding Equity Interests entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) and 100% of the issued and outstanding Equity Interests not entitled to vote (within the

meaning of Treas. Reg. Section 1.956-2(c)(2)) in each foreign Subsidiary other than an Interim Holdco directly owned by such U.S. Co-Borrower or domestic Loan Party to be subject at all times to a first priority, perfected Lien in favor of the Administrative Collateral Agent, pursuant to the terms and conditions of the Loan Documents or other security documents as the Administrative Agent shall reasonably request (subject to Permitted Perfection Limitations).

(c) Without limiting the foregoing, each Loan Party will execute and deliver, or cause to be executed and delivered, to the Administrative Agent such documents, agreements and instruments, and will take or cause to be taken such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents and such other actions or deliveries of the type required by Section 4.01, as applicable), which may be required by law or which the Administrative Agent may, from time to time, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents and to ensure perfection and priority of the Liens created or intended to be created by the Collateral Documents (subject to Permitted Perfection Limitations), all at the expense of the Loan Parties. In addition, each Loan Party will execute and deliver, or cause to be executed and delivered, to the Administrative Agent filings with any governmental recording or registration office in any jurisdiction required by the Administrative Agent, in the exercise of its Permitted Discretion, in order to perfect or protect the Liens of the Administrative Collateral Agent or the UK Security Trustee granted under any Collateral Document in any Intellectual Property at the expense of the Lenders (unless an Event of Default is then continuing, in which event such filings shall be at the expense of the Loan Parties).

(d) If any material assets (including any real property or improvements thereto or any interest therein) are acquired by any Borrower or any Subsidiary that is a Loan Party after the Effective Date (other than assets constituting Collateral under the Security Agreements that become subject to the Lien in favor of the applicable Security Agreement upon acquisition thereof and assets specifically excluded from Collateral under the Security Agreements), the Borrower Representative will notify the Administrative Agent and the Lenders thereof, and, if requested by the Administrative Agent in its Permitted Discretion or by the Required Lenders, the Borrowers will cause such assets to be subjected to a Lien securing the Secured Obligations and will take, and cause the other Loan Parties to take, such actions as shall be necessary or reasonably requested by the Administrative Agent to grant and perfect such Liens, including actions described in paragraph (c) of this Section, all at the expense of the Loan Parties.

Section 5.14. <u>Designation of Subsidiaries</u>. At any time after the Effective Date, the Borrower Representative may, in addition to the Unrestricted Subsidiaries listed on <u>Schedule 1.01(c)</u> on the Effective Date, designate any Restricted Subsidiary (other than an Interim Holdco) as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary upon prior written notice to the Administrative Agent; <u>provided</u> that (i) [\*\*\*], each Subsidiary of the Company organized under the laws of a jurisdiction other than the United States (or any State thereof), the District of Columbia, Canada (or any Province thereof) or England and Subsidiaries organized under the laws of the United States (or any state thereof), the District of Columbia, Canada (or any Province thereof) or England that are immaterial to the business of the Loan Parties taken as a whole shall be the only Subsidiaries eligible to be designated as Unrestricted Subsidiaries on <u>Schedule 1.01(c)</u> or pursuant to this Section 5.14, (ii) in the case of designation of any Restricted Subsidiary as an Unrestricted Subsidiary, immediately before and after such

designation, no Specified Default shall have occurred and be continuing, (iii) in the case of designation of any Restricted Subsidiary as an Unrestricted Subsidiary, immediately after giving effect to such designation, the Borrowers shall be in compliance, on a pro forma basis, with the covenants set forth in Section 6.13 (it being understood that as a condition precedent to the effectiveness of any such designation, the Borrower Representative shall deliver to the Administrative Agent a certificate of a Financial Officer setting forth in reasonable detail the calculations demonstrating such compliance), (iv) no Subsidiary may be designated as an Unrestricted Subsidiary on Schedule 1.01(c) or pursuant to this Section 5.14 if it is a "Restricted Subsidiary" (or any other defined term having a similar purpose) for the purpose of the 2009 Note Documents or the 2010 Note Documents (unless concurrently designated as an Unrestricted Subsidiary under such documents as well), (v) no Restricted Subsidiary may be designated an Unrestricted Subsidiary on Schedule 1.01(c) or pursuant to this Section 5.14 if it was previously designated an Unrestricted Subsidiary, (vi) no Restricted Subsidiary may be designated an Unrestricted Subsidiary if it owns any Equity Interests of, or holds any Indebtedness of, any other Restricted Subsidiary, (vii) if a Restricted Subsidiary is being designated as an Unrestricted Subsidiary hereunder, (A) the sum of (i) the net tangible assets of such Subsidiary as of such date of designation (the "Designation Date"), as set forth on such Subsidiary's most recent balance sheet, plus (ii) the aggregate amount of total assets of all Unrestricted Subsidiaries listed on Schedule 1.01(c) on the Effective Date (other than the [\*\*\*]) plus the aggregate amount of total assets of all Unrestricted Subsidiaries designated as Unrestricted Subsidiaries pursuant to this Section 5.14 prior to the Designation Date (in each case measured as of such date) shall not exceed 5.0% of the consolidated total assets of the Company and its Subsidiaries (other than the [\*\*\*]) at such date, pro forma for such designation and (B) the sum of (i) the EBITDA contributed by such Subsidiary as of the Designation Date, plus (ii) the aggregate amount of EBITDA contributed by all Unrestricted Subsidiaries listed on Schedule 1.01(c) on the Effective Date (other than the [\*\*\*]) plus the aggregate amount of total EBITDA of all Unrestricted Subsidiaries designated as Unrestricted Subsidiaries pursuant to this Section 5.14 prior to the Designation Date (in each case measured as of the Designation Date) shall not exceed 5.0% of EBITDA for the period of four fiscal quarters of the Company and its Subsidiaries (other than [\*\*\*]) most recently ended for which financial statements have been or are required to have been delivered pursuant to Sections 4.01(b), 5.01(a) or 5.01(b), as applicable, as of such Designation Date, pro forma for such designation, and (viii) the Borrower Representative shall have delivered to the Administrative Agent a certificate of a Financial Officer certifying compliance with the provisions of this Section 5.14 setting forth in reasonable detail the computations necessary to determine such compliance. Notwithstanding the foregoing, the designation of any Subsidiary as an Unrestricted Subsidiary after the Effective Date shall constitute an investment by the Company and its Restricted Subsidiaries, as applicable, therein at the Designation Date in an amount equal to the net book value of the applicable parties' investment therein. Subject to Section 5.13(a), any Subsidiary of an Unrestricted Subsidiary shall automatically be deemed to be an Unrestricted Subsidiary. The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute (i) the incurrence at the time of designation of all investments, Indebtedness and Liens of such Subsidiary existing at such time and (ii) a return on any investment by the Company or any Restricted Subsidiary in Unrestricted Subsidiaries pursuant to the preceding sentence in an amount equal to the fair market value at the date of such designation of the Company's and its Restricted Subsidiaries' (as applicable) investment in such Subsidiary. [Names redacted]

Section 5.15. <u>Post-Closing Covenants</u>. Each Borrower will, and will cause its Restricted Subsidiaries to, execute and deliver the documents and complete the tasks set forth on <u>Schedule 5.15</u> within the time periods specified on <u>Schedule 5.15</u>, as applicable (or within such longer periods as may be agreed to by the Administrative Agent and each Collateral Agent, each in its sole discretion).

Section 5.16. <u>Mexican Cash Sweep</u>. At all times that full cash dominion is in effect pursuant to Section 7.3 of the U.S. Security Agreement or Section 7.3 of the Canadian Security Agreement, and for so long as any member of the Cott Mexican Group owes intercompany Indebtedness to any Loan Party (other than a member of the Cott Mexican Group), each Borrower will cause the members of the Cott Mexican Group to cause to be transferred, each week, by wire transfer all collected funds in the aggregate held in the deposit accounts of: the members of the Cott Mexican Group in excess of \$5,000,000 to a deposit account subject to a Deposit Account Control Agreement or to a deposit account subject to an acknowledgment of notice in the form required under Clause 5.5.1 of the UK Security Agreement, in each case for application to the repayment of intercompany Indebtedness owed by any member of the Cott Mexican Group to any Loan Party (other than a member of the Cott Mexican Group to any Loan Party (other than a member of the Cott Mexican Group to any Loan Party (other than a member of the Cott Mexican Group).

### Section 5.17. Farm Products .

(a) The U.S. Co-Borrowers shall use commercially reasonable efforts, substantially consistent with the standards in the industry, to protect their Inventory from encumbrances and statutory trusts created under any Farm Products Law, so as to terminate or release the Lien or statutory trust on any Farm Products or other assets of such U.S. Co-Borrower maintained by or in favor of the Farm Products Seller or any secured party with respect to the assets of such Farm Products Seller under any Farm Products Law, and if so encumbered or subject to such a statutory trust, to cause the termination or release of the same unless and to the extent that (i) the amount owed to such Farm Products Seller is subject to a good faith dispute, diligently contested and (ii) adequate reserves with respect to such contest are maintained on the books of such U.S. Co-Borrower, in accordance with GAAP. Without limiting the generality of the foregoing, it shall use commercially reasonable efforts, substantially consistent with the standards in the industry, to satisfy all claims for which it has received a Farm Products Notices, subject to the right to contest referred to above.

#### **ARTICLE VI**

### **Negative Covenants**

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees, expenses and other amounts payable under any Loan Document have been paid in full and all Letters of Credit have expired or terminated (or have been cash collateralized in accordance with Section 2.06(j) hereof) and all LC Disbursements shall have been reimbursed, the Loan Parties covenant and agree, jointly and severally, with the Lenders that:

Section 6.01. <u>Indebtedness</u>. No Loan Party will, nor will it permit any of its Restricted Subsidiaries to, create, incur or suffer to exist any Indebtedness, except:

(a) the Secured Obligations;

(b) Indebtedness existing on the date hereof and set forth in <u>Schedule 6.01</u> and extensions, renewals and replacements of any such Indebtedness in accordance with clause (h) of this Section 6.01;

(c) Indebtedness of Cott Beverages (which may be guaranteed on an unsecured basis under the terms of the 2010 Indenture by one or more Loan Parties, for so long as each such Person remains a Loan Party hereunder) incurred on or prior to the Effective Date evidenced by the 2010 Notes in a principal amount not to exceed \$375,000,000;

(d) Indebtedness of the Company, Cott Acquisition LLC and Caroline to the Cliffstar Companies constituting Permitted Deferred Consideration and the Earnout;

(e) Indebtedness of any Borrower to any Subsidiary or any other Borrower and of any Restricted Subsidiary to any Borrower or any other Subsidiary, <u>provided</u> that (i) Indebtedness of any member of the Cott Mexican Group and of any Subsidiary that is not a Loan Party to any Borrower or any Restricted Subsidiary shall be subject to Section 6.04 and (ii) Indebtedness of any Borrower to any Subsidiary and Indebtedness of any Restricted Subsidiary that is a Loan Party to any Borrower or to any other Subsidiary shall be subject to the Administrative Agent;

(f) Guarantees by any Borrower of Indebtedness of any Subsidiary or any other Borrower and by any Restricted Subsidiary of Indebtedness of any Borrower or any other Subsidiary (in each case other than Guarantees of the 2009 Notes and the 2010 Notes), <u>provided</u> that (i) the Indebtedness so Guaranteed is permitted by this Section 6.01, (ii) Guarantees by any Borrower or any Restricted Subsidiary of Indebtedness of any member of the Cott Mexican Group and of any Subsidiary that is not a Loan Party shall be subject to Section 6.04 and (iii) Guarantees permitted under this clause (f) shall be subordinated to the Secured Obligations of the applicable Subsidiary if, and on the same terms as, the Indebtedness so Guaranteed is subordinated to the Secured Obligations;

(g) Indebtedness of any Borrower or any Restricted Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets (whether or not constituting purchase money Indebtedness), including Capital Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof; <u>provided</u> that (i) such Indebtedness is incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this clause (e) shall not exceed \$60,000,000 at any time outstanding;

(h) Indebtedness which represents an extension, refinancing, or renewal of any of the Indebtedness described in <u>clauses (b)</u>, (<u>k</u>), (<u>1</u>) and (<u>q</u>) hereof; provided that, (i) the principal amount or interest rate of such Indebtedness is not increased except by an amount equal to unpaid accrued interest and premium thereon and any make-whole payments applicable thereto plus reasonable fees and expenses reasonably incurred with respect to such refinancing and by an amount equal to any existing unutilized commitments thereunder, (ii) any Liens securing such Indebtedness are not extended to any additional property of any Loan Party or any of their respective Restricted Subsidiaries, (iii) no Loan Party or Restricted Subsidiary of any Loan Party that is not originally obligated with respect to repayment of such Indebtedness is required to become obligated with respect thereto (which, for the sake of clarity, would not preclude the inclusion of additional Subsidiaries that are created or acquired after the date such Indebtedness is incurred to the extent that such Subsidiary would have been required to be come obligated on the refinanced Indebtedness), (iv) such extension, refinancing or renewal (taken as a whole) are not less favorable to the obligor thereunder than the original terms of such Indebtedness that is refinanced, renewed, or extended was subordinated in right of payment to the Secured Obligations, then the terms and conditions of the refinancing, renewal, or extension Indebtedness must include subordination terms and conditions of the refinancing, renewal, or extended was subordinated in right of payment to the Secured orbitions that are at least as favorable to the Administrative Agent and the Lenders as those that were applicable to the refinanced, renewed, or extended Indebtedness must include subordination terms and conditions that are at least as favorable to the Administrative Agent and the Lenders as those that were applicable to the refinanced, renewed, or extended Indebtedness must include su

(i) Indebtedness owed to any person providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such person, in each case incurred in the ordinary course of business;

(j) Indebtedness of any Borrower or any Restricted Subsidiary in respect of performance bonds, bid bonds, appeal bonds, surety bonds and similar obligations, in each case provided in the ordinary course of business;

(k) Indebtedness (x) of any Person (other than a Person that was previously an Unrestricted Subsidiary) that becomes a Restricted Subsidiary after the date hereof in connection with any Permitted Acquisition, or (y) assumed in connection with any assets acquired in connection with a Permitted Acquisition; <u>provided</u> that (i) such Indebtedness exists at the time such Person becomes a Restricted Subsidiary or such assets are acquired and is not created in contemplation of or in connection with such Person becoming a Subsidiary or such assets being acquired and (ii) the aggregate principal amount of Indebtedness permitted by this clause (i) shall not exceed \$20,000,000 at any time outstanding;

(1) other unsecured Indebtedness in an aggregate principal amount not exceeding \$25,000,000 at any time outstanding; <u>provided</u> that the aggregate principal amount of Indebtedness of the Restricted Subsidiaries that are not Borrowers permitted by this clause (1) shall not exceed \$5,000,000 at any time outstanding;

(m) Indebtedness of Cott Beverages (which may be guaranteed on an unsecured basis under the terms of the 2009 Indenture by one or more Loan Parties, for so long as each such Person remains a Loan Party hereunder) incurred on or prior to the Effective Date evidenced by the 2009 Notes;

(n) [\*\*\*] [Certain permitted transactions redacted]

(o) obligations of any Borrower or any Restricted Subsidiary under Swap Agreements permitted under Section 6.08;

(p) endorsements of negotiable instruments for deposit or collection in the ordinary course of business; and

(q) Indebtedness in respect of the Sidel Water Capital Lease.

Section 6.02. <u>Liens</u>. No Loan Party will, nor will it permit any of its Restricted Subsidiaries to, create, incur, assume or permit to exist any Lien (including any Lien arising under ERISA) on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

- (a) Liens created pursuant to any Loan Document;
- (b) Permitted Encumbrances;

(c) any Lien on any property or asset of any Borrower or any Restricted Subsidiary existing on the date hereof and set forth in <u>Schedule 6.02</u>; <u>provided</u> that (i) such Lien shall not apply to any other property or asset of such Borrower or Restricted Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof except to the extent permitted by clause (h) of Section 6.01;

(d) Liens on fixed or capital assets acquired, constructed or improved by any Borrower or any Restricted Subsidiary; provided that (i) such security interests secure Indebtedness permitted by clause (g) of Section 6.01, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed 100% of the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such security interests shall not apply to any other property or assets of such Borrower or Restricted Subsidiary; Borrower or Restricted Subsidiary;

(e) any Lien existing on any property or asset (other than Accounts and Inventory) prior to the acquisition thereof by any Borrower or any Restricted Subsidiary or existing on any property or asset (other than Accounts and Inventory) of any Person (other than any Person that is an Unrestricted Subsidiary prior to becoming a Restricted Subsidiary) that becomes a Restricted Subsidiary after the date hereof prior to the time

such Person becomes a Restricted Subsidiary; <u>provided</u> that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Restricted Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of such Restricted Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Restricted Subsidiary, as the case may be and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof except to the extent permitted by clause (h) of Section 6.01;

(f) Liens (i) of a collecting bank arising in the ordinary course of business under Section 4-210 of the Uniform Commercial Code in effect in the relevant jurisdiction covering only the items being collected upon or (ii) in favor of a banking institution arising as a matter of law, encumbering amounts credited to deposit or securities accounts (including the right of set-off) and which are within the general parameters customary in the banking industry;

(g) Liens arising out of sale and leaseback transactions permitted by Section 6.06;

(h) Liens on Permitted Margin Stock;

(i) Liens granted by a Restricted Subsidiary that is not a Loan Party in favor of any Borrower or another Loan Party in respect of Indebtedness owed by such Restricted Subsidiary;

(j) licenses of Intellectual Property that are in furtherance of, or integral to, other business transactions entered into by the Company or a Restricted Subsidiary in the ordinary course of business;

(k) Liens not otherwise permitted by this Section so long as (i) the obligations secured thereby are not obligations for borrowed money, (ii) the aggregate obligations secured thereby do not exceed \$2,500,000 at any time, (iii) the Liens do not attach to any property that is not also subject to a Lien securing the Secured Obligations and (iv) the aggregate fair market value of all such property subject to such Lien does not exceed \$2,500,000;

(1) Cash collateral for the Letters of Credit of the Cliffstar Companies listed on Schedule 6.02A;

(m) Liens on equipment created under the Sidel Water Capital Lease; and

(n) Liens securing Indebtedness other than Indebtedness for borrowed money in an amount not to exceed \$1,000,000 at any time outstanding.

Notwithstanding the foregoing, none of the Liens permitted pursuant to this Section 6.02 may at any time attach to any Loan Party's (1) Accounts, other than those permitted under clause (a) of the definition of Permitted Encumbrance and clause (a) above and (2) Inventory, other than those

permitted under clauses (a) and (b) of the definition of Permitted Encumbrance and clause (a) above. Notwithstanding anything to the contrary contained in this Agreement or any Collateral Document (including any provision for, reference to, or acknowledgement of, any Lien or Permitted Lien), nothing herein and no approval by the Administrative Agent, either Collateral Agent, the UK Security Trustee or Lenders of any Lien or Permitted Lien (whether such approval is oral or in writing) shall be construed as or deemed to constitute a subordination by the Administrative Agent, either Collateral Agent, the UK Security Trustee or the Lenders of any security interest or other right, interest or Lien in or to the Collateral or any part thereof in favor of any Lien or Permitted Lien or any holder of any Lien or Permitted Lien.

Section 6.03. Fundamental Changes. (a) No Loan Party will, nor will it permit any of its Restricted Subsidiaries to, amalgamate with, merge into or consolidate with any other Person, or permit any other Person to amalgamate with, merge into or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Event of Default shall have occurred and be continuing (i) any Person (other than a Borrower) may merge or amalgamate into a Borrower in a transaction in which such Borrower is the surviving corporation, (ii) any Person (other than a Borrower) may merge or amalgamate into or with (A) any Loan Party in a transaction in which the surviving entity is a Loan Party or (B) any other Restricted Subsidiary in a transaction in which the surviving entity is a Restricted Subsidiary; (iii) any Restricted Subsidiary of the Company may transfer its assets to a Loan Party (other than any member of the Cott Mexican Group unless the transferor is also a member of the Cott Mexican Group) (or if such Subsidiary is a Borrower, then to another Borrower) and may then be liquidated or dissolved; (iv) any Borrower may be merged, amalgamated or consolidated with or into another Borrower; provided that (x) if Cott Beverages is a party to any such merger, amalgamation or consolidation, Cott Beverages is the surviving entity and (y) if the Canadian Borrower merges, amalgamates or consolidates with the UK Borrower, the Canadian Borrower is the surviving entity; (v) any wholly-owned Subsidiary of the Company (other than a Borrower) may merge with or into or amalgamate with any Person acquired in connection with a Permitted Acquisition; provided that (x) the Company and its Restricted Subsidiaries shall comply with Section 5.13 and (y) the surviving Person is a wholly-owned Subsidiary; (vi) any Restricted Subsidiary may merge or amalgamate or combine with any Person pursuant to a disposition permitted by Section 6.05; provided that any such merger or amalgamation involving a Person that is not a wholly owned Subsidiary immediately prior to such merger or amalgamation shall not be permitted unless also permitted by Section 6.04.

(b) No Loan Party will, nor will it permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Businesses.

Section 6.04. <u>Investments, Loans, Advances, Guarantees and Acquisitions</u>. No Loan Party will, nor will it permit any of its Restricted Subsidiaries to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a Loan Party and a wholly owned Subsidiary prior to such merger) any capital stock, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person constituting a business unit (whether through purchase of assets, merger or otherwise), except:

(a) Permitted Investments, subject to control agreements in favor of the Administrative Collateral Agent for the benefit of the Lenders or otherwise subject to a perfected security interest in favor of the Administrative Collateral Agent for the benefit of the Lenders subject to Permitted Perfection Limitations;

(b) Loans, advances, guarantees and investments in existence on the date of this Agreement and described in <u>Schedule 6.04</u>;

(c) investments by the Loan Parties and their respective Restricted Subsidiaries in Equity Interests in their respective Subsidiaries, provided that (A) any such Equity Interests held by a Loan Party shall be pledged pursuant to the applicable Security Agreement (subject to the limitations applicable to common stock of certain foreign Subsidiaries referred to in Section 5.13 and subject to Permitted Perfection Limitations). (B) the aggregate amount of investments made pursuant to this clause (c) after the Effective Date by Loan Parties and their respective Restricted Subsidiaries in Subsidiaries that are not Loan Parties (together with outstanding intercompany loans made after the Effective Date permitted under clause (B) to the first proviso to Section 6.04(d) and outstanding Guarantees made after the Effective Date permitted under the first proviso to Section 6.04(e)) shall not exceed \$10,000,000 at any time outstanding (in each case determined without regard to any write-downs or write-offs); provided that if Aggregate Availability (after giving effect to such investment) is at least \$100,000,000, then the aggregate amount of investments permitted to be made under clause (B) on such date (together with outstanding intercompany loans made after the Effective Date permitted under clause (B) to the first proviso to Section 6.04(d) and outstanding Guarantees made after the Effective Date permitted under the first proviso to Section 6.04(e)) shall be increased to \$20,000,000 for the purpose of the making of such investment on such date, (C) the Loan Parties and their respective Restricted Subsidiaries shall not make any investments in Equity Interests in any member of the Cott Mexican Group after the Effective Date and (D) no investments permitted under this clause (c) shall be permitted to be made at any time an Event of Default has occurred and is continuing; provided, further, that no Borrower or Subsidiary may make any investment in Equity Interests of any member of the Cott Mexican Group in reliance on this clause (c);

(d) loans or advances made by any Borrower to any Subsidiary or any other Borrower and made by any Restricted Subsidiary to any Borrower or any other Subsidiary, <u>provided</u> that (A) any such loans and advances made by a Loan Party shall be evidenced by a promissory note pledged pursuant to the applicable Security Agreement and (B) the amount of such loans and advances made by Loan Parties and their respective Restricted Subsidiaries to Subsidiaries that are not Loan Parties pursuant to this clause (d) after the Effective Date (together with outstanding investments made after the Effective Date permitted under clause (B) to the first proviso to Section 6.04(c) and outstanding Guarantees made after the Effective Date permitted under the first proviso to Section 6.04(e) shall not exceed \$10,000,000 at any time outstanding (in each case determined without regard to any write-downs or write-offs); <u>provided</u> that if Aggregate Availability (after giving effect to such loan or advance) is at least \$100,000,000, then the aggregate amount of loans and advances permitted to be made under clause (C) on such

date (together with outstanding investments made after the Effective Date permitted under clause (B) to the first proviso to Section 6.04(c) and outstanding Guarantees made after the Effective Date permitted under the first proviso to Section 6.04(e)) shall be increased to \$20,000,000 for the purposes of making such loan or advance on such date and <u>provided</u>, that no investments permitted under this subclause (B) of this clause (d) shall be permitted to be made at any time an Event of Default has occurred and is continuing; <u>provided</u>, <u>further</u>, that no Borrower or Subsidiary may make any loan or advance to any member of the Cott Mexican Group in reliance on this clause (d);

(e) Guarantees constituting Indebtedness permitted by Section 6.01, <u>provided</u> that the aggregate principal amount of Indebtedness of Subsidiaries that are not Loan Parties that is Guaranteed by any Loan Party or by their respective Restricted Subsidiaries pursuant to this clause (e) after the Effective Date (together with outstanding investments permitted under clause (B) to the first proviso to Section 6.04(c) made after the Effective Date and outstanding intercompany loans permitted under clause (B) to the first proviso to Section 6.04(d) made after the Effective Date) shall not exceed \$10,000,000 at any time outstanding (in each case determined without regard to any write-downs or write-offs); <u>provided</u> that if that if Aggregate Availability (after giving effect to such Guarantee) is at least \$100,000,000, then the aggregate amount of Guarantees permitted to be made under this clause (e) on such date (together with outstanding investments permitted under clause (B) to the first proviso to Section 6.04(c) made after the Effective Date under clause (B) to the first proviso to Section 6.04(c) made after the Effective Date under clause (B) to the first proviso to Section 6.04(d) shall be increased to \$20,000,000 for the purposes of entering into such Guarantee on such date; <u>provided</u>, <u>further</u>, that no Borrower or Subsidiary may Guarantee any Indebtedness of any member of the Cott Mexican Group in reliance on this clause (e);

(f) loans or advances made by any Loan Party or any of their respective Restricted Subsidiaries to its employees on an arms'-length basis in the ordinary course of business consistent with past practices for travel and entertainment expenses, relocation costs and similar purposes up to a maximum of \$1,000,000 in the aggregate at any one time outstanding;

(g) subject to the applicable provisions of any Security Agreements (including Sections 4.2(a) and 4.4 of the U.S. Security Agreement and Sections 4.2(a) and 4.4 of the Canadian Security Agreement), notes payable, or stock or other securities issued by Account Debtors to any Loan Party or any of their respective Restricted Subsidiaries pursuant to negotiated agreements with respect to settlement of such Account Debtor's Accounts in the ordinary course of business, consistent with past practices;

(h) investments in the form of Swap Agreements permitted by Section 6.08;

(i) investments of any Person (other than a Person that was an Unrestricted Subsidiary prior to becoming a Restricted Subsidiary) existing at the time such Person becomes a Restricted Subsidiary of a Borrower or consolidates or merges with a Borrower or any of its Restricted Subsidiaries, in each case, in connection with a Permitted Acquisition, so long as such investments were not made in contemplation of such Person becoming a Subsidiary or of such merger;

(j) investments received in connection with the dispositions of assets permitted by Section 6.05;

(k) investments constituting deposits described in clauses (c) and (d) of the definition of the term "Permitted Encumbrances";

(1) investments by the Company and its Restricted Subsidiaries in the form of Permitted Acquisitions, provided that (A) the Company and its Restricted Subsidiaries may not make any Permitted Acquisition unless both Borrowers' Aggregate Availability on the date of such investment and Borrowers' average Aggregate Availability over the prior thirty day period ending on such date (in each case after giving effect to such Permitted Acquisition) is at least \$50,000,000, (B) the Company and its Restricted Subsidiaries may not make any Permitted Acquisition that would result in aggregate Acquisition Consideration for all Permitted Acquisitions over the term of this Agreement exceeding \$25,000,000 unless (x) both Borrowers' Aggregate Availability on the date of such investment and Borrowers' average Aggregate Availability over the prior thirty day period ending on such date (in each case after giving effect to such Permitted Acquisition) is at least \$75,000,000 and (y) the Fixed Charge Coverage Ratio, determined as of the date such Permitted Acquisition is to be made and after giving effect to such Permitted Acquisition, is at least 1.1 to 1.0 and (C) the aggregate Acquisition Consideration for all Permitted Acquisition is to be made and after giving effect to such Permitted Acquisition, is at least 1.1 to 1.0 and (C) the aggregate Acquisition Consideration for all Permitted Acquisition for all Permitted Acquisition for all Permitted Acquisition for all Permitted Acquisition Consideration for all Permitted Acquisition f

(m) investments in the form of repurchases of capital stock of the Company or any of its Restricted Subsidiaries permitted by Section 6.09(a)(iv);

(n) investments in the form of purchases of the 2009 Notes and the 2010 Notes permitted by Sections 6.09(b)(ix) through (xii).

(o) [\*\*\*] [ Certain extensions of credit redacted]

(p) loans and advances to members of the Cott Mexican Group, <u>provided</u> that (A) no such loans or advances shall be made if Aggregate Availability (at such time and after giving effect to such loans and advances) is less than \$37,500,000, (B) such loans and advances shall not exceed \$5,000,000 in the aggregate if Aggregate Availability (at such time and after giving effect to such loans and advances) is at least \$37,500,000 but less than \$50,000,000, (C) such loans and advances shall not exceed \$10,000,000 in the aggregate if Aggregate Availability (at such time and after giving effect to such loans and advances) is at least \$37,500,000 but less than \$50,000,000, (C) such loans and advances) is at least \$50,000,000 but less than \$75,000,000, (D) such loans and advances shall not exceed \$20,000,000 in the aggregate if Aggregate Availability (at such time and after giving effect to such loans and advances) is at least \$50,000,000 but less than \$75,000,000, (D) such loans and advances shall not exceed \$20,000,000 in the aggregate if Aggregate Availability (at such time and after giving effect to such loans and advances) is at least \$75,000,000, (E) any such loans and advances shall be evidenced by a promissory note in the form and substance satisfactory to the Administrative Agent pledged pursuant to the applicable Security Agreement and (F) no such loans and advances shall be permitted to be made at any time an Event of Default has occurred and is continuing;

(q) investments by the members of the Cott Mexican Group not otherwise permitted by this Section in the form of acquisitions or investments in joint ventures, <u>provided</u> that (A) such investments shall be made in the form of cash or property or a Guarantee (valued at fair market value) of members of the Cott Mexican Group and (B) the amount of investments shall not exceed \$3,500,000 at any time outstanding;

(r) (i) loans, advances and other investments by members of the Cott Mexico Group that are Loan Parties in or to other members of the Cott Mexico Group that are Loan Parties and (ii) loans, advances and other investments by members of the Cott Mexico Group that are not Loan Parties in or to other members of the Cott Mexico Group that are not Loan Parties;

(s) the Cliffstar Acquisition and loans, advances and other investments described in the definition of "Restructuring" (other than the last sentence thereof);

(t) the sale or other disposition of assets (the "<u>Transferor Assets</u>") by a Borrower or Restricted Subsidiary (the "<u>Transferor</u>") to a Person that is not a Borrower or Subsidiary (the "<u>Transferee</u>") in exchange for assets (the "<u>Transferee Assets</u>") (such transaction being an "<u>Asset Exchange</u>") so long as (i) before and after giving effect to such Asset Exchange no Default or Event of Default shall have occurred and be continuing, (ii) after giving effect to Asset Exchange (and the removal of any Transferred Assets from the Borrowing Base), the Borrowers shall have at least \$70 million of Aggregate Availability, (iii) the Transferee Assets are of they type generally used in Permitted Business, (iv) the fair market value of the Transferee Assets is no less than the fair market value of the Transferor Assets, (v) the Board of Transferor shall have determined that the Asset Swap is in the best interest of the Transferor and (vi) at least fifteen days prior to the consummation of the Asset Exchange, Transferor shall have provided the Administrative Agent and each Collateral Agent a listing, in reasonable detail, of all of the Transferred Assets. Each Borrower acknowledges and agrees that none of the Transferee Assets shall be included in the Borrowing Base until such time and appraisals satisfactory in form and substance to the Administrative Agent and each Collateral Agent and each shall have determined that they are otherwise satisfied with the inc

(u) investments by the Company in Equity Interests in, and the making of capital contributions to, BCB International, provided that (A) contemporaneously with such investment, (i) BCB International makes an investment in the Equity Interests of, or makes a capital contribution to, BCB European and (ii) BCB European make an investment in the Equity Interests of, or makes a capital contribution to, a Loan Party, in each case in an amount equal to the investment made by the Company in BCB International, (B) any such Equity Interests held by a Loan Party shall be pledged pursuant to the applicable Security Agreement (subject to the limitations applicable to common stock of certain foreign Subsidiaries referred to in Section 5.13 and subject to Permitted Perfection Limitations), and (C) no investments permitted under this clause (u) shall be permitted to be made at any time an Event of Default has occurred and is continuing; provided, further, that no Borrower or Subsidiary may make any investment in Equity Interests of, or makes a capital contribution to, any member of the Cott Mexican Group in reliance on this clause (u);

provided that (x) other than as permitted in clause (p) above, no investments by any Loan Party in any member of the Cott Mexican Group shall be permitted under this Section 6.04 until such member of the Cott Mexican Group has become a Loan Guarantor hereunder and has granted Liens to the Administrative Collateral Agent in any of its property which constitutes Collateral, in each case, in accordance with Section 5.15 and (y) except as provided in clause (u) above, no investments by any Loan Party in BCB International or BCB European shall be permitted under this Section 6.04. For the purposes of this Section 6.04, the "amount" of any loan, advance, extension of credit or investment made by any Person or Persons (collectively, the "Investors") in any other Person or Persons (collectively, the "Recipient") shall be:

(i) with respect to any loans, advances or extensions of credit made by any Investor to any Recipient, an amount equal to
 (A) the principal amount of loans, advances and extensions of credit made to the Recipient, directly or indirectly, by the Investor less
 (B) the amount of any repayments of principal of such loans, advances or extensions of credit made, directly or indirectly, by the Recipient to the Investor; and

(ii) with respect to any investment made by any Investor in any Recipient, (A) the amount of capital contributions made in the Recipient, directly or indirectly, by the Investor <u>less</u> (B) the amount of any dividends and distributions made by such Recipient (directly or indirectly) to such Investor with respect to such investment.

Section 6.05. <u>Asset Sales</u>. No Loan Party will, nor will it permit any of its Restricted Subsidiaries to, sell, transfer, lease or otherwise dispose of any asset, including any Equity Interest owned by it, nor will any Borrower permit any Subsidiary to issue any additional Equity Interest in such Subsidiary (other than to another Borrower or another Subsidiary in compliance with Section 6.04), except:

(a) sales, transfers and dispositions of (i) inventory in the ordinary course of business, (ii) used, obsolete, worn out or surplus equipment or property in the ordinary course of business and (iii) Permitted Margin Stock;

(b) sales, transfers and dispositions to any Borrower or any Subsidiary, <u>provided</u> that any such sales, transfers or dispositions involving any member of the Cott Mexican Group or a Subsidiary that is not a Loan Party shall be made in compliance with Section 6.10 and 6.04;

(c) sales, transfers and dispositions of accounts receivable in connection with the compromise, settlement or collection thereof;

(d) sales, transfers and dispositions of investments permitted by clauses (g), (i), (j), (k) and (t) of Section 6.04;

(e) (i) sale and leaseback transactions permitted by Section 6.06(i) and (ii) sale and leaseback transactions permitted by Section 6.06 (ii);

(f) dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of any Borrower or any Restricted Subsidiary;

(g) sales, transfers and other dispositions of assets (other than Equity Interests in a Subsidiary unless all Equity Interests in such Subsidiary are sold) that are not permitted by any other paragraph of this Section, <u>provided</u> that the aggregate fair market value of all assets sold, transferred or otherwise disposed of in the United States, the United Kingdom or Canada in reliance upon this paragraph (g) shall not exceed (i) \$5,000,000 during any fiscal year of the Company and or (ii) \$20,000,000 during the term of this Agreement;

(h) (i) licenses of Intellectual Property and (ii) sales, transfers and other dispositions to Private Brand Customers of trademarks, formulae and other Intellectual Property that are established or developed in connection with and/or for the benefit of Private Brand Customers, in each case that are in furtherance of, or integral to, other business transactions entered into by the Company or a Restricted Subsidiary in the ordinary course of business;

(i) the conveyance, sale, lease, assignment, transfer or other disposition of vending machines, in the normal course of business or as may be reasonably required by contract with the customer of the Company and its Restricted Subsidiaries, in connection with, or to promote, sales of inventory or at the end of a relationship with a customer;

(j) Restricted Payments permitted by Section 6.09;

(k) dispositions of cash and Permitted Investments in the ordinary course of business or in connection with a transaction otherwise permitted under this Agreement;

(1) dispositions of cash and property permitted by Section 6.04(q);

(m) issuances of additional Equity Interests in any Subsidiary created after the Effective Date in connection with a joint venture permitted by Section 6.04, <u>provided</u> that (A) such Equity Interests are issued substantially contemporaneously with the formation of such joint venture and (B) such Equity Interests are issued to the holder(s) of the minority interest in such joint venture;

(n) conveyances, sales, leases, assignments, transfers and other dispositions from members of the Cott Mexico Group that are not Loan Parties to other members of the Cott Mexico Group that are not Loan Parties;

(**o**) [\*\*\*] [ Certain asset sales redacted]

(p) sales, transfers and dispositions of assets described in Schedule 6.05; and

(q) other sales, transfers and dispositions agreed to in writing by the Required Lenders (other than sales, transfers and dispositions that would require the consent of each Lender under Section 9.02 in the absence of this subsection (q)) and

<u>provided</u> that all sales, transfers, leases and other dispositions permitted hereby (other than those permitted by paragraphs (a), (b) (to the extent the applicable transaction is solely among Loan Parties), (c), (e)(ii), (f), (h), (i), (j), (k), (l), (m), (n), (p) and (q) above) shall be made for fair value and for at least 75% cash consideration; <u>provided</u>, <u>further</u>, that nothing in this Section 6.05 shall be taken as permitting the UK Borrower to sell, factor, assign, transfer or otherwise deal with (a) any of its Accounts other than by collecting the same in the ordinary course as provided in the UK Security Agreement or as specifically permitted by the UK Security Trustee or (b) any of its Eligible Equipment other than as specifically permitted by the UK Security Agreement.

Section 6.06. <u>Sale and Leaseback Transactions</u>. No Loan Party will, nor will it permit any of its Restricted Subsidiaries to, enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent, lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred, except for any such sale of any fixed or capital assets by any Borrower or any Restricted Subsidiary that is made for cash consideration in an amount not less than the fair value of such fixed or capital asset and is consummated within 90 days after such Borrower or such Restricted Subsidiary acquires or completes the construction of such fixed or capital asset.

Section 6.07. <u>Intellectual Property Licenses</u>. No Loan Party will, nor will it permit any of its Restricted Subsidiaries to, enter into any arrangement directly or indirectly, whereby it shall license any rights to Intellectual Property that it owns or licenses, except for licenses of Intellectual Property that are in furtherance of, or integral to, other business transactions entered into by the Company or a Restricted Subsidiary in the ordinary course of business.

Section 6.08. <u>Swap Agreements</u>. No Loan Party will, nor will it permit any of its Restricted Subsidiaries to, enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which any Borrower or any Restricted Subsidiary has actual exposure (other than those in respect of Equity Interests of any Borrower or any of its Restricted Subsidiaries), and (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of any Borrower or any Restricted Subsidiary.

Section 6.09. <u>Restricted Payments; Certain Payments of Indebtedness</u>. (a) No Loan Party will, nor will it permit any of its Restricted Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except (i) each Loan Party and its Restricted Subsidiaries may declare

and pay dividends with respect to its common stock payable solely in additional shares of its common stock, and, with respect to its preferred stock, payable solely in additional shares of such preferred stock or in shares of its common stock, (ii) Restricted Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests, (iii) provided that no Event of Default has occurred and is then continuing, the Company may declare and pay dividends to its shareholders in an aggregate amount not exceeding (x) \$5,000,000 during any fiscal quarter or (y) \$10,000,000 during any fiscal year of the Company as long as, in each case, (A) no Event of Default has occurred and is continuing or would result after giving effect to such payment, (B) the Borrowers shall have both Aggregate Availability on the date of such payment and average Aggregate Availability over the prior thirty day period ending on such date (assuming, in each case that such payment was made on the first day of such period) of at least \$100,000,000 and (C) the Fixed Charge Coverage Ratio, determined as of the last day of the most recent fiscal quarter for which financial statements have been or should have been delivered pursuant to Section 4.01(b) or Section 5.01(a) or (b), for the period of four consecutive fiscal quarters ending on such last day prepared on a pro forma basis giving effect to such Restricted Payment, is no less than 1.1 to 1.0, (iv) provided that no Event of Default has occurred and is then continuing, the Company or any of its Restricted Subsidiaries may repurchase its capital stock in an aggregate amount not exceeding \$5,000,000 during the term of this Agreement as long as (A) no Event of Default has occurred and is continuing or would result after giving effect to such repurchase, (B) the Borrowers shall have both Aggregate Availability on the date of such payment and average Aggregate Availability over the prior thirty day period ending on such date (assuming, in each case that such payment was made on the first day of such period) of at least \$100,000,000 and (C) the Fixed Charge Coverage Ratio, determined as of the last day of the most recent fiscal quarter for which financial statements have been or should have been delivered pursuant to Section 4.01(b) or Section 5.01(a) or (b), for the period of four consecutive fiscal quarters ending on such last day prepared on a pro forma basis giving effect to such Restricted Payment, is no less than 1.1 to 1.0 and (v) any Restricted Subsidiary that is a direct wholly-owned Subsidiary of the Company or that is a direct wholly-owned Subsidiary of a Restricted Subsidiary, may repurchase its Equity Interests from, or pay dividends with respect to its Equity Interests to, the Company or the Restricted Subsidiary that owns 100% of its Equity Interests; provided that in the event that any Restricted Payment is made to BCB International, BCB European or any Interim Holdco at any time, the total amount of such Restricted Payment shall immediately be distributed to its immediate parent.

(b) No Loan Party will, nor will it permit any of its Restricted Subsidiaries to, make or agree to pay or make, directly or indirectly, any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of or interest on any Indebtedness, or any payment or other distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Indebtedness, except:

(i) payment of Indebtedness created under the Loan Documents;

- (ii) payment of regularly scheduled interest and principal payments as and when due in respect of any Indebtedness;
- (iii) payment of mandatory prepayments as and when due in respect of any Indebtedness;

(iv) refinancings of Indebtedness to the extent permitted by Section 6.01;

(v) payment of secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(vi) payment of other Indebtedness (other than Indebtedness permitted to be purchased or repurchased pursuant to clause (vii) below, but including termination of capital leases) in an amount not exceeding \$1,000,000 in any calendar year, so long as Aggregate Availability exceeds \$50,000,000 after giving effect to each such payment;

(vii) the Company or any of its Restricted Subsidiaries may voluntarily purchase 2009 Notes or 2010 Notes from one or more holders thereof in an aggregate amount not exceeding \$15,000,000 during the term of this Agreement as long as (A) no Event of Default has occurred and is continuing or would result after giving effect to such repurchase, (B) the Borrowers shall have both Aggregate Availability on the date of such purchase (after giving effect to such purchase) and average Aggregate Availability over the prior thirty day period ending on the date the Company or such Restricted Subsidiary initially offers to make such purchase (assuming that such purchase was made on the first day of such period) of at least \$75,000,000, (C) such purchase is made within thirty days of the original offer to make such purchase and (D) the Fixed Charge Coverage Ratio, determined as of the last day of the most recent fiscal quarter for which financial statements have been or should have been delivered pursuant to Section 4.01(b) or Section 5.01(a) or (b), for the period of four consecutive fiscal quarters ending on such last day, is no less than 1.1 to 1.0;

(viii) payment of intercompany indebtedness (other than intercompany indebtedness in favor of BCB International or BCB European) to the extent permitted by the subordination provisions applicable thereto;

(ix) the Company or any of its Restricted Subsidiaries may, from time to time, (a) voluntarily redeem some or all of the 2009 Notes or 2010 Notes in accordance with the 2009 Indenture or 2010 Indenture, as applicable, and/or (b) voluntarily purchase 2009 Notes or 2010 Notes from one or more holders thereof and/or (c) prepay Indebtedness outstanding in connection with the Sidel Water Capital Lease during the term of this Agreement, in each case as long as (A) no Default or Event of Default has occurred and is continuing or would result after giving effect to such redemption, repurchase or prepayment, (B) the Borrowers have Aggregate Availability *minus* Disqualified Payables of at least \$100,000,000, determined both on the date of such redemption, repurchase or prepayment (and after giving effect thereto and, on an average basis for the thirty day period ending on (i) in the case of redemptions and purchases under clauses (a) and (b) of this subsection (ix), the date the Company or such Restricted Subsidiary initially offers to make such redemption or purchase or (ii) in the case of prepayments

under clause (c) of this subsection (ix), the date of such prepayment (in each case assuming that such redemption, repurchase or prepayment, as the case may be) was made on the first day of such period), (C) in the case of redemptions and purchases under clauses (a) and (b) of this subsection (ix), such redemption or purchase is made within thirty days of the original offer to made such redemption or purchase, (D) the Fixed Charge Coverage Ratio, determined as of the last day of the most recent fiscal quarter for which financial statements have been or should have been delivered pursuant to Section 5.01(a) or (b), for the period of four consecutive fiscal quarters ending on such last day on a pro forma basis, is no less than 1.25 to 1.0; and (E) no Loans (other than UK Revolving Loans in a principal amount not to exceed \$10,000,000) are outstanding after giving effect to such redemption, repurchase or prepayment;

(x) the Company or any of its Restricted Subsidiaries may, from time to time, (a) voluntarily redeem some or all of the 2009 Notes or 2010 Notes in accordance with the 2009 Indenture or 2010 Indenture, as applicable, and/or (b) voluntarily purchase 2009 Notes or 2010 Notes from one or more holders thereof and/or (c) prepay Indebtedness outstanding in connection with the Sidel Water Capital Lease in an aggregate amount not exceeding, during the term of this Agreement, the lesser of (y) \$75,000,000 or (z) 30% of the aggregate amount of the Lenders' Commitments at such time, in each case as long as (A) no Default or Event of Default has occurred and is continuing or would result after giving effect to such redemption, repurchase or prepayment, (B) the Borrowers have Aggregate Availability minus Disqualified Payables of at least \$100,000,000, determined both on the date of such redemption, repurchase or prepayment (after giving effect thereto) and on an average basis for the thirty day period ending on (i) in the case of redemptions and purchases under clauses (a) and (b) of this subsection (x), the date the Company or such Restricted Subsidiary initially offers to make such redemption or purchase or (ii) in the case of prepayments under clause (c) of this subsection (x), the date of such prepayment (in each case assuming that such redemption, repurchase or prepayment, as the case may be) was made on the first day of such period), (C) in the case of redemptions and purchases under clauses (a) and (b) of this subsection (x), such redemption or purchase is made within thirty days of the original offer to made such redemption or purchase, (D) the Fixed Charge Coverage Ratio, determined as of the last day of the most recent fiscal quarter for which financial statements have been or should have been delivered pursuant to Section 4.01(b) or Section 5.01(a) or (b), for the period of four consecutive fiscal quarters ending on such last day prepared on a pro forma basis giving effect to such redemption, repurchase or prepayment, is no less than 1.25 to 1.0;

(xi) if Net Proceeds are received by or on behalf of the Company in respect of any event described in clause (c) of the definition of the term "Prepayment Event" with respect to Qualified Equity Interests, the Company or any of its Restricted Subsidiaries may, from time to time, use such Net Proceeds (or, to the extent such Net Proceeds were previously applied to repay the Revolving Loans in accordance with Section 2.11(c), use Revolving Loans in an

amount equal to the Net Proceeds so prepaid) to (x) voluntarily redeem some or all of the 2009 Notes or 2010 Notes in accordance with the 2009 Indenture or 2010 Indenture, as applicable, and/or (y) voluntarily purchase 2009 Notes or 2010 Notes from one or more holders thereof and/or (z) prepay amounts outstanding under the Sidel Water Capital Lease, in each case as long as (A) no Default or Event of Default has occurred and is continuing or would result after giving effect to such redemption, repurchase or prepayment, (B) the Borrowers have Aggregate Availability minus Disqualified Payables of at least \$100,000,000, determined both on the date of such redemption, repurchase or prepayment (after giving effect thereto) and on an average basis for the thirty day period ending on (i) in the case of redemptions and purchases under clauses (a) and (b) of this subsection (xi), the date the Company or such Restricted Subsidiary initially offers to make such redemption or purchase or (ii) in the case of prepayments under clause (c) of this subsection (xi), the date of such prepayment (in each case assuming that such redemption, repurchase or prepayment, as the case may be) was made on the first day of such period), (C) in the case of redemptions and purchases under clauses (a) and (b) of this subsection (xi), such redemption or purchase is made within thirty days of the original offer to made such redemption or purchase, (D), determined both on the date of such redemption, repurchase or prepayment and, on and on an average basis for the thirty day period ending of such date (in each case assuming that such redemption, repurchase or prepayment was made on the first day of such period), of at least \$75,000,000 and (C) the Fixed Charge Coverage Ratio, determined as of the last day of the most recent fiscal quarter for which financial statements have been or should have been delivered pursuant to Section 5.01(a) or (b), for the period of four consecutive fiscal quarters ending on such last day on a pro forma basis, is no less than 1.25 to 1.0;

(xii) the Company or any of its Restricted Subsidiaries may, from time to time, exchange any Qualified Equity Interests for all or part the 2009 Notes or 2010 Notes during the term of this Agreement as long as (A) no Default or Event of Default has occurred and is continuing or would result after giving effect to such exchange, (B) the Borrowers have Aggregate Availability *minus* Disqualified Payables, determined both on the date of such redemption, repurchase or prepayment and, on and on an average basis for the thirty day period ending of such date (in each case assuming that such redemption, repurchase or prepayment was made on the first day of such period), of at least \$75,000,000 and (C) the Fixed Charge Coverage Ratio, determined as of the last day of the most recent fiscal quarter for which financial statements have been or should have been delivered pursuant to Section 5.01(a) or (b), for the period of four consecutive fiscal quarters ending on such last day on a pro forma basis, is no less than 1.25 to 1.0;

(xiii) the Company or any of its Restricted Subsidiaries may, from time to time, prepay any Indebtedness outstanding in connection with the Sidel Water Capital Lease (the "<u>Sidel Prepayment Amount</u>") during the term of this Agreement as long as the Company delivers a certificate by a Financial Officer stating the Sidel Prepayment Amount and attesting that the Sidel Prepayment

Amount is equal to or less than the value of (i) the Letters of Credit issued for the benefit of General Electric Capital Corporation (" <u>GECC</u>") that GECC in its capacity as lessor will return for cancellation and/or (ii) cash collateral that GECC in its capacity as lessor will release, in each case, in connection with such prepayment; and

(xiv) payment of Indebtedness permitted by Section 6.01(d) when due;

provided that, in connection with any redemptions, purchases or exchanges under Section 6.09(b)(vii) and Sections 6.09(b)(ix) through 6.09(b) (xiii), in each case, the Administrative Agent shall have received a certificate, signed by the chief financial officer of the Company, on behalf of the Company, (i) stating the nature, the amount and the date of the payment, exchange or distribution, (ii) certifying that the Company and/or each applicable Restricted Subsidiary has complied with the terms and conditions contained in the applicable subsection of 6.09(b), (iii) stating that the proposed transaction documents do not violate the terms and conditions of the 2009 Indenture or the 2010 Indenture and (iv) setting forth the calculation of the Disqualified Payables. For purposes of this Section 6.09(b) the 2009 Notes or 2010 Notes shall be deemed to be "redeemed" at the time that a Borrower or Restricted Subsidiary deposits with the trustee under the 2009 Indenture or 2010 Indenture, as applicable, the funds sufficient to redeem the applicable 2009 Notes or 2010 Notes.

Section 6.10. <u>Transactions with Affiliates</u>. No Loan Party will, nor will it permit any of its Restricted Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) transactions that (i) are in the ordinary course of business and (ii) are at prices and on terms and conditions not less favorable to such Borrower or such Restricted Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among any Borrower and any Subsidiary that is a Loan Party not involving any other Affiliate, (c) any loans, advances, Guarantees and other investments permitted by Sections 6.04(c), (d), (e) , (p) or (r), (d) any Indebtedness permitted under Section 6.01(e), (f) or (k), (e) any Restricted Payment permitted by Section 6.09, (f) loans or advances to employees permitted under Section 6.04, (g) the payment of reasonable fees to directors of any Borrower or any Restricted Subsidiary who are not employees of such Borrower or Restricted Subsidiary, and compensation and employee benefit arrangements paid to, and indemnities provided for the benefit of, directors, officers or employees of the Borrowers or their Restricted Subsidiaries in the ordinary course of business, (h) any issuances of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements, stock options and stock ownership plans approved by a Borrower's or Restricted Subsidiary's board of directors and (i) capital contributions contemplated by the Restructuring.

Section 6.11. <u>Restrictive Agreements</u>. No Loan Party will, nor will it permit any of its Restricted Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of such Loan Party or any of its Restricted Subsidiaries to create, incur or permit to exist any Lien upon any of its property or assets, or (b) the ability of any Restricted Subsidiary to pay

dividends or other distributions with respect to any shares of its capital stock or to make or repay loans or advances to any Borrower or any other Restricted Subsidiary or to Guarantee Indebtedness of any Borrower or any other Restricted Subsidiary; <u>provided</u> that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by any Loan Document, (ii) the foregoing shall not apply to restrictions and conditions existing on the date hereof identified on <u>Schedule 6.11</u> (but shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such restriction or condition), (iii) the foregoing shall not apply to restrictions and conditions in the 2009 Indenture or the 2010 Indenture (but, in each case, shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such restriction or condition), (iv) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Restricted Subsidiary or assets pending such sale, provided such restrictions and conditions apply only to the Restricted Subsidiary or assets that is to be sold and such sale is permitted hereunder, (v) clause (a) of the foregoing shall not apply to customary provisions or conditions apply only to the property or assets securing such Indebtedness, (vi) clause (a) of the foregoing shall not apply to customary provisions in leases and other contracts restricting the assignment thereof and (vii) clause (a) of the foregoing shall not apply to customary provisions in leases and other contracts restricting the assignment thereof and (vii) clause (a) of the foregoing shall not apply to legally enforceable prohibitions on the pledge or disposition of Equity Interests in the [\*\*\*] existing on the Effective Date or any other joint venture to which the Company or any of its Restricted Subsidiaries is a party if such joint venture is not a direct or indirect Subsidiary of the Company. *[Certain names redacted]* 

Section 6.12. <u>Amendment of Material Documents</u>. No Loan Party will, nor will it permit any of its Restricted Subsidiaries to, amend, modify or waive any of its rights under (a) any 2009 Note Document or any 2010 Note Document or (b) (i) its certificate of incorporation, bylaws, operating, management or partnership agreement or other organizational documents or (ii) without the consent of the Administrative Agent (or the Required Lenders in the case of amendments or modifications of the Earnout or Permitted Deferred Compensation that would increase the amount thereof or accelerate the payment schedule thereof), the APA, in each case in this subsection (b) to the extent any such amendment, modification or waiver would be materially adverse to the Lenders.

Section 6.13. <u>Fixed Charge Coverage Ratio</u>. If Aggregate Availability is, or at any time has been, less than the greater of (i) the Fixed Charge Trigger Level at such time or (ii) \$30,000,000, the Borrowers will not permit the Fixed Charge Coverage Ratio on any day on or after September 30, 2010 (such Fixed Charge Coverage Ratio for any day after September 30, 2010 to be determined as of the last day of the most recent fiscal quarter preceding such day for which financial statements have been or should have been delivered pursuant to Section 4.01(b) or Section 5.01(a) or (b), for the period of four consecutive fiscal quarters ending on such last day) to be less than 1.1 to 1.0.

Section 6.14. <u>Ownership of U.S. Co-Borrowers and UK Borrower; Subsidiaries</u>. (a) The Company will not permit any of the Equity Interests of a U.S. Co-Borrower, an Interim Holdco or the UK Borrower to be directly owned, legally or beneficially, by any Person other than a Loan Party that has pledged all of such Equity Interests to the Administrative Collateral Agent or the UK Security Trustee as security for the Secured Obligations under the relevant Collateral Document.

(b) The Company will not permit any Subsidiary (i) to be a "Restricted Subsidiary" under any 2009 Note Document, any 2010 Note Document or any indenture, agreement or other instrument governing Material Indebtedness of any Loan Party unless such Subsidiary is also a Restricted Subsidiary hereunder or (ii) to be a guarantor, issuer, obligor or borrower under any 2009 Note Document, any 2010 Note Document or any indenture, agreement or other instrument governing Material Indebtedness of any Loan Party unless such Subsidiary is also a Loan Guarantor hereunder.

Section 6.15. <u>Assets and Liabilities of BCB International, BCB European and Interim Holdcos</u>. (a) The Borrowers will not permit BCB International or BCB European to (i) own any assets other than (A) the Equity Interests of BCB European, in the case of BCB International, and the Equity Interests of Cott Retail Brands Limited, in the case of BCB European, (B) those assets existing on the Effective Date and identified on <u>Schedule 6.15</u> hereof, (C) to the extent (and for the limited period) permitted under Section 6.09(a)(v), the proceeds of any Restricted Payment from its Subsidiaries and (D) to the extent (and for the limited period) permitted under Section 6.04(u), proceeds of investments in Equity Interests (including capital contributions), (ii) incur any liabilities other than usual and customary obligations associated with the maintenance of the corporate existence of a holding company, or (iii) incur or permit to exist any Lien on its assets.

(b) The Borrowers will not permit any Interim Holdco to (i) own any operating assets, (ii) engage in any trade or business, (iii) become liable for any Indebtedness other than Indebtedness under the Loan Documents, Indebtedness under the 2009 Note Indenture or the 2010 Note Indenture and intercompany Indebtedness in which the Administrative Collateral Agent has a first-priority, perfected Lien, (iv) incur any other liabilities other than usual and customary obligations associated with the maintenance of the corporate existence of a holding company or (iv) incur or permit to exist any Lien on its assets other than pursuant to the terms of the Loan Documents.

## ARTICLE VII

#### **Events of Default**

If any of the following events (" Events of Default ") shall occur:

(a) the Borrowers shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrowers shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three Business Days;

(c) any representation or warranty made or deemed made by or on behalf of any Loan Party or any Subsidiary in or in connection with this Agreement or any Loan Document or any amendment or modification thereof or waiver thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been materially incorrect when made or deemed made;

(d) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02(a), 5.03 (with respect to a Loan Party's existence), 5.08 or 5.15 or in Article VI;

(e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those which constitute a default under another Section of this Article), and such failure shall continue unremedied for a period of (i) 5 days after the earlier of any Loan Party's knowledge of such breach or notice thereof from the Administrative Agent (which notice will be given at the request of any Lender) if such breach relates to terms or provisions of Section 5.01, 5.02 (other than Section 5.02(a)), 5.03 through 5.07, 5.09, 5.10, 5.12 or 5.17 of this Agreement or (ii) 30 days after the earlier of any Lender) if such breach or notice thereof from the Administrative Agent (which notice will be given at the request of any Lender) if such breach relates to terms or provisions of any Lender) if such breach relates to terms or provisions of any Lender) if such breach relates to terms or provisions of any Lender) if such breach relates to terms or provisions of any Lender) if such breach relates to terms or provisions of any Lender) if such breach relates to terms or provisions of any Lender) if such breach relates to terms or provisions of any other Section of this Agreement;

(f) any Loan Party or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; <u>provided</u> that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(h) (1) an involuntary proceeding (including the filing of any notice of intention in respect thereof) shall be commenced or an involuntary petition shall be filed seeking (i) bankruptcy, liquidation, winding-up, dissolution, reorganization, suspension of general operations or other relief in respect of a Loan Party (other than any member of the UK Group) or its debts, or of a substantial part of its assets, under any Insolvency Law now or hereafter in effect, (ii) the composition, rescheduling, reorganization, arrangement or readjustment of, or other relief from, or stay of proceedings to enforce, some or all of its debts or obligations, (iii) the appointment of a receiver, interim receiver, receiver and manager, liquidator, provisional liquidator, administrator, trustee, custodian, sequestrator, conservator, examiner, agent or similar official for any Loan Party (other than a member of the UK Group) or for a substantial part of its assets or (iv) possession,

foreclosure, seizure or retention, sale or other disposition of, or other proceedings to enforce security over, all or any substantial part of the assets of any Loan Party (other than a member of the UK Group) and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(2) any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the UK Group;

(ii) a composition, compromise, assignment or arrangement with any creditor of any member of the UK Group;

(iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any member of the UK Group or any of its assets; or

(iv) enforcement of any Lien over any assets of any member of the UK Group,

or any analogous procedure or step is taken in any jurisdiction; <u>provided</u> that this clause (2) shall not apply to (x) any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement or, if earlier, the date on which it is advertised or (y) the solvent liquidation or reorganization of any member of the UK Group which is not a Loan Party so long as any payments or assets distributed as a result of such liquidation or reorganization are distributed to other members of the UK Group; or

(3) any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of a member of the UK Group having an aggregate value of \$15,000,000 and is not discharged within 14 days;

(i) (1) any Loan Party (other than a member of the UK Group) shall (i) voluntarily commence any proceeding, file any petition, pass any resolution or make any application seeking liquidation, reorganization, administration or other relief under any Insolvency Law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, interim

receiver, receiver and manager, liquidator, assignee, trustee, custodian, sequestrator, administrator, examiner, conservator or similar official for such Loan Party or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(2) a member of the UK Group is unable or admits inability to pay its debts as they fall due or is deemed to or declared to be unable to pay its debts under applicable law, suspends or threatens to suspend making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;

(3) the value of the assets of any member of the UK Group is less than its liabilities (taking into account contingent and prospective liabilities; or

(4) a moratorium is declared in respect of any indebtedness of any member of the UK Group (if a moratorium occurs, the ending of the moratorium will not cure any Event of Default caused by that moratorium);

(j) any Loan Party shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of \$20,000,000 (to the extent not covered by insurance as to which the relevant insurance company has acknowledged coverage) shall be rendered against any Loan Party, any Subsidiary of any Loan Party or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of any Loan Party or any Subsidiary of any Loan Party to enforce any such judgment or any Loan Party or any Subsidiary of any Loan Party to enforce any such judgments or orders which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, which judgments or orders, in any such case, are not stayed on appeal by proper proceedings diligently pursued;

(1) (i) the Company or any of its Subsidiaries shall, directly or indirectly, terminate or cause to terminate, in whole or in part, or initiate the termination of, in whole or in part, any Canadian Pension Plan so as to result in any liability which could have a Material Adverse Effect; (ii) the Company or any of its Subsidiaries shall fail to make a required contribution under any Canadian Pension Plan or Canadian Union Plan which could result in the imposition of a Lien upon the assets of the Company or any of its Subsidiaries; or (iii) the Company or any of its Subsidiaries makes any improper withdrawals or applications of assets of a Canadian Pension Plan or Canadian Benefit Plan;

(m) (i) an ERISA Event shall have occurred that, in the reasonable opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect or (ii) with respect to any Plan, circumstances exist that, in the reasonable opinion of the Required Lenders, may give rise to a Lien under ERISA;

(n) a Change in Control shall occur;

(o) the occurrence of any "default" or "Event of Default", as defined in any Loan Document (other than this Agreement) or the breach of, or failure to comply with, any of the terms or provisions of any Loan Document (other than this Agreement), which default, breach or failure to comply continues beyond any period of grace (if any) therein provided;

(p) the Loan Guaranty shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of the Loan Guaranty, or any Loan Guarantor shall fail to comply with any of the terms or provisions of the Loan Guaranty to which it is a party, or any Loan Guarantor shall deny that it has any further liability under the Loan Guaranty to which it is a party, or shall give notice to such effect;

(q) any Collateral Document shall for any reason fail to create a valid and perfected first priority security interest in any Collateral purported to be covered thereby, except as permitted by the terms of any Collateral Document, or any Collateral Document shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of any Collateral Document;

(r) any material provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms (or any Loan Party shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms); or

(s) the Pensions Regulator issues a Financial Support Direction or a Contribution Notice to any member of the Group unless the aggregate liability of the Loan Parties under all Financial Support Directions and Contribution Notices is less than \$2,000,000;

then, and in every such event (other than an event with respect to the Borrowers described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower Representative, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due

and payable, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers; and in case of any event with respect to the Borrowers described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers. Upon the occurrence and the continuance of an Event of Default, each of the Administrative Agent and the UK Security Trustee may, and at the request of the Required Lenders shall, exercise any rights and remedies provided to such Administrative Agent or UK Security Trustee under the Loan Documents or at law or equity, including all remedies provided under the UCC and PPSA.

## ARTICLE VIII

#### The Administrative Agent and the Administrative Collateral Agent

Each of the Lenders and the Issuing Banks hereby irrevocably appoints each of the Administrative Agent and the Administrative Collateral Agent as its agent and authorizes the Administrative Agent and the Administrative Collateral Agent to take such actions on its behalf, including execution of the other Loan Documents, and to exercise such powers as are delegated to such Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto.

Any bank serving as the Administrative Agent, Co-Collateral Agent or Administrative Collateral Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, Co-Collateral Agent or Administrative Collateral Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Loan Parties or any Subsidiary of a Loan Party or other Affiliate thereof as if it were not the Administrative Agent, Co-Collateral Agent or Administrative Collateral Agent or Administrative Collateral Agent hereunder.

Neither the Administrative Agent, Co-Collateral Agent nor the Administrative Collateral Agent shall have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) neither the Administrative Agent, Co-Collateral Agent nor the Administrative Collateral Agent shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) neither the Administrative Agent, Co-Collateral Agent nor the Administrative Collateral Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that such Agent is required to exercise in writing as directed by the Required Lenders (or such other

number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth in the Loan Documents, neither the Administrative Agent, Co-Collateral Agent nor the Administrative Collateral Agent shall have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any of its Subsidiaries that is communicated to or obtained by the bank serving as the Administrative Agent, Co-Collateral Agent or the Administrative Collateral Agent or any of its Affiliates in any capacity. Neither the Administrative Agent, Co-Collateral Agent nor the Administrative Collateral Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct. Neither the Administrative Agent, Co-Collateral Agent nor the Administrative Collateral Agent shall be deemed to have knowledge of any Default unless and until written notice thereof is given to such Agent by the Borrower Representative or a Lender, and neither the Administrative Agent, Co-Collateral Agent nor the Administrative Collateral Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, (v) the creation, perfection or priority of Liens on the Collateral or the existence of the Collateral, or (vi) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent, Co-Collateral Agent or the Administrative Collateral Agent.

The Administrative Agent and the Administrative Collateral Agent shall each be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent and the Administrative Collateral Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Collateral Agent may consult with legal counsel (who may be counsel for the Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent and the Administrative Collateral Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent or the Administrative Collateral Agent, as the case may be. The Administrative Agent and the Administrative Collateral Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and the Administrative Collateral Agent and any such sub-agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent and the Administrative Collateral Agent, as the case may be.

Subject to the appointment and acceptance of a successor Administrative Agent or Administrative Collateral Agent, as the case may be, as provided in this paragraph, either or both of the Administrative Agent and the Administrative Collateral Agent, may resign at any time by notifying the Lenders, the Issuing Banks and the Borrower Representative. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Borrowers, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent(s) give notice of their resignation, then the retiring Administrative Agent or Administrative Collateral Agent may, on behalf of the Lenders and the Issuing Banks, appoint a successor Administrative Agent or Administrative Collateral Agent, as the case may be, which shall be a commercial bank or an Affiliate of any such commercial bank or a Lender, in any case with assets of at least \$250,000,000. Upon the acceptance of its appointment as Administrative Agent or Administrative Agent or Administrative Agent or Administrative Collateral Agent, successor shall succeed to and become vested with all the rights, powers, privileges and duites of the retiring Administrative Agent or Administrative Collateral Agent or Administrative Collateral Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the Administrative Agent's or the Administrative Collateral Agent's or the Administrative Collateral Agent's or the Administrative Collateral Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent or Administrative Collateral Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, either Collateral Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, either Collateral Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or related agreement or any document furnished hereunder or thereunder.

Each Lender hereby agrees that (a) it has been provided access to each Report prepared by or on behalf of the Administrative Agent; (b) neither the Administrative Agent nor the Administrative Collateral Agent (i) makes any representation or warranty, express or implied, as to the completeness or accuracy of any Report or any of the information contained therein or any inaccuracy or omission contained in or relating to a Report and (ii) shall be liable for any information contained in any Report; (c) the Reports are not comprehensive audits or examinations, and that any Person performing any field examination will inspect only specific

information regarding the Loan Parties and will rely significantly upon the Loan Parties' books and records, as well as on representations of the Loan Parties' personnel and that neither the Administrative Agent nor the Administrative Collateral Agent undertakes any obligation to update, correct or supplement the Reports; (d) it will keep all Reports confidential and strictly for its internal use, and it will not share the Report with any other Person except as otherwise permitted pursuant to this Agreement; and (e) without limiting the generality of any other indemnification provision contained in this Agreement, it will pay and protect, and indemnify, defend, and hold the Administrative Agent, the Administrative Collateral Agent and any such other Person preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including reasonable attorney fees) incurred by as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender.

Each Lender, each Issuing Bank, the Administrative Collateral Agent and the Administrative Agent appoints the UK Security Trustee to act as security trustee under and in connection with the UK Security Agreement on the terms and conditions set forth on <u>Schedule 8</u>.

For the purposes of holding any security granted by any Borrower or any other Loan Party pursuant to the laws of the Province of Quebec to secure payment of any bond issued by any Borrower or any Loan Party, each Lender hereby irrevocably appoints and authorizes the Administrative Collateral Agent and, to the extent necessary, ratifies the appointment and authorization of the Administrative Collateral Agent, to act as the person holding the power of attorney (i.e. "fondé de pouvoir") (in such capacity, the "Attorney") of the Lenders as contemplated under Article 2692 of the Civil Code of Québec, and to enter into, to take and to hold on its behalf, and for its benefit, any hypothec, and to exercise such powers and duties that are conferred upon the Attorney under any hypothec. Moreover, without prejudice to such appointment and authorization to act as the person holding the power of attorney as aforesaid, each Lender hereby irrevocably appoints and authorizes the Administrative Collateral Agent (in such capacity, the "Custodian") to act as agent and custodian for and on behalf of the Lenders to hold and be the sole registered holder of any bond which may be issued under any hypothec, the whole notwithstanding Section 32 of An Act respecting the special powers of legal persons (Quebec) or any other applicable law, and to execute all related documents. Each of the Attorney and the Custodian shall: (a) have the sole and exclusive right and authority to exercise, except as may be otherwise specifically restricted by the terms hereof, all rights and remedies given to the Attorney and the Custodian (as applicable) pursuant to any hypothec, bond, pledge, applicable laws or otherwise, (b) benefit from and be subject to all provisions hereof with respect to the Administrative Collateral Agent mutatis mutandis, including, without limitation, all such provisions with respect to the liability or responsibility to and indemnification by the Lenders, and (c) be entitled to delegate from time to time any of its powers or duties under any hypothec, bond, or pledge on such terms and conditions as it may determine from time to time. Any person who becomes a Lender shall, by its execution of an Assignment and Assumption, be deemed to have consented to and confirmed: (i) the Attorney as the person holding the power of attorney as aforesaid and to have ratified, as of the date it becomes a Lender, all actions taken by the Attorney in such capacity, and (ii) the Custodian as the agent and custodian as aforesaid and to have ratified, as of the date it becomes a Lender, all actions taken by the Custodian in such capacity. The Substitution of the Administrative Collateral Agent pursuant to the provisions of this Article VIII shall also constitute the substitution of the Attorney and the Custodian.

The Documentation Agent shall not have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such.

# ARTICLE IX

### **Miscellaneous**

Section 9.01. <u>Notices</u>. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile, as follows:

(i) if to any Loan Party, to the Borrower Representative at:

Cott Corporation Corporation Cott 5519 West Idlewild Avenue Tampa, Florida 33634-8016 Attention: Michael Zimmerman, Treasurer Facsimile No.: 813.881.1923

## with a copy to:

Cott Corporation Corporation Cott 5519 West Idlewild Avenue Tampa, Florida 33634-8016 Attention: Marni Morgan Poe, General Counsel Facsimile No.: 813.881.1923

(ii) if to the Administrative Agent or the Administrative Collateral Agent:

JPMorgan Chase Bank, N.A. 1300 East Ninth Street, Floor 13 Cleveland, OH 44114-1573 Attention: David J. Waugh Facsimile No.: (216) 781-2071 E-mail: david.j.waugh@chase.com

## with a copy to:

JPMorgan Chase Bank, N.A. 1300 East Ninth Street, Floor 13 Cleveland, OH 44114-1573 Attention: Michael McCullough Facsimile No.: (216) 781-2071 E-mail: michael.f.mccullough@chase.com

with a copy to:

JPMorgan Europe Limited 125 London Wall London, EC2Y 5AG Attention: Loan and Agency Group Facsimile No.: 011-44-22-7777-2350

(iii) if to the UK Security Trustee, to

JPMorgan Chase Bank, N.A., London Branch 10 Aldermanbury London EC2V 7RF Untied Kingdom. Attention: Tim Jacob and Helen Mathie Facsimile No.: +44 20 7325 6813

(iv) if to any other Lender, to it at its address or facsimile number set forth in its Administrative Questionnaire.

All such notices and other communications (i) sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when sent, <u>provided</u> that if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications (including e-mail and internet or intranet websites) pursuant to procedures approved by the Administrative Agent; <u>provided</u> that the foregoing shall not apply to notices pursuant to Article II or to compliance and no Event of Default certificates delivered pursuant to Section 5.01(d) unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower Representative (on behalf of the Loan Parties) may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; <u>provided</u> that approval of such procedures may be limited to particular notices or communications. All such notices and other communications (i) sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), <u>provided</u> that if not given during the normal business hours of the recipient, and (ii) posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (b)(i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

Section 9.02. <u>Waivers</u>; <u>Amendments</u>. (a) No failure or delay by any Agent, any Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agents, the Issuing Banks and the Lenders hereunder and under any other Loan Document are cumulative and are not exclusive of any rights or remedies that they

would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether any Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except (i) in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders or, (ii) in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent, the Administrative Collateral Agent (to the extent it is a party to such Loan Document) and the Loan Party or Loan Parties that are parties thereto, with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender (provided that the Administrative Agent may make Protective Advances as set forth in Section 2.04), (ii) reduce or forgive the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce or forgive any interest or fees payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone any scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any date for the payment of any interest, fees or other Obligations payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.18(b) or (d) in a manner that would alter the manner in which payments are shared, without the written consent of each Lender, (v) increase the advance rates set forth in the definition of Borrowing Base or the Aggregate Borrowing Base without the written consent of each Lender, or add new categories of eligible assets or amend, waive or modify Section 6.13(b) (or the definition of "Aggregate Availability"), without the written consent of the Supermajority Lenders, (vi) change any of the provisions of this Section or the definition of "Required Lenders" or "Supermajority Lenders" or any other provision of any Loan Document specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender, (vii) release any Loan Guarantor (other than an Immaterial Subsidiary) from its obligation under its Loan Guaranty (except as otherwise permitted herein or in the other Loan Documents), without the written consent of each Lender, or (viii) except as provided in clause (c) of this Section or in any Collateral Document, release all or substantially all of the Collateral, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of any Agent, any Issuing Bank or any Swingline Lender hereunder without the prior written consent of such Agent, such Issuing Bank or such Swingline Lender, as the case may be (it being understood that any change to Section 2.21 shall require the consent of the Administrative Agent, each Swingline Lender and each Issuing Bank). The Administrative Agent may also amend the Commitment <u>Schedule</u> to reflect assignments entered into pursuant to Section 9.04.

(c) The Lenders hereby irrevocably authorize each of the Administrative Collateral Agent and the UK Security Trustee, at its option and in its sole discretion, to release any Liens granted to the Administrative Collateral Agent or the UK Security Trustee by the Loan Parties on any Collateral (i) upon the termination of the all Commitments, payment and satisfaction in full in cash of all Secured Obligations (other than Unliquidated Obligations), and the cash collateralization of all Unliquidated Obligations in a manner satisfactory to each affected Lender, (ii) constituting property being sold or disposed of if the Loan Party disposing of such property certifies to the Administrative Collateral Agent or the UK Security Trustee, as applicable, that the sale or disposition is made in compliance with the terms of this Agreement (and the Administrative Collateral Agent and the UK Security Trustee may rely conclusively on any such certificate, without further inquiry), (iii) constituting property leased to a Loan Party under a lease which has expired or been terminated in a transaction permitted under this Agreement, (iv) as required to effect any sale or other disposition of such Collateral in connection with any exercise of remedies of the Administrative Collateral Agent, the UK Security Trustee and the Lenders pursuant to Article VII, (v) if such Liens were granted by any Loan Party which has been designated as an Unrestricted Subsidiary in accordance with Section 5.14 if such Loan Party certifies to the Administrative Collateral Agent that the designation of such Loan Party as an Unrestricted Subsidiary is in compliance with the terms of Section 5.14 (and each of the Administrative Collateral Agent and the UK Security Trustee may rely on any such certificate without further inquiry) or (vi) if such Liens were granted by any Loan Party with respect to which 100% of its Equity Interests have been sold in a transaction permitted pursuant to Section 6.05 and the Borrowers have made all applicable prepayments required under Article II in connection therewith, and the Borrowers certify to the Administrative Collateral Agent or the UK Security Trustee, as applicable, that the transaction and any required prepayments have been made in compliance with the terms of this Agreement (and the Administrative Collateral Agent and the UK Security Trustee may rely conclusively on any such certificate, without further inquiry). Except as provided in the preceding sentence, neither the Administrative Collateral Agent nor the UK Security Trustee will release any Liens on Collateral without the prior written authorization of the Co-Collateral Agent and the Required Lenders; provided that, the Administrative Collateral Agent and the UK Security Trustee may in their discretion, release their Liens on Collateral valued in the aggregate not in excess of \$2,500,000 during any calendar year without the prior written authorization of the Required Lenders. The Lenders hereby irrevocably authorize the Administrative Agent, at its option and in its sole discretion, to release any Loan Guarantor from its obligation under its Loan Guaranty if (x) such Loan Guarantor has been designated as an Unrestricted Subsidiary in accordance with Section 5.14 and such Loan Party certifies to the Administrative Agent that the designation of such Loan Guarantor as an Unrestricted Subsidiary is in compliance with the terms of Section 5.14 (and the Administrative Agent may rely on any such certificate without further inquiry) or (y) 100% of the Equity Interests of such Loan Guarantor have been sold in a transaction permitted pursuant to Section 6.05 and the Borrowers have made all applicable prepayments required under Article II in connection therewith, and the Borrowers certify to the Administrative Agent that the transaction and any required prepayments have been made in compliance with the terms of this Agreement (and the Administrative Agent may rely conclusively on any such certificate, without further inquiry). Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly being released) upon (or obligations of the Loan Parties in respect of) all interests retained by the Loan Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral.

(d) If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender affected thereby," the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a "<u>Non-Consenting Lender</u>"), then the Borrowers may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, <u>provided that</u>, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Borrowers and the Administrative Agent shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of clause (b) of Section 9.04, and (ii) the Borrowers shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender under Sections 2.15 and 2.17, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.16 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender.

Section 9.03. Expenses; Indemnity; Damage Waiver . (a) Borrowers shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent, each Collateral Agent, and their respective Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent or such Collateral Agent, as the case may be, in connection with the syndication and distribution (including, without limitation, via the internet or through a service such as Intralinks) of the credit facilities provided for herein, the preparation and administration of the Loan Documents or any amendments, modifications or waivers of the provisions of the Loan Documents (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by any Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by any Agent, any Issuing Bank or any Lender, including the reasonable fees, charges and disbursements of any counsel for any Agent, any Issuing Bank or any Lender, in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit. Expenses being reimbursed by the Borrowers under this Section include, without limiting the generality of the foregoing, but in each and every case subject to the terms and conditions of this Agreement, costs and expenses incurred in connection with:

#### (i) appraisals and insurance reviews;

(ii) field examinations and the preparation of Reports based on the fees charged by a third party retained by the Administrative Agent or the Co-Collateral Agent or the internally allocated fees for each Person employed by the Administrative Agent or the Co-Collateral Agent with respect to each field examination (which field examination fees, as of the Effective Date, shall not exceed \$1,000 per day per examiner);

(iii) background checks regarding senior management and/or key investors, as deemed necessary or appropriate in the sole discretion of the Administrative Agent;

(iv) taxes, fees and other charges for (A) lien and title searches and title insurance and (B) recording the Collateral Documents, filing financing statements and continuations, and other actions to perfect, protect, and continue the Liens of the Administrative Collateral Agent and the UK Security Trustee;

(v) sums paid or incurred to take any action required of any Loan Party under the Loan Documents that such Loan Party fails to pay or take; and

(vi) forwarding loan proceeds, collecting checks and other items of payment, and establishing and maintaining the accounts and lock boxes, and costs and expenses of preserving and protecting the Collateral.

All of the foregoing costs and expenses shall be due and payable within 10 Business Days of receipt of an invoice therefor, except that (x) all such fees and expenses incurred prior to the Effective Date shall be due on or prior to the Effective Date, (y) all fees and expenses described in Section 9.03(a)(ii) shall be due on or prior to the date of the issuance, amendment, renewal or extension of the applicable Letter of Credit and (z) all costs and expenses in connection with any amendment, modification or waiver of any Loan Document shall be due on or prior to the effective date of any such amendment, modification or waiver. All of the foregoing costs and expenses may be charged when due to the Borrowers as Revolving Loans or to another deposit account, all as described in Section 2.18(c).

(b) The Borrowers shall, jointly and severally, indemnify the Agents, the Issuing Banks and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "<u>Indemnitee</u>") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, penalties, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of the Loan Documents or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Cliffstar Acquisition, the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by any Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Borrower or any of their Subsidiaries, or any Environmental Liability related in any way to any Borrower or any of their Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to

any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; <u>provided</u> that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, penalties, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

(c) To the extent that the Borrowers fail to pay any amount required to be paid by it to any Agent, any Issuing Bank or any Swingline Lender under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to such Agent, such Issuing Bank or such Swingline Lender, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; <u>provided</u> that the unreimbursed expense or indemnified loss, claim, damage, penalty, liability or related expense, as the case may be, was incurred by or asserted against such Agent, such Issuing Bank or such Swingline Lender in its capacity as such.

(d) To the extent permitted by applicable law, no Loan Party shall assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Cliffstar Acquisition, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable promptly (and in any event, within 10 Business Days) after written demand therefor.

Section 9.04. <u>Successors and Assigns</u>. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), except that (i) the Borrowers may not assign or otherwise transfer any of their rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrowers without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Agents, the Issuing Banks and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Subject to the conditions set forth in paragraph (c)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Borrower Representative (provided that such consent shall not be unreasonably withheld or unduly delayed), <u>provided</u> that no consent of the Borrower Representative shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee;

(B) the Administrative Agent; and

(C) the Issuing Banks.

(c) Assignments shall be subject to the following additional conditions:

(i) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 unless each of the Borrower Representative and the Administrative Agent otherwise consent, provided that no such consent of the Borrower Representative shall be required if an Event of Default has occurred and is continuing;

(ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(iii) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; and

(iv) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more Credit Contacts to whom all syndicate-level information (which may contain material non-public information about the Company, the Loan Parties and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including federal, provincial, territorial and state securities laws.

For the purposes of this Section 9.04(b), the term "<u>Approved Fund</u>" has the following meaning:

"<u>Approved Fund</u>" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(d) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (g) of this Section.

(e) The Administrative Agent, acting for this purpose as an agent of the Borrowers, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "<u>Register</u>"). The entries in the Register shall be conclusive, and the Borrowers, the Administrative Agent, each Collateral Agent, the Issuing Banks and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers, the Issuing Banks and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(f) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (c)(iii) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.05, 2.06(d) or (e), 2.07(b), 2.18(d) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(g) (i) Any Lender may, without the consent of the Borrowers, any Agent, any Issuing Bank or any Swingline Lender, sell participations to one or more banks or other entities (a "<u>Participant</u>") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); <u>provided that</u> (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall

remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrowers, the Agents, the Issuing Banks and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; <u>provided</u> that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(c) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.15 or 2.17 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower Representative's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.17 unless the Borrower Representative is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrowers, to comply with Section 2.17(g) as though it were a Lender.

(h) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; <u>provided</u> that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledge or assignee for such Lender as a party hereto.

Section 9.05. <u>Survival</u>. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that any Agent, any Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding (unless the same has been cash collateralized in accordance with Section 2.06(j) hereof) and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

Section 9.06. <u>Counterparts; Integration; Effectiveness</u>. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or by electronic communication (including e-mail and internet or intranet websites) shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 9.07. <u>Severability</u>. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 9.08. <u>Right of Setoff</u>. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrowers or any Loan Guarantor against any and all of the Secured Obligations held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured. The applicable Lender shall promptly notify the Borrower Representative and the Administrative Agent of such set-off or application, <u>provided</u> that any failure to give or any delay in giving such notice shall not affect the validity of any such set-off or application under this Section. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

Section 9.09. <u>Governing Law</u>; Jurisdiction; Consent to Service of Process . (a) The Loan Documents (other than those containing a contrary express choice of law provision) shall be governed by and construed in accordance with the laws of the State of New York, but giving effect to federal laws applicable to national banks.

(b) Each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any U.S. Federal or New York State court sitting in the Borough of Manhattan, New York, New York in any action or proceeding arising

out of or relating to any Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent, either Collateral Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(c) Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 9.10. <u>WAIVER OF JURY TRIAL</u>. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.11. <u>Headings</u>. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 9.12. <u>Confidentiality</u>. Each of the Administrative Agent, the Collateral Agents, the Issuing Banks and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be

informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by Requirement of Laws or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Loan Parties and their obligations or (g) with the consent of the Borrower Representative. For the purposes of this Section, "Information" means all information received from the Borrowers and their Affiliates relating to the Borrowers, their Affiliates or their business, other than (i) any such information that is available to any Agent, any Issuing Bank or any Lender on a non-confidential basis prior to disclosure by the Borrowers and (ii) any such information which (a) is or becomes generally available to the public other than as a result of a disclosure by any Agent, any Issuing Bank or any Lender, (b) becomes available to any Agent, any Issuing Bank or any Lender or any of their representatives from a source other than any Loan Party or one of its agents who is not known to such Agent, Issuing Bank or Lender to be bound by any obligations of confidentiality to such Loan Party, or (c) was known to any Agent, any Issuing Bank or any Lender or any of their representatives or was independently developed by any Agent, any Issuing Bank or any Lender or any of their representatives prior to its disclosure to the Agents, Issuing Banks or Lenders by any Loan Party or one of its agents. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN SECTION 9.12 FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE COMPANY AND ITS AFFILIATES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL, PROVINCIAL, TERRITORIAL AND STATE SECURITIES LAWS.

ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWERS OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE COMPANY, THE LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE

# BORROWERS AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL, PROVINCIAL, TERRITORIAL AND STATE SECURITIES LAWS.

Section 9.13. <u>Several Obligations; Nonreliance; Violation of Law</u>. The respective obligations of the Lenders hereunder are several and not joint and the failure of any Lender to make any Loan or perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. Each Lender hereby represents that it is not relying on or looking to any margin stock for the repayment of the Borrowings provided for herein. Anything contained in this Agreement to the contrary notwithstanding, neither any Issuing Bank nor any Lender shall be obligated to extend credit to the Borrowers in violation of any Requirement of Law.

Section 9.14. <u>USA PATRIOT Act</u>. Each Lender that is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "<u>Act</u>") hereby notifies the Borrowers that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrowers, which information includes the names and addresses of the Borrowers and other information that will allow such Lender to identify the Borrowers in accordance with the Act.

Section 9.15. <u>Disclosure</u>. Each Loan Party and each Lender hereby acknowledges and agrees that the Administrative Agent and/or its Affiliates from time to time may hold investments in, make other loans to or have other relationships with any of the Loan Parties and their respective Affiliates.

Section 9.16. <u>Appointment for Perfection</u>. Each Lender hereby appoints each other Lender as its agent for the purpose of perfecting Liens, for the benefit of the Administrative Agent, the Administrative Collateral Agent, the UK Security Trustee and the Lenders, in assets which, in accordance with Article 9 of the UCC or any other applicable law can be perfected only by possession. Should any Lender (other than the Administrative Collateral Agent or the UK Security Trustee, as applicable) obtain possession of any such Collateral, such Lender shall notify the Administrative Collateral Agent or the UK Security Trustee, as applicable, thereof, and, promptly upon the request of the Administrative Collateral Agent or the UK Security Trustee, as applicable, therefor shall deliver such Collateral to the Administrative Collateral Agent or the UK Security Trustee, as applicable, in accordance with the instructions of the Administrative Collateral Agent or the UK Security Trustee, as applicable, therefor shall deliver such Collateral to the Administrative Collateral Agent or the UK Security Trustee, as applicable, therefor shall deliver such Collateral to the Administrative Collateral Agent or the UK Security Trustee, as applicable, therefor shall deliver such Collateral to the Administrative Collateral Agent or the UK Security Trustee, as applicable, or otherwise deal with such Collateral in accordance with the instructions of the Administrative Collateral Agent or the UK Security Trustee, as applicable.

Section 9.17. <u>Interest Rate Limitation</u>. (a) Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder,

together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

(b) If any provision of this Agreement or of any of the other Loan Documents would obligate any Loan Party to make any payment of interest or other amount payable to the Lenders in an amount or calculated at a rate which would be prohibited by the laws of Canada or of any political subdivision thereof or would result in a receipt by the Lenders of interest at a criminal rate (as such terms are construed under the Criminal Code (Canada)) then, notwithstanding such provisions, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lenders of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows: (1) firstly, by reducing the amount or rate of interest required to be paid to the Lenders under this Section 2.13, and (2) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Lenders which would constitute "interest" for purposes of Section 347 of the Criminal Code (Canada). Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if the Lenders shall have received an amount in excess of the maximum permitted by that section of the Criminal Code (Canada), the Loan Parties shall be entitled, by notice in writing to the Administrative Agent, to obtain reimbursement from the Lenders in an amount equal to such excess and, pending such reimbursement, such amount shall be deemed to be an amount payable by the Lenders to the Borrower. Any amount or rate of interest referred to in this Section 2.13(1) shall be determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term that the applicable Loan remains outstanding on the assumption that any charges, fees or expenses that fall within the meaning of "interest" (as defined in the Criminal Code (Canada)) shall, if they relate to a specific period of time, be pro-rated over that period of time and otherwise be pro-rated over the period from the Effective Date to the Maturity Date and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Administrative Agent shall be conclusive for the purposes of such determination.

Section 9.18. <u>Waiver of Immunity</u>. To the extent that any Borrower has, or hereafter may be entitled to claim or may acquire, for itself, any Collateral or other assets of the Loan Parties, any immunity (whether sovereign or otherwise) from suit, jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution or otherwise) with respect to itself, any Collateral or any other assets of the Loan Parties, such Borrower hereby waives such immunity in respect of its obligations hereunder and under any promissory notes evidencing the Loans hereunder and any other Loan Document to the fullest extent permitted by applicable Requirements of Law and, without limiting the generality of the foregoing, agrees that the waivers set forth in this Section 9.18 shall be effective to the fullest extent now or hereafter permitted under the Foreign Sovereign Immunities Act of 1976 (as amended, and together with any successor legislation) and are, and are intended to be, irrevocable for purposes thereof.

Section 9.19. <u>Currency of Payment</u>. Each payment owing by any Borrower hereunder shall be made in the relevant currency specified herein or, if not specified herein, specified in any other Loan Document executed by the Administrative Agent or the Administrative Collateral Agent (the "<u>Currency of Payment</u>") at the place specified herein (such requirements are of the essence of this Agreement). If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum due hereunder in a Currency of Payment into another currency, the parties hereto agree that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase such Currency of Payment with such other currency at the spot rate of exchange quoted by the Administrative Agent at 11:00 a.m. (New York time) on the Business Day preceding that on which final judgment is given, for delivery two Business Days thereafter. The obligations in respect of any sum due hereunder to any Lender or any Issuing Bank shall, notwithstanding any adjudication expressed in a currency other than the Currency of Payment, be discharged only to the extent that, on the Business Day following receipt by such Lender or Issuing Bank of any sum adjudged to be so due in such other currency. Each Borrower agrees that (a) if the amount of the Currency of Payment with such other currency. Each Borrower agrees that (b) if the amount of the Currency of Payment so purchased is less than the sum originally due to such Lender or Issuing Bank in the Currency of Payment) to such Lender or Issuing Bank and (b) if the amount of the Currency of Payment so purchased exceeds the sum originally due to such Lender or Issuing Bank, such Lender or Issuing Bank shall promptly pay the excess over to such Borrower in the currency and to the extent actually received.

Section 9.20. <u>Conflicts</u>. In the event of any conflict between the terms of this Agreement and the terms of any other Loan Document, the terms of this Agreement shall, to the extent of such conflict, prevail.

#### ARTICLE X

#### Loan Guaranty

Section 10.01. <u>Guaranty</u>. Each Loan Guarantor (other than those that have delivered a separate Guaranty) hereby agrees that it is jointly and severally liable for, and, as primary obligor and not merely as surety, absolutely and unconditionally guarantees to the Lenders, the Agents and the Issuing Banks (collectively, the "<u>Guaranteed Parties</u>") the prompt payment when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, of the Secured Obligations and all costs and expenses including, without limitation, all court costs and attorneys' and paralegals' fees (including allocated costs of in-house counsel and paralegals) and expenses paid or incurred by the Agents, the Issuing Banks and the Lenders in endeavoring to collect all or any part of the Secured Obligations from, or in prosecuting any action against, any Borrower, any other Loan Guarantor or any other guarantor of all or any part of the Secured Obligations (such costs and expenses, together with the Secured Obligations, collectively the "<u>Guaranteed Obligations</u>"). Each Loan Guarantor further agrees that the Guaranteed Obligations may be extended or renewed in whole or in part without notice to or further assent from it, and

that it remains bound upon its guarantee notwithstanding any such extension or renewal. All terms of this Loan Guaranty apply to and may be enforced by or on behalf of any domestic or foreign branch or Affiliate of any Lender that extended any portion of the Guaranteed Obligations.

Section 10.02. <u>Guaranty of Payment</u>. This Loan Guaranty is a guaranty of payment and not of collection. Each Loan Guarantor waives any right to require any Agent, any Issuing Bank or any Lender to sue any Borrower, any other Loan Guarantor, any other guarantor, or any other Person obligated for all or any part of the Guaranteed Obligations (each, an "<u>Obligated Party</u>"), or otherwise to enforce its payment against any collateral securing all or any part of the Guaranteed Obligations.

As an original and independent obligation under this Loan Guaranty, each Loan Guarantor shall:

(a) indemnify each Guaranteed Party and its successors, endorsees, transferees and assigns and keep the Guaranteed Parties indemnified against all costs, losses, expenses and liabilities of whatever kind resulting from the failure by the Loan Parties or any of them, to make due and punctual payment of any of the Secured Obligations or resulting from any of the Secured Obligations being or becoming void, voidable, unenforceable or ineffective against any Loan Party (including, but without limitation, all legal and other costs, charges and expenses incurred by each Guaranteed Party, or any of them, in connection with preserving or enforcing, or attempting to preserve or enforce, its rights under this Loan Guaranty); and

(b) pay on demand the amount of such costs, losses, expenses and liabilities whether or not any of the Guaranteed Parties has attempted to enforce any rights against any Loan Party or any other Person or otherwise.

Section 10.03. <u>No Discharge or Diminishment of Loan Guaranty</u>. (a) Except as otherwise provided for herein, the obligations of each Loan Guarantor hereunder are unconditional and absolute and not subject to any reduction, limitation, impairment or termination for any reason (other than the indefeasible payment in full in cash of the Guaranteed Obligations), including: (i) any claim of waiver, release, extension, renewal, settlement, surrender, alteration, or compromise of any of the Guaranteed Obligations, by operation of law or otherwise; (ii) any change in the corporate existence, structure or ownership of any Borrower or any other guarantor of or other person liable for any of the Guaranteed Obligations; (iii) any insolvency, bankruptcy, winding-up, liquidation, reorganization or other similar proceeding affecting any Obligated Party, or their assets or any resulting release or discharge of any obligation of any Obligated Party; or (iv) the existence of any claim, setoff or other rights which any Loan Guarantor may have at any time against any Obligated Party, any Agent, any Issuing Bank, any Lender, or any other person, whether in connection herewith or in any unrelated transactions.

(b) The obligations of each Loan Guarantor hereunder are not subject to any defense or setoff, counterclaim, recoupment, or termination whatsoever by reason of the invalidity, illegality, or unenforceability of any of the Guaranteed Obligations or otherwise, or any provision of applicable law or regulation purporting to prohibit payment by any Obligated Party, of the Guaranteed Obligations or any part thereof.

(c) Further, the obligations of any Loan Guarantor hereunder are not discharged or impaired or otherwise affected by: (i) the failure of any Agent, any Issuing Bank or any Lender to assert any claim or demand or to enforce any remedy with respect to all or any part of the Guaranteed Obligations; (ii) any waiver or modification of or supplement to any provision of any agreement relating to the Guaranteed Obligations; (iii) any release, non-perfection, or invalidity of any indirect or direct security for the obligations of any Borrower for all or any part of the Guaranteed Obligations or any obligations of any other guarantor of or other person liable for any of the Guaranteed Obligations; (iv) any action or failure to act by any Agent, any Issuing Bank or any Lender with respect to any collateral securing any part of the Guaranteed Obligations; or (v) any default, failure or delay, willful or otherwise, in the payment or performance of any of the Guaranteed Obligations, or any other circumstance, act, omission or delay that might in any manner or to any extent vary the risk of such Loan Guarantor or that would otherwise operate as a discharge of any Loan Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of the Guaranteed Obligations).

Section 10.04. <u>Defenses Waived</u>. To the fullest extent permitted by applicable law, each Loan Guarantor hereby waives any defense based on or arising out of any defense of any Borrower or any other Loan Guarantor or the unenforceability of all or any part of the Guaranteed Obligations from any cause, or the cessation from any cause of the liability of any Borrower or any other Loan Guarantor, other than the indefeasible payment in full in cash of the Guaranteed Obligations. Without limiting the generality of the foregoing, each Loan Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any person against any Obligated Party, or any other person. The Administrative Collateral Agent or the UK Security Trustee, as applicable, may, at its election, foreclose on any Collateral held by it by one or more judicial or nonjudicial sales, accept an assignment of any such Collateral in lieu of foreclosure or otherwise act or fail to act with respect to any collateral securing all or a part of the Guaranteed Obligations, compromise or adjust any part of the Guaranteed Obligations, make any other accommodation with any Obligated Party or exercise any other right or remedy available to it against any Obligated Party, without affecting or impairing in any way the liability of such Loan Guarantor under this Loan Guaranty except to the extent the Guaranteed Obligations have been fully and indefeasibly paid in cash. To the fullest extent permitted by applicable law, each Loan Guarantor waives any defense arising out of any such election even though that election may operate, pursuant to applicable law, to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Loan Guarantor against any Obligated Party or any security.

Section 10.05. <u>Rights of Subrogation</u>. No Loan Guarantor will assert any right, claim or cause of action, including, without limitation, a claim of subrogation, contribution or indemnification that it has against any Obligated Party, or any collateral, until the Loan Parties and the Loan Guarantors have fully performed all their obligations to the Agents, the Issuing Banks and the Lenders.

Section 10.06. <u>Reinstatement</u>; <u>Stay of Acceleration</u>. If at any time any payment of any portion of the Guaranteed Obligations is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, or reorganization of any Borrower or otherwise, each Loan Guarantor's obligations under this Loan Guaranty with respect to that payment shall be

reinstated at such time as though the payment had not been made and whether or not the Agents, the Issuing Banks and the Lenders are in possession of this Loan Guaranty. If acceleration of the time for payment of any of the Guaranteed Obligations is stayed upon the insolvency, bankruptcy or reorganization of any Borrower, all such amounts otherwise subject to acceleration under the terms of any agreement relating to the Guaranteed Obligations shall nonetheless be payable by the Loan Guarantors forthwith on demand by the Lender.

Section 10.07. <u>Information</u>. Each Loan Guarantor assumes all responsibility for being and keeping itself informed of the Borrowers' financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations and the nature, scope and extent of the risks that each Loan Guarantor assumes and incurs under this Loan Guaranty, and agrees that neither any Agent, any Issuing Bank nor any Lender shall have any duty to advise any Loan Guarantor of information known to it regarding those circumstances or risks.

Section 10.08. <u>Termination</u>. The Lenders may continue to make loans or extend credit to the Borrowers based on this Loan Guaranty until five days after it receives written notice of termination from any Loan Guarantor. Notwithstanding receipt of any such notice, each Loan Guarantor will continue to be liable to the Lenders for any Guaranteed Obligations created, assumed or committed to prior to the fifth day after receipt of the notice, and all subsequent renewals, extensions, modifications and amendments with respect to, or substitutions for, all or any part of that Guaranteed Obligations.

Section 10.09. <u>Taxes</u>. All payments of the Guaranteed Obligations will be made by each Loan Guarantor free and clear of and without withholding or deduction for any Indemnified Taxes or Other Taxes; <u>provided</u> that if any Loan Guarantor shall be required to withhold or deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required withholdings or deductions (including withholdings or deductions applicable to additional sums payable under this Section) the Administrative Agent, the Collateral Agents, Lender or Issuing Bank (as the case may be) receives an amount equal to the sum it would have received had no such withholdings or deductions been made, (ii) such Loan Guarantor shall make such withholdings or deductions and (iii) such Loan Guarantor shall pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with applicable law.

Section 10.10. <u>Maximum Liability</u>. The provisions of this Loan Guaranty are severable, and in any action or proceeding involving any corporate law, or any provincial, state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Loan Guarantor under this Loan Guaranty would otherwise be held or determined to be void, voidable, avoidable, invalid or unenforceable on account of the amount of such Loan Guarantor's liability under this Loan Guaranty, then, notwithstanding any other provision of this Loan Guaranty to the contrary, the amount of such liability shall, without any further action by the Loan Guarantors or the Lenders, be automatically limited and reduced to the highest amount that is valid and enforceable as determined in such action or proceeding (such highest amount determined hereunder being the relevant Loan Guarantor's "<u>Maximum Liability</u>". This Section with respect to the Maximum Liability of each Loan Guarantor is intended solely to preserve the rights of the Lenders to the maximum extent not subject to

avoidance under applicable law, and no Loan Guarantor nor any other person or entity shall have any right or claim under this Section with respect to such Maximum Liability, except to the extent necessary so that the obligations of any Loan Guarantor hereunder shall not be rendered voidable under applicable law. Each Loan Guarantor agrees that the Guaranteed Obligations may at any time and from time to time exceed the Maximum Liability of each Loan Guarantor without impairing this Loan Guaranty or affecting the rights and remedies of the Lenders hereunder, provided that, nothing in this sentence shall be construed to increase any Loan Guarantor's obligations hereunder beyond its Maximum Liability.

Section 10.11. Contribution . In the event any Loan Guarantor (a "Paying Guarantor") shall make any payment or payments under this Loan Guaranty or shall suffer any loss as a result of any realization upon any collateral granted by it to secure its obligations under this Loan Guaranty, each other Loan Guarantor (each a "Non-Paying Guarantor") shall contribute to such Paying Guarantor an amount equal to such Non-Paying Guarantor's "Applicable Percentage" of such payment or payments made, or losses suffered, by such Paying Guarantor. For purposes of this Article X, each Non-Paying Guarantor's "Applicable Percentage" with respect to any such payment or loss by a Paying Guarantor shall be determined as of the date on which such payment or loss was made by reference to the ratio of (i) such Non-Paying Guarantor's Maximum Liability as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder) or, if such Non-Paying Guarantor's Maximum Liability has not been determined, the aggregate amount of all monies received by such Non-Paying Guarantor from the Borrowers after the date hereof (whether by loan, capital infusion or by other means) to (ii) the aggregate Maximum Liability of all Loan Guarantors hereunder (including such Paying Guarantor) as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder), or to the extent that a Maximum Liability has not been determined for any Loan Guarantor, the aggregate amount of all monies received by such Loan Guarantors from the Borrowers after the date hereof (whether by loan, capital infusion or by other means). Nothing in this provision shall affect any Loan Guarantor's several liability for the entire amount of the Guaranteed Obligations (up to such Loan Guarantor's Maximum Liability). Each of the Loan Guarantors covenants and agrees that its right to receive any contribution under this Loan Guaranty from a Non-Paying Guarantor shall be subordinate and junior in right of payment to the payment in full in cash of the Guaranteed Obligations. This provision is for the benefit of the Administrative Agent, the Collateral Agents, the Issuing Banks, the Lenders and the Loan Guarantors and may be enforced by any one, or more, or all of them in accordance with the terms hereof.

Section 10.12. <u>Liability Cumulative</u>. The liability of each Loan Party as a Loan Guarantor under this Article X is in addition to and shall be cumulative with all liabilities of each Loan Party to the Agents, the Issuing Banks and the Lenders under this Agreement and the other Loan Documents to which such Loan Party is a party or in respect of any obligations or liabilities of the other Loan Parties, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

#### ARTICLE XI

#### The Borrower Representative

Section 11.01. <u>Appointment; Nature of Relationship</u>. The Company is hereby appointed by each of the Borrowers as its contractual representative (herein referred to as the "<u>Borrower Representative</u>") hereunder and under each other Loan Document, and each of the Borrowers irrevocably authorizes the Borrower Representative to act as the contractual representative of such Borrower with the rights and duties expressly set forth herein and in the other Loan Documents. The Borrower Representative agrees to act as such contractual representative upon the express conditions contained in this Article XI. Additionally, each Borrower hereby appoints, to the extent the Borrower Representative requests any Loan on behalf of such Borrower, the Borrower Representative as its agent to receive all of the proceeds of such Loan in the Funding Account(s), at which time the Borrower Representative shall promptly disburse such Loan to such Borrower. The Administrative Agent; the Collateral Agents and the Lenders, and their respective officers, directors, agents or employees, shall not be liable to the Borrower Representative or any Borrower for any action taken or omitted to be taken by the Borrower Representative or the Borrowers pursuant to this Section 11.01.

Section 11.02. <u>Powers</u>. The Borrower Representative shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Borrower Representative by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Borrower Representative shall have no implied duties to the Borrowers, or any obligation to the Lenders to take any action thereunder except any action specifically provided by the Loan Documents to be taken by the Borrower Representative.

Section 11.03. <u>Employment of Agents</u>. The Borrower Representative may execute any of its duties as the Borrower Representative hereunder and under any other Loan Document by or through authorized officers.

Section 11.04. <u>Notices</u>. Each Borrower shall immediately notify the Borrower Representative of the occurrence of any Default hereunder referring to this Agreement describing such Default and stating that such notice is a "notice of default." In the event that the Borrower Representative receives such a notice, the Borrower Representative shall give prompt notice thereof to the Administrative Agent; the Collateral Agents and the Lenders. Any notice provided to the Borrower Representative hereunder shall constitute notice to each Borrower on the date received by the Borrower Representative.

Section 11.05. <u>Successor Borrower Representative</u>. Upon the prior written consent of the Administrative Agent, the Borrower Representative may resign at any time, such resignation to be effective upon the appointment of a successor Borrower Representative. The Administrative Agent shall give prompt written notice of such resignation to the Lenders.

Section 11.06. <u>Execution of Loan Documents</u>; <u>Borrowing Base Certificate</u>. The Borrowers hereby empower and authorize the Borrower Representative, on behalf of the Borrowers, to execute and deliver to the Agents and the Lenders the Loan Documents and all related agreements, certificates, documents, or instruments as shall be necessary or appropriate to

effect the purposes of the Loan Documents, including without limitation, the Aggregate Borrowing Base Certificate and the Borrowing Base Certificate of each Borrower and the compliance certificates required pursuant to Article V. Each Borrower agrees that any action taken by the Borrower Representative or the Borrowers in accordance with the terms of this Agreement or the other Loan Documents, and the exercise by the Borrower Representative of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Borrowers.

Section 11.07. <u>Reporting</u>. Each Borrower hereby agrees that such Borrower shall furnish promptly after each fiscal month to the Borrower Representative a copy of its Borrowing Base Certificate and any other certificate or report required hereunder or requested by the Borrower Representative on which the Borrower Representative shall rely to prepare the Aggregate Borrowing Base Certificate and the Borrowing Base Certificates required pursuant to Article V.

#### ARTICLE XII

#### **Foreign Currency Participations**

Section 12.01. Loans; Intra-Lender Issues. Notwithstanding anything to the contrary contained herein, all Loans and Letter of Credit Advances that are denominated in the Specified Foreign Currency (each, a "Specified Foreign Currency Loan") shall be made solely by the Lenders (including Chase) who are not Participating Specified Foreign Currency Lenders (as defined below). Each Lender acceptable to Chase that does not have Specified Foreign Currency Funding Capacity in one or more Specified Foreign Currencies and who agrees in writing with Chase to purchase foreign currency participations pursuant to this Article XII (a "Participating Specified Foreign Currency Lender") in Loans and Letter of Credit Advances funded in such Specified Foreign Currencies, shall irrevocably and unconditionally purchase and acquire and shall be deemed to irrevocably and unconditionally purchase and acquire from Chase, and Chase shall sell and be deemed to sell to each such Participating Specified Foreign Currency Lender, without recourse or any representation or warranty whatsoever, an undivided interest and participation (a "Specified Foreign Currency Participation") in each Loan or Letter of Credit Advance which is a Specified Foreign Currency Loan funded by Chase in an amount equal to such Participating Specified Foreign Currency Lender's Applicable Percentage of the Borrowing that includes such Loan or Letter of Credit Advance. Such purchase and sale of a Specified Foreign Currency Participation shall be deemed to occur automatically upon the making of a Specified Foreign Currency Loan by Chase, without any further notice to any Participating Specified Foreign Currency Lender. Notwithstanding anything to the contrary contained herein, Chase may, at any time by written notice, terminate its agreement with any Participating Specified Foreign Currency Lender to fund any Specified Foreign Currency Loan on behalf of such Participation Lender. Upon the giving of such notice by Chase, Chase shall cease to have any obligations under this Section 12.01 with respect to the funding of Specified Foreign Currency Loans on behalf of such Lender and such Lender shall no longer be a Participating Specified Foreign Currency Lender with respect to Loans or Letters of Credit Advances made after the date of such notice. The purchase price payable by each Participating Specified Foreign

Currency Lender to Chase for each Specified Foreign Currency Participation purchased by it from Chase shall be equal to 100% of the principal amount of such Specified Foreign Currency Participation (i.e., the product of (i) the amount of the Borrowing that includes the relevant Loan or Letter of Credit Advance and (ii) such Participating Specified Foreign Currency Lender's Applicable Percentage), and such purchase price shall be payable by each Participating Specified Foreign Currency Lender to Chase in accordance with the settlement procedure set forth in Section 12.02 below. Chase and the Administrative Agent shall record on their books the amount of the Loans and Letter of Credit Advances made by Chase and each Participating Specified Foreign Currency Lender's Specified Foreign Currency Participation and Funded Specified Foreign Currency Participation therein, all payments in respect thereof and interest accrued thereon and all payments made by and to each Participating Specified Foreign Currency Lender pursuant to this Section 12.01. Chase at its option may make any Specified Foreign Currency Loan by causing any domestic or foreign branch or Affiliate of Chase to make such Specified Foreign Currency Loan.

Section 12.02. <u>Settlement Procedure for Specified Foreign Currency Participations</u>. Each Participating Specified Foreign Currency Lender's Specified Foreign Currency Participation in the Specified Foreign Currency Loans shall be in an amount equal to its Applicable Percentage of all such Specified Foreign Currency Loans. However, in order to facilitate the administration of the Specified Foreign Currency Loans made by Chase and the Specified Foreign Currency Participations, settlement among Chase and the Participating Specified Foreign Currency Lenders' Specified Foreign Currency Participations shall take place in accordance with the following provisions:

(i) Chase and the Participating Specified Foreign Currency Lenders shall settle (a "<u>Specified Foreign Currency Participation</u> <u>Settlement</u>") by payments in respect of the Specified Foreign Currency Participations as follows: so long as any Specified Foreign Currency Loans are outstanding, Specified Foreign Currency Participation Settlements shall be effected upon the request of Chase through the Administrative Agent on such Business Days as requested by Chase and as the Administrative Agent shall specify by a notice by telecopy, telephone or similar form of notice to each Participating Specified Foreign Currency Lender requesting such Specified Foreign Currency Participation Settlement (each such date on which a Specified Foreign Currency Participation Settlement occurs herein called a " <u>Specified Foreign Currency Participation Settlement Date</u>"), such notice to be delivered no later than 1:00 p.m., Chicago time, at least one Business Day prior to the requested Specified Foreign Currency Participation Settlement Date; <u>provided</u> that Chase shall have the option but not the obligation to request a Specified Foreign Currency Participation Settlement Date; <u>provided</u> that Chase shall not request a Specified Foreign Currency Participation Settlement Date prior to the occurrence of an Event of Default; <u>provided further</u>, that if (x) such Event of Default is cured or waived in writing in accordance with the terms hereof, (y) no Obligations have yet been declared due and payable under Article VII (or a rescission has occurred) and (z) the Administrative Agent has actual knowledge of such cure or waiver, all prior to the Administrative Agent's giving notice to the Participating Specified Foreign Currency Lenders of the first Specified Foreign Currency Participation Settlement

Date under this Agreement, then the Administrative Agent shall not give notice to the Participating Specified Foreign Currency Lenders of a Specified Foreign Currency Participation Settlement Date based upon such cured or waived Event of Default. If on any Specified Foreign Currency Participation Settlement Date the total principal amount of the Specified Foreign Currency Loans made or deemed made by Chase during the period ending on (but excluding) such Specified Foreign Currency Participation Settlement Date and commencing on (and including) the immediately preceding Specified Foreign Currency Participation Settlement Date (or the Effective Date in the case of the period ending on the first Specified Foreign Currency Participation Settlement Date) (each such period herein called a "Specified Foreign Currency Participation Settlement Period,") is greater than the principal amount of Specified Foreign Currency Loans repaid during such Specified Foreign Currency Participation Settlement Period to Chase, each Participating Specified Foreign Currency Lender shall pay to Chase (through the Administrative Agent), no later than 12:00 p.m., Chicago time, on such Specified Foreign Currency Participation Settlement Date, an amount equal to such Participating Specified Foreign Currency Lender's ratable share of the amount of such excess. If in any Specified Foreign Currency Participation Settlement Period the outstanding principal amount of the Specified Foreign Currency Loans repaid to Chase in such period exceeds the total principal amount of the Specified Foreign Currency Loans made or deemed made by Chase during such period, Chase shall pay to each Participating Specified Foreign Currency Lender (through the Administrative Agent) on such Specified Foreign Currency Participation Settlement Date an amount equal to such Participating Specified Foreign Currency Lender's ratable share of such excess. Specified Foreign Currency Participation Settlements in respect of Specified Foreign Currency Loans shall be made in the currency in which such Specified Foreign Currency Loan was funded on the Specified Foreign Currency Participation Settlement Date for such Specified Foreign Currency Loans.

(ii) If any Participating Specified Foreign Currency Lender fails to pay to Chase on any Specified Foreign Currency Participation Settlement Date the full amount required to be paid by such Participating Specified Foreign Currency Lender to Chase on such Specified Foreign Currency Participation Settlement Date in respect of such Participating Specified Foreign Currency Lender's Specified Foreign Currency Participation (such Participating Specified Foreign Currency Lender's "Specified Foreign Currency Participation Settlement <u>Amount</u>") with Chase, Chase shall be entitled to recover such unpaid amount from such Participating Specified Foreign Currency Lender, together with interest thereon (in the same respective currency or currencies as the relevant Specified Foreign Currency Loans) at the Alternate Base Rate plus 2.00% per annum. Without limiting Chase's rights to recover from any Participating Specified Foreign Currency Lender to Chase, the Administrative Agent shall also be entitled to withhold from amounts otherwise payable to such Participating Specified Foreign Currency Lender to such Participating Specified Foreign Currency Lender an amount equal to such Participating Specified Foreign Currency

Lender's unpaid Specified Foreign Currency Participation Settlement Amount owing to Chase and apply such withheld amount to the payment of any unpaid Specified Foreign Currency Participation Settlement Amount owing by such Participating Specified Foreign Currency Lender to Chase.

(iii) (a) A Participating Specified Foreign Currency Lender which has a Funded Specified Foreign Currency Participation shall be entitled to receive interest on such Funded Specified Foreign Currency Participation to the same extent as if such Specified Foreign Currency Lender was the direct holder of the portion of the Loan or Letter of Credit Advance in which it purchased a Specified Foreign Currency Participation (it being agreed that, promptly upon the receipt by Chase or any of its Affiliates of any interest in respect of any Loan in which a Participating Specified Foreign Currency Lender has a Funded Specified Foreign Currency Participation, Chase will pay or cause to be paid to such Participating Specified Foreign Currency Lender its ratable share of such interest in immediately available funds) and (b) for purposes of determining the Lenders comprising the "Required Lenders" from and after the termination of the Commitments, (i) the Revolving Exposure of a Lender that is a Participation of such Participating Specified Foreign Currency Participation of such Specified Foreign Currency Lender that is a Participation of such Participating Specified Foreign Currency Participation of such Specified Foreign Currency Participation of such Participating Specified Foreign Currency Participation of such Participating Currency Lender that is a Participation of such Participating Specified Foreign Currency Participation of such Participating Specified Foreign Currency Lender shall be deemed to include the amount of the sum of each Specified Foreign Currency Participation of such Participation of such Participating Specified Foreign Currency Lender and (ii) the amount of the Revolving Exposure of Chase and its Affiliates shall be reduced by an amount equal to the sum of each Specified Foreign Currency Lender.

Section 12.03. <u>Obligations Irrevocable</u>. The obligations of each Participating Specified Foreign Currency Lender to purchase from Chase a participation in each Specified Foreign Currency Loan made by Chase and to make payments to Chase with respect to such participation, in each case as provided herein, shall be irrevocable and not subject to any qualification or exception whatsoever, including any of the following circumstances:

(i) any lack of validity or enforceability of this Agreement or any of the other Loan Documents or of any Loans, against any Loan Party;

(ii) the existence of any claim, setoff, defense or other right which any Loan Party may have at any time against the Administrative Agent, any Participating Specified Foreign Currency Lender, or any other Person, whether in connection with this Agreement, any Specified Foreign Currency Loans, the transactions contemplated herein or any unrelated transactions;

(iii) any application or misapplication of any proceeds of any Specified Foreign Currency Loans;

(iv) the surrender or impairment of any security for any Specified Foreign Currency Loans;

(v) the occurrence of any Default or Event of Default;

(vi) the commencement or pendency of any events specified in clause (h) or (i) of Article VII, in respect of any Loan Party or any Subsidiary of any Loan Party; or

(vii) the failure to satisfy the applicable conditions precedent set forth in Article IV.

Section 12.04. <u>Recovery or Avoidance of Payments</u>. In the event any payment by or on behalf of any Borrower or any other Loan Party received by the Administrative Agent with respect to any Specified Foreign Currency Loan made by Chase is thereafter set aside, avoided or recovered from the Administrative Agent in connection with any insolvency proceeding or due to any mistake of law or fact, each Participating Specified Foreign Currency Lender shall, upon written demand by the Administrative Agent, pay to Chase (through the Administrative Agent) such Participating Specified Foreign Currency Lender's Applicable Percentage of such amount set aside, avoided or recovered, together with interest at the rate and in the currency required to be paid by Chase or the Administrative Agent upon the amount required to be repaid by it.

Section 12.05. Indemnification by Lenders. Each Participating Specified Foreign Currency Lender agrees to indemnify Chase (to the extent not reimbursed by the Borrowers and without limiting the obligations of the Borrowers hereunder or under any other Loan Document) ratably for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including attorneys' fees) or disbursements of any kind and nature whatsoever that may be imposed on, incurred by or asserted against Chase in any way relating to or arising out of any Specified Foreign Currency Loans or any action taken or omitted by Chase in connection therewith; provided that no Participating Specified Foreign Currency Lender shall be liable for any of the foregoing to the extent it arises from the gross negligence or willful misconduct of Chase (as determined by a court of competent jurisdiction in a final non-appealable judgment). Without limiting the foreign Currency Lender agrees to reimburse Chase promptly upon demand for such Participating Specified Foreign Currency Lender agrees payable by the Borrowers to Chase in respect of the Specified Foreign Currency Loans to the extent that Chase is not promptly reimbursed for such costs and expenses by the Borrowers. The agreement contained in this Section 12.05 shall survive payment in full of all Specified Foreign Currency Loans.

Section 12.06. Specified Foreign Currency Loan Participation Fee. In consideration for each Participating Specified Foreign Currency Lender's participation in the Specified Foreign Currency Loans made by Chase, Chase agrees to pay to the Administrative Agent for the account of each Participating Specified Foreign Currency Lender, as and when Chase receives payment of interest on its Specified Foreign Currency Loans, a fee (the "Specified Foreign Currency Participation Fee") at a rate per annum equal to the Applicable Rate on such Specified Foreign Currency Lender in such Specified Foreign Currency Loans of Chase (or such other note or fee as may be agreed upon by Chase and such Participating Specified Foreign Currency Lender). The Specified Foreign Currency Participation Fee in respect of any unfunded Specified Foreign Currency Participation in a Specified Foreign Currency Loan shall be payable to the Administrative Agent in the currency in which the

respective Specified Foreign Currency Loan was funded when interest on such Specified Foreign Currency Loan is received by Chase. If Chase does not receive payment in full of such interest, the Specified Foreign Currency Participation Fee in respect of the unfunded Specified Foreign Currency Participation in such Specified Foreign Currency Loans shall be reduced proportionately. Any amounts payable under this Section 12.06 by the Administrative Agent to the Participating Specified Foreign Currency Lenders shall be paid in the currency in which the respective Specified Foreign Currency Loan was funded (or, if different, the currency in which such interest payments are actually received).

(Remainder of this page intentionally left blank)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

## **BORROWERS:**

#### COTT CORPORATION CORPORATION COTT

By /s/ Michael R. Zimmerman

Name: Michael R. Zimmerman Title: Vice President and Treasurer

#### COTT BEVERAGES INC.

By /s/ Michael R. Zimmerman Name: Michael R. Zimmerman Title: Vice President and Treasurer

CLIFFSTAR LLC

By <u>/s/ Michael R. Zimmerman</u> Name: Michael R. Zimmerman Title: Vice President and Treasurer

#### COTT BEVERAGES LIMITED

By /s/ Gregory N. Leiter

Name: Gregory N. Leiter Title: Director

#### **OTHER LOAN PARTIES:**

#### 156775 CANADA INC.

By <u>/s/ Michael R. Zimmerman</u> Name: Michael R. Zimmerman Title: Treasurer

## 967979 ONTARIO LIMITED

By /s/ Michael R. Zimmerman Name: Michael R. Zimmerman Title: Treasurer

#### 804340 ONTARIO LIMITED

By /s/ Michael R. Zimmerman Name: Michael R. Zimmerman Title: Treasurer

## 2011438 ONTARIO LIMITED

By /s/ Michael R. Zimmerman Name: Michael R. Zimmerman Title: Treasurer

## COTT RETAIL BRANDS LIMITED

By <u>/s/ Gregory N. Leiter</u> Name: Gregory N. Leiter Title: Director

## COTT LIMITED

By /s/ Gregory N. Leiter

Name: Gregory N. Leiter Title: Director

#### COTT EUROPE TRADING LIMITED

By <u>/s/ Gregory N. Leiter</u> Name: Gregory N. Leiter Title: Director

## COTT PRIVATE LABEL LIMITED

By <u>/s/ Gregory N. Leiter</u> Name: Gregory N. Leiter Title: Director

#### COTT NELSON (HOLDINGS) LIMITED

By <u>/s/ Gregory N. Leiter</u> Name: Gregory N. Leiter Title: Director

#### COTT (NELSON) LIMITED

By <u>/s/ Gregory N. Leiter</u> Name: Gregory N. Leiter Title: Director

#### COTT USA FINANCE LLC

By /s/ Kristine Eppes

Name: Kristine Eppes Title: Treasurer

### COTT HOLDINGS INC.

By /s/ Michael R. Zimmerman Name: Michael R. Zimmerman Title: Vice President and Treasurer

#### COTT USA RECEIVABLES CORPORATION

By /s/ Michael R. Zimmerman Name: Michael R. Zimmerman Title: Vice President and Treasurer

#### INTERIM BCB, LLC

By /s/ Michael R. Zimmerman Name: Michael R. Zimmerman Title: Vice President and Treasurer

COTT VENDING INC.

By /s/ Michael R. Zimmerman Name: Michael R. Zimmerman Title: Vice President and Treasurer

#### COTT INVESTMENT, L.L.C.

By /s/ Michael R. Zimmerman Name: Michael R. Zimmerman Title: Vice President and Treasurer

COTT USA CORP.

# By /s/ Michael R. Zimmerman

Name: Michael R. Zimmerman Title: Vice President and Treasurer

## CB NEVADA CAPITAL INC.

By <u>/s/ Kristine Eppes</u> Name: Kristine Eppes Title: Treasurer

## COTT U.S. HOLDINGS LLC

By /s/ Michael R. Zimmerman Name: Michael R. Zimmerman Title: Treasurer

## COTT U.S. ACQUISITION LLC

By /s/ Michael R. Zimmerman Name: Michael R. Zimmerman Title: Treasurer

#### COTT ACQUISITION LLC

By <u>/s/ Michael R. Zimmerman</u> Name: Michael R. Zimmerman Title: Treasurer

## STAR REAL PROPERTY LLC

By /s/ Michael R. Zimmerman Name: Michael R. Zimmerman Title: Treasurer

#### CAROLINE LLC

## By /s/ Michael R. Zimmerman

Name: Michael R. Zimmerman Title: Vice President and Treasurer

## COTT UK ACQUISITION LIMITED

By: /s/ Jerry Hoyle

Name: Jerry Hoyle Title: Director

## COTT ACQUISITION LIMITED

By: /s/ Jerry Hoyle Name: Jerry Hoyle Title: Director

JPMORGAN CHASE BANK, N.A., individually, as an Issuing Bank, as a Swingline Lender and as a Lender

By /s/ David J. Waugh

Name: David J. Waugh Title: Senior Vice President

JPMORGAN CHASE BANK, N.A., as Administrative Agent and as Administrative Collateral Agent

By /s/ David J. Waugh Name: David J. Waugh Title: Senior Vice President

JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, as an Issuing Bank, as a Swingline Lender and as a Lender

By /s/ Agostino A. Marchetti Name: Agostino A. Marchetti Title: Senior Vice President

JPMORGAN CHASE BANK, N.A., LONDON BRANCH, as an Issuing Bank, as a Swingline Lender and as a Lender

By <u>/s/ Timothy I. Jacob</u> Name: Timothy I. Jacob Title: Senior Vice President

JPMORGAN CHASE BANK, N.A., LONDON BRANCH, as UK Security Trustee

By /s/ Timothy I. Jacob

Name: Timothy I. Jacob Title: Senior Vice President

BANK OF AMERICA, N.A., as Documentation Agent and as a Lender

By /s/ Andrew A. Doherty Name: Andrew A. Doherty Title: Senior Vice President

BANK OF AMERICA, N.A., CANADA BRANCH, as a Lender

By <u>/s/ Medina Sales De Andrade</u> Name: Medina Sales De Andrade Title: Vice President

GENERAL ELECTRIC CAPITAL CORPORATION, as Co-Collateral Agent and as a Lender

By /s/ Philip F. Carfora Name: Phillip F. Carfora Title: Duly Authorized Signatory

DEUTSCHE BANK AG NEW YORK BRANCH, as a Lender

By /s/ Scottye Lindsey

Name: Scottye Lindsey Title: Director

By <u>/s/ Erin Morrissey</u> Name: Erin Morrissey Title: Vice President

DEUTSCHE BANK AG, CANADA BRANCH, as a Lender

- By <u>/s/ Rod O'Hara</u> Name: Rod O'Hara Title: Director
- By /s/ Marcellus Leung Name: Marcellus Leung Title: Assistant Vice President

WELLS FARGO CAPITAL FINANCE, LLC, as a Lender

By /s/ Sanat Amladi

Name: Sanat Amladi Title: Vice President

WELLS FARGO CAPITAL FINANCE CORPORATION CANADA, as a Lender

By /s/ Sanat Amladi

Name: Sanat Amladi Title: Vice President

WELLS FARGO BANK, N.A. (LONDON BRANCH), as a Lender

By /s/ Julian Daley

Name: Julian Daley Title: COO

PNC BANK, NATIONAL ASSOCIATION, as a Lender

By /s/ Todd W. Milenius Name: Todd W. Milenius Title: Vice President

PNC BANK, CANADA BRANCH, as a Lender

By <u>/s/ Nazmin Adatia</u> Name: Nazmin Adatia Title: Senior Vice President

## COMMITMENT SCHEDULE

Lender		Commitment
JPMorgan Chase Bank, N.A. and affiliates	\$	60,000,000
Deutsche Bank AG New York Branch and affiliates	\$	50,000,000
General Electric Capital Corporation	\$	60,000,000
Bank of America, N.A. and affiliates	\$	39,000,000
Wells Fargo Capital Finance, LLC, and affiliates	\$	39,000,000
PNC Bank, National Association and affiliates	\$	27,000,000
Total	\$2	75,000,000.00

### Schedule 1.01(a)

## Eligible Real Property

Loan Party	Location / Address	Owned, Leased or Occupied
Cott Beverages Inc.	2525 Schuetz Road/	Owned
	576 Fee Fee Road	
	Maryland Heights, MO 63043	
Cott Beverages Inc.	301 Larcel Drive	Owned
-	Sikeston, MO 63801	
156775 Canada Inc.	6525 Viscount Road	Owned
	Mississauga, ON L4V 1H6	
Cott Corporation	333 Avro Ave	Owned
Corporation Cott	Pointe-Claire, QU H9R 5W3	
Cott Corporation	4810 – 76 Avenue SE	Owned
Corporation Cott	Calgary, AB T2C 2V2	

### Schedule 1.01(b)

#### MANDATORY COST FORMULA

- 1. The Mandatory Cost is an addition to the interest rate to compensate Lenders for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.
- 2. On the first day of each Interest Period (or as soon as possible thereafter) the Disbursement Agent shall calculate, as a percentage rate, a rate (the "Additional Cost Rate") for each Lender, in accordance with the paragraphs set out below. The Mandatory Cost will be calculated by the Disbursement Agent as a weighted average of the Lenders' Additional Cost Rates (weighted in proportion to the percentage participation of each Lender in the relevant Loan) and will be expressed as a percentage rate per annum.
- 3. The Additional Cost Rate for any Lender lending from a Facility Office in a Participating Member State will be the percentage notified by that Lender to the Disbursement Agent. This percentage will be certified by that Lender in its notice to the Disbursement Agent to be its reasonable determination of the cost (expressed as a percentage of that Lender's participation in all Loans made from that Facility Office) of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that Facility Office.
- 4. The Additional Cost Rate for any Lender lending from a Facility Office in the United Kingdom will be calculated by the Disbursement Agent as follows:

(a) in relation to a Loan denominated in Sterling:

$$\frac{AB+C(B-D)+E\times0.01}{100-(A+C)}$$
 per cent. per annum

(b) in relation to a Loan in any currency other than Sterling:

$$E \times 0.01$$

300 per cent. per annum.

Where:

A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which that Lender is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.

B is the percentage rate of interest (excluding the Applicable Rate and the Mandatory Cost and, if the Loan is an Unpaid Sum, the additional rate of interest specified in Section 2.10(c)) payable for the relevant Interest Period on the Loan.

C is the percentage (if any) of Eligible Liabilities which that Lender is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.

D is the percentage rate per annum payable by the Bank of England to the Disbursement Agent (or such other bank as may be designated by the Disbursement Agent in consultation with the Borrower Representative) on interest bearing Special Deposits.

E is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Disbursement Agent as being the average of the most recent rates of charge supplied by the Reference Banks to the Disbursement Agent pursuant to paragraph 7 below and expressed in Sterling per  $\pounds 1.0$  million.

5. For the purposes of this Schedule:

(a) "Eligible Liabilities" and "Special Deposits" have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;

(b) "Facility Office" means the office or offices notified by a Lender to the Disbursement Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement;

(c) "Fees Rules" means the rules on periodic fees contained in the FSA Supervision Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;

(d) "Fee Tariffs" means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate);

(e) "Reference Banks" means, in relation to each of the Eurodollar Base Rate and the Eurodollar Rate and Mandatory Cost, the principal office in London, England of JPMorgan Chase Bank, N.A., London Branch, or such other bank or banks as may be designated by the Disbursement Agent in consultation with Borrower Representative;

(f) "Tariff Base" has the meaning given to it in, and will be calculated in accordance with, the Fees Rules; and

(g) "Unpaid Sum" means any sum due and payable but unpaid by any Loan Party under the Loan Documents.

6. In application of the above formulae, A, B, C and D will be included in the formulae as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.

- 7. If requested by the Disbursement Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Disbursement Agent, the rate of charge payable by that Reference Bank to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by that Reference Bank as being the average of the Fee Tariffs applicable to that Reference Bank for that financial year) and expressed in Sterling per £1.0 million of the Tariff Base of that Reference Bank.
- 8. Each Lender shall supply any information required by the Disbursement Agent for the purpose of calculating its Additional Cost Rate. In particular, but without limitation, each Lender shall supply the following information on or prior to the date on which it becomes a Lender:

(a) the jurisdiction of its Facility Office; and

(b) any other information that the Disbursement Agent may reasonably require for such purpose.

Each Lender shall promptly notify the Disbursement Agent of any change to the information provided by it pursuant to this paragraph.

- 9. The percentages of each Lender for the purpose of A and C above and the rates of charge of each Reference Bank for the purpose of E above shall be determined by the Disbursement Agent based upon the information supplied to it pursuant to paragraphs 7 and 8 above and on the assumption that, unless a Lender notifies the Disbursement Agent to the contrary, each Lender's obligations in relation to cash ratio deposits and Special Deposits are the same as those of a typical bank from its jurisdiction of incorporation with a Facility Office in the same jurisdiction as its Facility Office.
- 10. The Disbursement Agent shall have no liability to any person if such determination results in an Additional Cost Rate which over or under compensates any Lender and shall be entitled to assume that the information provided by any Lender or Reference Bank pursuant to paragraphs 3, 7 and 8 above is true and correct in all respects.
- 11. The Disbursement Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Lenders on the basis of the Additional Cost Rate for each Lender based on the information provided by each Lender and each Reference Bank pursuant to paragraphs 3, 7 and 8 above.
- 12. Any determination by the Disbursement Agent pursuant to this Schedule in relation to a formula, the Mandatory Cost, an Additional Cost Rate or any amount payable to a Lender shall, in the absence of manifest error, be conclusive and binding on all parties to this Agreement.
- 13. The Disbursement Agent may from time to time, after consultation with Borrower Representative and the Lenders, determine and notify to all parties to this Agreement any amendments which are required to be made to this Annex II in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all parties to this Agreement.

## Schedule 1.01(c)

### **Unrestricted Subsidiaries**

## **Cott IP Holdings Corp.**

[\*\*\*] [Names redacted]

### Schedule 1.01(d)

### **<u>Certain Account Debtors</u>**

Wal-Mart to the extent the aggregate amount of Accounts owing from Wal-Mart and its Affiliates to all Loan Parties exceeds 40%

Schedule 1.01(e)

# Eligible Equipment

[\*\*\*] [Equipment list redacted - 310 pages]

### Schedule 1.01(f)

### **Excluded Subsidiaries**

Cott International Trading Ltd.

Cott International SRL

Cott (Barbados) IBC Ltd.

Cott do Brasil Industria, Comercio, Importacao e Exportacao de Bebidas e Concentrados Ltda

**BCB** International Holdings

**BCB** European Holdings

Cott (Shanghai) Trading Co., Ltd.

Cott (Hong Kong) Limited

Cott Retail Brands Netherlands BV

Cott Maquinaria y Equipo, S.A. de C.V.

Cott Embotelladores de Mexico S.A. de C.V.

Ad Personales, S.A. de C.V.\*

Servicios Gerenciales de Mexico, S.A. de C.V.\*

<sup>\*</sup> Entity will be deemed removed from this Schedule 1.01(f) when it executes the Mexican Guaranty Agreement described on Annex C to Schedule 5.15 and becomes a Loan Party pursuant to the Credit Agreement.

## Schedule 2.04

### **Existing Letters of Credit**

	Letter of Credit				Expiration
Credit Party	Number	Beneficiary	Amount	Issue Date	Date
Cott Beverages Inc.	CTCS-604637	Zurich American Insurance Co	\$3,055,000.00	4/28/2008	3/25/2011
Cott Beverages Inc.	CTCS-614443	General Electric Capital	\$4,000,000.00	5/23/2008	5/21/2011
Cott Corporation Corporation Cott	001-1003	Chubb Insurance Co. of Canada	\$ 400,000.00	3/31/2008	4/21/2011

## Schedule 3.05

## **Properties**

## (a) Real property owned or leased:

Loan Party	Location / Address	Owned, Leased or Occupied
Cott Beverages Inc.	499 East Mill Street San Bernardino, CA 92408	Owned
Cott Beverages Inc.	4238 Director Drive San Antonio, TX 78219	Owned
Cott Beverages Inc.	2525 Schuetz Road Maryland Heights, MO 63043-1300	Owned
	576 Fee Fee Road Maryland Heights, MO 63043-1300	
Cott Beverages Inc.	301 Larcel Drive Sikeston, MO 63801	Owned
Cott Beverages Inc.	Conchester Rd & Aldan Ave Concordville, PA 19331	Owned
Cott Beverages Inc.	3000 Springs of Elan Road Blairsville, GA 30512	Owned
Cott Beverages Inc.	1001 10 <sup>th</sup> Avenue Columbus, GA 31901	Owned
156775 Canada Inc.	6525 Viscount Road Mississauga, ON L4V 1H6	Owned
Cott Corporation Corporation Cott	333 Avro Ave Pointe-Claire, QU H9R 5W3	Owned
Cott Corporation Corporation Cott	Lot P-468 Route 201 Ste-Marthe, QU	Owned
Cott Corporation Corporation Cott	4 Addison Avenue Scoudouc Industrial Park Scoudouc, NB E4P 3N4	Owned
Cott Corporation Corporation Cott	4810 – 76 Avenue SE Calgary, AB T2C 2V2	Owned
Cott Beverages Limited	Knottingly Road (Bondgate) Pontefract, W.YS WF8 2XA	Owned
Cott Beverages Limited	Citrus Grove Side Ley Kegworth, Derbyshire DE74 2FJ	Owned
Cott Beverages Limited	Lindred Road Lomeshaye Industrial Estate Brierfield, Nelson BB9 5SR	Owned

Loan Party	Location / Address	Owned, Leased or Occupied
Cott Beverages Inc.	15200 Trinity Blvd Fort Worth, TX 76155	Leased
Cott Beverages Inc.	570-B East Mill Street San Bernardino, CA 92408	Leased
Cott Beverages Inc.	1820 Massaro Blvd. Tampa, FL 33619	Leased
Cott Beverages Inc.	7275 Hazelwood Road Berkeley, MO 63134	Leased
Cott Beverages Inc.	4843 International Boulevard Wilson, NC 27893	Leased
Cott Beverages Inc.	4506 East Acline Drive Tampa, FL 33605	Leased
Cott Beverages Inc.	4221, 4223, & 4235 Director Drive San Antonio, TX 78219	Leased
Cott Beverages Inc.	126 Larcel Drive Sikeston, MO 63801	Leased
Cott Beverages Inc.	11 Aldan Ave. Concord Industrial Park Concordville, PA	Leased
Cott Beverages Inc.	200 South Commerce Drive Aston, PA 19107	Leased
Cott Beverages Inc.	105 Commerce Drive Aston, PA 19104	Leased
Cott Vending Inc.	10838 Ambassador Blvd. St. Louis, MO 63132	Leased
Cott Beverages Inc.	5519 West Idlewild Ave Tampa, FL 33634	Leased
Cott Beverages Inc.	3715 1 <sup>st</sup> Avenue Columbus, GA 31904	Leased
Cott Corporation Corporation Cott	15050 - 54A Avenue Surrey, BC V3S 5X7	Leased
Cott Corporation Corporation Cott	6425 Airport Road Mississauga, ON L4V 1E4	Leased
Cott Corporation Corporation Cott	4901/5001 - 64th Avenue Calgary, AB T2C 4V4	Leased
Cott Corporation Corporation Cott	3175 Airway Drive Mississauga, ON L4V 1C2	Leased
Cott Beverages Inc.	311 S. Doolittle Avenue, San Bernardino, CA 92408	Leased
Cott Beverages Inc.	256 Industrial Blvd., Blairsville, GA 30512	Leased

Loan Party	Location / Address	Owned, Leased or Occupied
Cott Beverages Inc.	1011 N.W. J Street, Bentonville, AR 72712	Leased
Cott Beverages Inc.	600 Andrews Road, Columbus, GA 31906	Leased
Cott Vending Inc.	5677 Ch. St. Francois, St- Laurent, QU H4S 1W6	Leased
Cott Embotelladores de Mexico, S.A. de C.V.	Calle Pedregal El Riego No. 500, ExHacienda El Riego, Tehuacan, Puebla 75760	Owned
Cliffstar LLC	57, 59, 63 Franklin Avenue, Dunkirk, NY 14048 (Chautauqua County Index Number 79.15-2-1, 2 & 3)	Owned
Cliffstar LLC	81, 85, and 89 Franklin Avenue, Dunkirk, NY 14048 (Chautauqua County Index Number 79.15-2-8, 9 & 10)	Owned
Cliffstar LLC	441 S. Roberts Road, Dunkirk, NY 14048 (County of Chautauqua Index Number 79.16-2-4)	Owned
Star Real Property LLC Cliffstar LLC	Franklin Avenue (Main Plant) Dunkirk, NY 14048 (Chautauqua County Index	Owned by Star Real Property LLC
	Number 79.15-1-17, 19, 20, 21, 22, 23, 24, 25, 26, 32 & 39; 79.16-2-1 & 76; and 900.00-1-90.G)	Leased to Cliffstar Corporation
Star Real Property LLC Cliffstar LLC	Main Street & 19 Franklin Avenue, Dunkirk, NY 14048 (Chautauqua County Index	Owned by Star Real Property LLC
	Number 79.15-4-1, 2, 3, 4 & 5)	Leased to Cliffstar Corporation
Cliffstar LLC	200 Water Street, Fredonia, NY 14063 (Chautauqua County Index Numbers 113.19-3-32.1, 33 & 34)	Owned
Cliffstar LLC	211 West Point Avenue, Dunkirk, NY 14048	Leased
Cliffstar LLC	Sidetrack rail extending southwesterly from a point of connection with Conrail's Chicago Line	Leased
Cliffstar LLC	183 East Main Street, Fredonia, NY 14063 (Chautauqua County Index Number 113.19-3-32.2)	Leased

Loan Party_	Location / Address	Owned, Leased or Occupied
Cliffstar LLC	54 W. Main Street, Brocton, NY 14716 (Chautauqua County Index Number 161.08- 1-46.2)	Owned
Cliffstar LLC	Harmon & Pearl Streets, Brocton, NY 14716 (Chautauqua County Index Numbers 161.08-2-14 & 15)	Leased
Cliffstar LLC	West side of Con Rail and the South side of Chace Road – 4 acres +/-, Freetown, MA 02702	Leased
Cliffstar LLC	West side of Con Rail and the South side of Chace Road – 4 acres +/-, Bentonville, AR 72712	Leased
Cliffstar LLC	63 Wall Street, North East, PA 16428 (Erie County Index Number (35) 7-54-11)	Owned
Cliffstar LLC	3502, 3503 & 3601 Enterprise Avenue, Joplin, MO (Tax Parcels Numbers: 15-9.0-30- 000-000-36.022, 36.023, 37.001, 37.002, 37.003, 37.004 & 37.011)	Owned
Cliffstar LLC	3601 & 3503 Enterprise Avenue, Webb City, MO 64801	Leased
Cliffstar LLC	11751 Pacific Avenue Fontana, CA 92337 (Assessors Parcel Numbers: 0238-171-51 & 75)	Owned
Cliffstar LLC	Westerly 206,660 SF of Building B located on the southerly portion of Lots 3, 4 and 5 in Vintage Park Industrial Park, Fontana, CA 92337	Leased
Cliffstar LLC	13350 Marlay Avenue, Fontana, CA 92337	Leased
Cliffstar LLC	5600 E. Francis Street Ontario, CA 91761	Leased
Cliffstar LLC	1321 Beeco Road and 1990 Hood Road, Greer, SC 29650 (Greenville County Tax Map Reference – Sheet G006.00, Block 3, Lots 14.04 & 14.06)	Owned

Loan Party	Location / Address	Owned, Leased or Occupied
Cliffstar LLC	2819 Wade Hampton Boulevard, Taylors, SC 29687	Leased
Cliffstar LLC	23879 Aspen Avenue, Warrens, WI 54666 (Parcel Identification Numbers 024-0163-0000 & 024-0194-0000)	Owned
Cliffstar LLC	1041 N. 15 <sup>th</sup> Avenue, Walla Walla, WA 99362 (Tax Parcel/Account Numbers: 36 -07-19-23-0006, 0007, 0012, 0013; 36-07-19-24-0005, 0206 and 0301)	Owned
Cliffstar LLC	1156-1164 Dell Avenue, Walla Walla, WA 99362	Leased

## (b) Intellectual Property:

## Patents

United States

<u>Owner</u> Cott Corporation Corporation Cott	Registration Number 6112924	Date 9/5/2000	Description Container with base having cylindrical legs with circular feet
Cott Beverages Inc.	D579,337	12/28/2008	Bottle
Cott Corporation Corporation Cott	12/369697 (Pending)		Beverage compositions for the promotion of joint health in companion animals

### Canada

Owner	Application Number	Date	Description
Cott Corporation	2309667	11/18/2008	Container with base having cylindrical legs
Corporation Cott			with circular feet

#### Mexico

<u>Owner</u> Cott Corporation Corporation Cott	Application Number PA/a/2000/004512	Date 8/22/2006	Description Container with base having cylindrical legs with circular feet
Cott Corporation Corporation Cott	MX/f/2008/001691	1/22/2010	Bottle

### UK

Owner Cott Corporation Corporation Cott	Application Number 2346359		Description Container with base having cylindrical legs with circular feet
PCT Application			
Owner	Application Number	Date	Description
Cott Corporation Corporation Cott	2000013974 (Pending)	9/10/1999	Ocontainer with base having cylindrical legs with circular feet

### **Trademarks**

## United States

## Trademark Registrations

	Registration	Registration	
Owner	Number	Date	Trademark
Cott Beverages Inc.	3,329,898	11/6/07	AFTERSHOCK
Cott Beverages Inc.	1,840,794	6/21/94	ALASKAN FALLS
Cott Beverages Inc.	1,856,389	9/27/94	ALASKAN FALLS & Design
Cott Beverages Inc.	1,753,371	2/16/93	ALASKAN FALLS (stylized)
Cott Beverages Inc.	1,776,022	6/8/93	AMERICAN CLASSIC
Cott Beverages Inc.	2,926,470	2/15/05	AQUA MIST
Cliffstar LLC	1,865,388	11/29/94	BERRY-DACTYL
Cliffstar LLC	2,782,129	11/11/03	BOUNTY RUNNER
Cott Beverages Inc.	2,919,483	1/18/05	BROWN BARREL
Cliffstar LLC	2,990,697	8/30/05	CC CLIFFSTAR CORPORATION & Design
Cliffstar LLC	2,990,612	8/30/05	CC Logo
Cliffstar LLC	3,662,236	7/28/09	CHADWICK BAY
Cliffstar LLC	3,791,642	5/18/10	CHADWICK BAY
Cliffstar LLC	3,768,307	3/30/10	CHADWICK BAY & Design
Cott Beverages Inc.	3,336,604	11/13/07	CONDITION
Cliffstar LLC	1,931,437	10/31/95	COOLY-SAURUS
Cott Beverages Inc.	749,859	5/21/63	COTT
Cott Beverages Inc.	3,346,151	11/27/07	COTT
Cott Beverages Inc.	679,364	5/26/59	COTT (stylized)
Cott Beverages Inc.	540,457	4/3/51	COTT (stylized)
Cott Beverages Inc.	2,957,804	5/31/05	DAFFY DOZEN
Cott Beverages Inc.	2,911,442	12/14/04	DR. DUCK
Cott Beverages Inc.	2,186,730	9/1/98	DR. STRIPES
Cott Beverages Inc.	2,237,271	4/6/99	DR. VESS
Cott Beverages Inc.	3,614,572	1/9/08	EMERGE
Cott Beverages Inc.	3,641,839	12/7/07	FORTIFIDO
Cott Beverages Inc.	3,688,035	12/21/07	FORTIFIDO (design)
Cott Beverages Inc.	3,389,406	2/26/08	FREEFALL
Cott Corporation	3,159,373	10/17/06	FRUIT MELODIES
Cott Beverages Inc.	1,956,754	2/13/96	FRUIT MIST
Cott Beverages Inc.	3,134,313	8/22/06	FRUIT MIST
Cliffstar LLC	1,882,418	3/7/95	GOLDEN CROWN
Cliffstar LLC	1,694,722	6/16/92	GOLDEN CROWN
Cliffstar LLC	0,966,665	8/21/73	GOLDEN CROWN
Cliffstar LLC	0,700,638	7/5/60	GOLDEN CROWN
Cliffstar LLC	1,870,758	12/27/94	GRAPE-A-DON
Cott Beverages Inc.	3,098,606	5/30/06	GRID IRON GRAPE
Cliffstar LLC	2,263,293	7/20/99	HARBORSIDE
Cliffstar LLC	3,385,483	2/19/08	HARVEST CLASSIC
Cliffstar LLC	3,779,599	4/20/10	HARVEST CLASSIC

	Registration	Registration	
Owner	Number	Date	Trademark
Cott Beverages Inc.	3,702,862	10/27/09	HOOVER'S BARREL ROOT BEER
Cott Beverages Inc.	3,004,801	10/4/05	HOUSE OF COTT & Design
Cott Beverages Inc.	3,412,299	4/15/08	INKED
Cott Beverages Inc.	1,507,436	10/4/88	ITS' COTT TO BE GOOD!
Cliffstar LLC	2,351,102	5/23/00	JUICEY MAGIC
Cott Beverages Inc.	3,758,493	3/9/10	LOOPY LIMON
Cott Beverages Inc.	3,781,937	4/27/10	MISH MASH MOUNTAIN
Cott Beverages Inc.	2,196,482	10/13/98	MOUNTAIN STARS
Cott Beverages Inc.	2,384,195	9/5/00	MOUNTAIN YELLER
Cott Beverages Inc.	3,383,317	2/12/08	OOLONG JAHINI TEA
Cott Beverages Inc.	3,396,406	3/11/08	ORIENT EMPORIUM TEA CO.
Cott Beverages Inc.	3,558,745	1/6/09	Paw Print Design
Cott Beverages Inc.	3,098,607	5/30/06	PLAY MAKER
Cott Beverages Inc.	3,331,023	11/6/07	RED RAIN
Cliffstar LLC	2,428,857	2/13/01	RUGGED SAILS
Cliffstar LLC	3,657,785	7/21/09	ShanStar
Cliffstar LLC	2,394,075	10/10/00	SHANSTAR
Cott Beverages Inc.	3,129,255	8/15/06	SO CLEAR
Cott Beverages Inc.	2,713,932	5/6/03	STARS & STRIPES
Cott Beverages Inc.	2,495,194	10/9/01	STARS & STRIPES
Cliffstar LLC	1,870,759	12/27/94	STEGASAURUS
Cott Beverages Inc.	3,525,061	10/28/08	THE TASTE OF LONGEVITY
Cliffstar LLC	2,163,690	6/9/98	TRAXX
Cott Beverages Inc.	3,723,436	12/8/09	U FORCE
Cott Beverages Inc.	555,776	3/11/52	VESS (stylized)
Cott Beverages Inc.	1,091,057	5/9/78	VINTAGE
Cott Corporation	3,149,060	9/26/06	VINTAGE
Cott Corporation	3,149,059	9/26/06	VINTAGE
Cott Beverages Inc.	1,273,007	4/3/84	VINTAGE & Design
Cott Beverages Inc.	110,004	4/25/16	WHISTLE (stylized)
Cott Beverages Inc.	3,383,319	2/12/08	YADUMO BLACK TEA

## United States

## Trademark Applications

Owner	Application Number	Filing Date	Trademark
Cott Beverages Inc.	77/252,328	8/10/07	BARE ALL
Cott Beverages Inc.	77/216,615	6/27/07	BARE ALL
Cott Beverages Inc.	77/252,322	8/10/07	BARE ALL (Design)
Cott Beverages Inc.	77/216,621	6/27/07	BARE ALL (Design)
Cott Beverages Inc.	77/128,555	3/12/07	BOMBSHELL
Cott Beverages Inc.	77/951,844	3/5/10	COTT
Cliffstar LLC	77/651,630	1/16/09	CranStar 90
Cliffstar LLC	77/651,629	1/16/09	CranStar 90
Cott Beverages Inc.	77/751,167	6/3/09	CRYSTAL FRUIT
Cott Beverages Inc.	77/276,186	9/11/2007	EMERGE
Cott Beverages Inc.	85/053,790	6/3/10	EMERGE
Cliffstar LLC	77/888,263	12/8/09	eXact
Cott Beverages Inc.	77/688,020	3/11/09	FREEDOM FROM THIRST
Cott Beverages Inc.	77/706,168	4/3/09	MOUNTAIN FIZZ
Cott Beverages Inc.	77/694,723	3/19/09	MR. FIZZ
Cott Beverages Inc.	77/758,686	6/12/09	NATURAL REFRSHMENT IS SO CLEAR
Cott Beverages Inc.	77/631,791	1212/08	POWER GRID
Cott Beverages Inc.	77/906,287	6/6/10	RED STRIKE

### Canadian

## Trademark Registrations

Owner Cott Corporation Corporation Cott	Registration Number TMA211456	Registration Date January 16, 1976	Trademark
Cott Corporation Corporation Cott	TMA192404	July 6, 1973	ALLAN & DESIGN
Cott Corporation Corporation Cott	TMA200922	August 2, 1974	ALLAN & DESIGN

ALLAN DESIGN

	Registration	Registration	
<u>Owner</u>	Number	Date	Trademark
Cott Corporation Corporation Cott	TMA243083	April 11, 1980	Allanade
Cott Corporation Corporation Cott Cott Corporation Corporation Cott	TMA176290 TMA677482	May 21, 1971 November 22, 2006	ALLANADE DESIGN APPIA AQUEL
Cliffstar LLC Cott Corporation Corporation Cott	TMA526177 TMA464925	March 30, 2000 October 25, 1996	BERRY-DACTYL
Cott Corporation Corporation Cott Cott Corporation Corporation Cott Cliffstar LLC Cott Corporation Corporation Cott Cott Corporation Corporation Cott Cott Corporation Corporation Cott Cott Corporation Corporation Cott Cliffstar LLC Cott Corporation Corporation Cott Cott Corporation Corporation Cott Cott Corporation Corporation Cott	TMA318708 TMA242067 TMA540303 TMA314791 TMA169911 TMA152274 TMA677662 TMA525950 TMA681297 TMA166849	September 19, 1986 March 28, 1980 January 25, 2001 May 30, 1986 July 3, 1970 July 28, 1967 November 27, 2006 March 28, 2000 February 7, 2007 December 12, 1969	BESSEY'S ICEBERG & PENGUIN DESIGN BESSEY'S ROYALE BESSEY'S TOMATO LITE BREAKWATER CHATEAU CHATEAU DRY CHRISTIN COLA KICKER COOLY-SAURUS COTT
Cott Corporation Corporation Cott Cott Corporation Corporation Cott Cott Corporation Corporation Cott Cott Corporation Corporation Cott	TMA454922 TMA560006 TMA183886 TMA245838	March 1, 1996 April 9, 2002 June 23, 1972 May 30, 1980	COTT DESIGN COTT UP DAZZLE DENIS

**DENIS & DESSIN** 

Owner	Registration Number	Registration Date	Trademark
Cott Corporation Corporation Cott	TMA447006	September 1, 1995	DESERT DRINX
Cott Corporation Corporation Cott	TMA557585	February 7, 2002	DRACOLA
Cott Corporation Corporation Cott	TMA249257	August 8, 1980	ELITE
Cott Corporation Corporation Cott	TMA456723	April 26, 1996	FIRST SQUEEZE
Cott Corporation Corporation Cott	TMA316011	July 4, 1986	FIZZ-UP
Cott Corporation Corporation Cott	TMA476159	May 13, 1997	FRUIT MIST
Cott Corporation Corporation Cott	TMA498545	August 12, 1998	FRUIT RIOT
Cott Corporation Corporation Cott	TMA200531	July 12, 1974	GIGGLE
Cliffstar LLC	TMA526176	March 30, 2000	GRAPE-A-DON
Cliffstar LLC	TMA542773	March 21, 2001	HARBORSIDE
Cliffstar LLC	TMA528970	June 12, 2000	HARBOURSIDE
Cliffstar LLC	TMA565471	August 2, 2002	HARBOURSIDE CAFÉ
Cott Corporation Corporation Cott	TMA601461	February 5, 2004	HIKO
Cott Corporation Corporation Cott	TMA669184	August 2, 2006	യ്ത
- •		-	

Cott Corporation Corporation Cott Cott Corporation Corporation Cott TMA738392 TMA486670 April 24, 2009 December 10, 1997



TMA169219 UCA003822 TMA492119 May 15, 1970 September 7, 1934 March 30, 1998 INKED

IT'S CLEAR, IT'S COOL... IT'S ENDLESS SUMMER & DESIGN IT'S COTT TO BE GOOD KIK LEMON BLASTER Owner

Cott Corporation Corporation Cott Cott Corporation Corporation Cott Cott Corporation Corporation Cott Registration Number

TMA318709

TMA244724

TMA458835

Registration

Date September 19, 1986 May 9, 1980 June 7, 1996 Trademark MY MILKMAN/MON LAITIER NICE-N-LITE



Cott Corporation Corporation Cott Cott Corporation Corporation Cott TMA515952 TMA204387 August 31, 1999 January 10, 1975



**PIRATE & DESSIN** 

Cott Corporation Corporation Cott Cott Corporation Corporation Cott Cliffstar LLC Cliffstar LLC Cliffstar LLC Cliffstar LLC Cott Corporation Corporation Cott Cott Corporation Corporation Cott TMA654659 TMA297662 TMA525800 TMA527377 TMA528563 TMA525798 TMA335965 TMA343501 December 8, 2005 November 30, 1984 March 27, 2000 May 5, 2000 May 30, 2000 March 27, 2000 December 31, 1987 August 5, 1988 POP BOTTLE & DESIGN RED RAIN ROYAL CREST BEVERAGES SABER BLUE TIGER SEA WITCH SPOUTIN' WHALE STEGASAURUS SUN MOUNTAIN





SUN MOUNTAIN SPRINGS & DESIGN

<u>Owner</u>	Registration Number	Registration Date	Trademark
Cott Corporation Corporation Cott	TMA541530	February 26, 2001	(TIT)
			CONTRACTOR AND A PROPERTY OF
			a cost
			21
			SUPER FRUIT & Design
Cott Corporation Corporation Cott	TMA740094	May 13, 2009	la la
			TH
			TATTOO DESIGN
Cott Corporation Corporation Cott	TMA492120	March 30, 1998	TEA BLASTER
Cliffstar LLC	TMA525798	March 27, 2000	TRAXX
Cott Corporation Corporation Cott	TMA171028	September 4, 1970	VERCHERES
Canadian			
Trademark Applications			
	Application		
<u>Owner</u>	Number	Date	Trademark
Cott Corporation Corporation Cott	1345771	May 1, 2007	A BETTER FIT FOR AN ACTIVE LIFE
Cott Corporation Corporation Cott	1386561	March 7, 2008	ACAI-BLU
Cott Corporation Corporation Cott	1412860	September 30, 2008	ANTIDOTE
Cott Corporation Corporation Cott	1435169	April 20, 2009	BONE CHILLIN'
Cott Corporation Corporation Cott	1422405	December 18, 2008	BRAZILIAN BERRY
Cott Corporation Corporation Cott	1362389	September 5, 2007	BRIGHT WAVE
Cott Corporation Corporation Cott	1422407	December 18, 2008	CHIKARA

Owner	Application Number	Date	Trademark
Cliffstar LLC	1399416	April 21, 2010	CHADWICK BAY
Cliffstar LLC	1399411	April 21, 2010	CHADWICK BAY & Design CHADWICK BAY
Cott Corporation Corporation Cott	1388872	March 26, 2008	COTT ROQT
Cott Corporation Corporation Cott	1289942	February 14, 2006	DETONATE
Cott Corporation Corporation Cott	1344388	April 20, 2007	DRINK TWICE DAILY
Cott Corporation Corporation Cott	1422402	December 18, 2008	DRUIDIC
Cott Corporation Corporation Cott	1363038	September 10, 2007	EMERGE
Cott Corporation Corporation Cott	1422404	December 18, 2008	EURO CITRUS
Cott Corporation Corporation Cott	1383323	February 13, 2008	FORTOFIDOFOR THE DOG YOU LOVE
Cott Corporation Corporation Cott	1377228	December 21, 2007	



FORTIFIDO & PAW DESIGN

Cott Corporation Corporation Cott	1331895	January 18, 2007	GRIM REAPER
Cott Corporation Corporation Cott	1313396	August 17, 2006	JASMINE SUMANA TEA
Cott Corporation Corporation Cott	1313388	August 17, 2006	OOLONG JAHINI TEA
Cott Corporation Corporation Cott	1312288	August 9, 2006	ORIENT EMPORIUM TEA CO.
Cott Corporation Corporation Cott	1422408	December 18, 2008	OROBUS
Cott Corporation Corporation Cott	1367000	October 10, 2007	OZMOZ
Cott Corporation Corporation Cott	1377230	December 21, 2007	



PAW DESIGN

	Application		
Owner	Number	Date	Trademark
Cott Corporation Corporation Cott	1343929	April 18, 2007	POTENTIA
Cott Corporation Corporation Cott	1289944	February 14, 2006	PREDATOR
Cott Corporation Corporation Cott	1356643	July 20, 2007	RATIO WATER
Cott Corporation Corporation Cott	1370541	November 2, 2007	RED HARD
Cott Corporation Corporation Cott	1237946-1	January 22, 2010	RED RAIN
Cott Corporation Corporation Cott	1237947	November 19, 2004	RED RAVE
Cott Corporation Corporation Cott	1422403	December 18, 2008	RESURGENT RASBERRY
Cott Corporation Corporation Cott	1473153	March 15, 2010	ROOIBOS TEREMA TEA
Cott Corporation Corporation Cott	1288436	February 2, 2006	SOCLEAR
Cott Corporation Corporation Cott	1313392	August 17, 2006	YADUMO BLACK TEA

## United Kingdom

## Trademark Registrations

Owner	Registration Number	Registration Date	Trademark
BCB Beverages Limited	2153665	<u>11/13/1998</u>	DR LOONY'S BOUNCY
Deb Beverages Emiliea	2100000	11,10,1990	BUBBLEGUM
BCB Beverages Limited	2153663	11/13/1998	DR LOONY'S STRAWERRY
6			JELLY
BCB Beverages Limited	2153662	11/13/1998	DR LOONY'S ICE CREAM SODA
BCB Beverages Limited	2115574	6/5/1998	DR LOONY'S
BCB Beverages Limited	2108880	4/4/1997	VIXEN
BCB Beverages Limited	2068275	7/4/1997	DR LOONY'S CHERRY
-			CHOCOLATE DREAM
BCB Beverages Limited	2029496	4/9/1996	EDGE
Cott Beverages Limited	580919	28-OCT-1937	SUNVILL
Cott Beverages Limited	735064	15-OCT-1954	SUNQUEN
Cott Beverages Limited	893935	30-APR-1966	SUNSPRING
Cott Beverages Limited	1085655	26-OCT-1977	BENSADE
Cott Beverages Limited	B1155810	16-JUN-1981	CARTERS
Cott Beverages Limited	1410043	06-DEC-1989	Macaw Logo
Cott Beverages Limited	1410044	06-DEC-1989	MACAW
Cott Beverages Limited	1410045	06-DEC-1989	MACAW
Cott Beverages Limited	1548609	24-SEPT-1993	MINERVA
Cott Beverages Limited	1585492	12-SEPT-1994	COTT RETAIL BRANDS

	Registration	Registration	
Owner	Number	Date	Trademark
Cott Beverages Limited	1585494	12-SEPT-1994	COTT
Cott Beverages Limited	2004126	01-DEC-1994	CRYSTAL QUARTZ
Cott Beverages Limited	2016370	01-APR-1995	POP FACTORY
Cott Beverages Limited	2102231	08-JUN-1996	BEN SHAWS
Cott Beverages Limited	2121072	16-JAN-1997	CARTERS GOLD
Cott Beverages Limited	2135258	07-JUN-1997	CARTERS ROYAL
Cott Beverages Limited	2180203	21-OCT-1998	CONNOISSEUR
Cott Beverages Limited	2189200	18-FEB-1999	BENJAMIN SHAW
Cott Beverages Limited	2207437	02-SEP-1999	BULLRING
Cott Beverages Limited	2223475	24-FEB-2000	cola@cott.uk
Cott Beverages Limited	2224197	02-MAR-2000	7X
Cott Beverages Limited	2228207	04-APR-2000	RED ROOSTER
Cott Beverages Limited	2235324	08-JUN-2000	CARTERS SIMPLY CLEAR
Cott Beverages Limited	2241867	07-AUG-2000	DR. LOVE DR. HATE
Cott Beverages Limited	2258301	18-JAN-2001	RED ROCKET
Cott Beverages Limited	2296314	25-MAR-2002	Macaw Head Logo
Cott Beverages Limited	2296317	25-MAR-2002	MACAW (stylized)
Cott Beverages Limited	2308918	23-AUG-2002	IN THE MIX
Cott Beverages Limited	2309729	04-SEP-2002	JUS DE VIE
Cott Beverages Limited	2322716	03-FEB-2003	RR Logo
Cott Beverages Limited	2323810	14-FEB-2003	Drops Logo
Cott Beverages Limited	2323815	18-FEB-2003	H2 & Apple Device
Cott Beverages Limited	2323816	18-FEB-2003	H2 & Orange Device
Cott Beverages Limited	2323959	17-FEB-2003	H2 & Lemon Device
Cott Beverages Limited	2323960	17-FEB-2003	H2 & Berries Device
Cott Beverages Limited	2323961	17-FEB-2003	H2 & Raspberries Device
Cott Beverages Limited	2323962	17-FEB-2003	H2 & Fruit Device
Cott Beverages Limited	2335475	21-JUN-2003	H2 ORANGE SPORTS DRINK &
	0005476	21 U.N. 2002	Device
Cott Beverages Limited	2335476	21-JUN-2003	H2 GRAPEFRUIT SPORTS DRINK
Cott Beverages Limited	2335477	21-JUN-2003	& Device H2 LEMON & LIME SPORTS
Con Develages Linned	2555477	21-JUN-2003	
Cott Beverages Limited	2350017	26-NOV-2003	DRINK & Device COTT SLIM LITE
Cott Beverages Limited	2350017 2350018	26-NOV-2003	COTT SLIM LIGHT
Cott Beverages Limited	2350295	01-DEC-2003	COTT WAIST WATCHERS
Cott Beverages Limited	2355744	13-FEB-2004	REFRESHMENT ROOSTER
Cott Beverages Limited	2355745	13-FEB-2004	SPORT ROOSTER
Cott Beverages Limited	2365980	17-JUN-2004	JUICEFUL
Cott Beverages Limited	2365981	17-JUN-2004	EMERGE
Cott Beverages Limited	2367778	08-JUL-2004	ROOSTER ENERGY
Cott Beverages Limited	2367781	08-JUL-2004	ROOSTER SPORT
Cott Beverages Limited	2381243	24-DEC-2004	EAU SO CLEANSING
Cott Beverages Limited	2381243	24-DEC-2004 24-DEC-2004	EAU SO UPLIFTING
Con Develages Limited	2302207	27-DLC-2004	

Owner	Registration Number	Registration Date	Trademark
Cott Beverages Limited	2382285	24-DEC-2004	EAU SO SKINNY
Cott Beverages Limited	2382970	27-JAN-2005	K PLUS
Cott Beverages Limited	2382971	27-JAN-2005	S PLUS
Cott Beverages Limited	2383853	08-FEB-2005	EAU SO SLIMMING
Cott Beverages Limited	2436935	27-OCT-2006	ORIENT EMPORIUM TEA
			CO
Cott Beverages Limited	2437990	09-NOV-2006	SOCLEAR SPARKLING
Con Develages Dimited	2137770	0, 110 1 2000	WATER & Device
Cott Beverages Limited	2447932	27-FEB-2007	BARE ALL
Cott Beverages Limited	2453046	20-APR-2007	BARE ALL Logo
Cott Beverages Limited	2460295	04-JUL-2007	DRINK A RAINBOW
Cott Beverages Limited	2484790	14-APR-2008	FRUIT SPRITZ device
Cott Beverages Limited	2486529	02-MAY-2008	THE JUICIER COMPANY
Cott Beverages Limited	2489102	03-JUN-2008	SO CLEAR ORGANIC &
			Device
Cott Beverages Limited	2490146	16-JUN-2008	50 5IFTY logo
Cott Beverages Limited	2490156	16-JUN-2008	THE JUICIER COMPANY
Con Deverages Linned	21/0100	1000011 2000	logo
Cott Beverages Limited	2490262	17-JUN-2008	AMICI
Cott Beverages Limited	2493124	18-JUN-2008	JUSCI
Cott Beverages Limited	2491260	27-JUN-2008	SPARKLE & CO
Cott Beverages Limited	2493881	29-JUL-2008	SO CLOUDY & Device
Cott Beverages Limited	2503383	26-NOV-2008	RED RAIN
Cott Beverages Limited	2505827	06-JAN-2009	STARS AND STRIPES
Cott Beverages Limited	2509315	23-FEB-2009	SLINGSHOT
Cott Beverages Limited	2510656	09-MAR-2009	RED ROOSTER SUPER CHARGE
Cott Beverages Limited	2530006	27-OCT-2009	EMERGE ENERGY SHOT
Cott Beverages Limited	2530004	27-OCT-2009	EMERGE STIMULATION
6			SHOT
Cott Beverages Limited	741803	29-APR-1955	SUNCHARM
Cott Private Label Limited	1212243	07-FEB-1984	CARNIVAL
Cott Private Label Limited	1304592	20-MAR-1987	CARTERS SPLASH
Cott Private Label Limited	B1304593	20-MAR-1987	CARTERS SUMMERTIME
Cott Private Label Limited	1304594	20-MAR-1987	CARTERS CLASSIC
Cott Private Label Limited	1304595	20-MAR-1987	CARTERS S'JOOSEY
Cott Private Label Limited	1304596	20-MAR-1987	ISLANDER
Cott Private Label Limited	1372172	04-FEB-1989	ENGLISH ROYAL
Cott Private Label Limited	1372173	04-FEB-1989	CARTERS FIVE STAR
Cott Private Label Limited	1389777	29-JUN-1989	PINACO
Cott Private Label Limited	1443701	29-SEP-1990	CARTERS
Cott Private Label Limited	1480021	19-OCT-1991	EXTRATIME
Cott Private Label Limited	1536181	18-MAY-1993	Carters Soda Label
Cott Private Label Limited	2028345	26-JUL-1995	Carters CIDER SHANDY
			Label
Cott Private Label Limited	2115862	14-NOV-1996	TOP KATS

	Registration	Registration	
Owner	Number	Date	Trademark
Cott Private Label Limited	2115866	14-NOV-1996	HAPPY POPS
Cott Private Label Limited	2118920	17-DEC-1996	MEGASAURUS
Cott Private Label Limited	2120141	07-JAN-1997	WAM
Cott Private Label Limited	2120329	09-JAN-1997	SPOOF
Cott Private Label Limited	2120417	10-JAN-1997	AXESS
Cott Private Label Limited	2120455	10-JAN-1997	NEON
Cott Private Label Limited	2120457	10-JAN-1997	CARTERS SPARKLE
Cott Private Label Limited	2120459	10-JAN-1997	CARTERS STAR
Cott Private Label Limited	2120936	13-JAN-1997	MORSE
Cott Private Label Limited	2121068	16-JAN-1997	JINX
Cott Private Label Limited	2134052	28-MAY-1997	WIDE EYE
Cott Private Label Limited	2135774	13-JUN-1997	SPORTADE
Cott Private Label Limited	2142823	23-AUG-1997	POP MAGIC & Device
Cott Private Label Limited	2142826	23-AUG-1997	Wizard Device
Cott Beverages Inc.	826230	09-Jan-1963	ROYAL CROWN COLA
Cott Beverages Inc.	914292	12-Feb-1969	ROYAL CROWN
Cott Beverages Inc.	936300	10-Jan-1969	DIOT-RITE
Cott Beverages Inc.	1168872	27-Dec-1984	ROYAL CROWN RC100
Cott Beverages Inc.	2015636	03-Mar-2000	ROYAL CROWN COLA
			RC COLA (Stylized)
Cott Beverages Inc.	2034480	06-Dec-1996	ROYAL CROWN DRAFT
Cott Beverages Inc.	2069562	01-Nov-1996	HEAD KICK
Cott Beverages Inc.	B853384	03-Mar-1965	DIET-RITE

## United Kingdom

## Trademark Applications

<u>Owner</u>	Application Number	Date	Description
Cott Beverages Limited	2545069	19-APR-2010	GETTING YOU THROUGH IT
Cott Beverages Limited	2545310	20-APR-2010	FRENZY

### International

## Trademark Registrations

		Registration		
Country	Owner	Number	Date	Trademark
Afghanistan	Cott Beverages Inc.	1199	15-Dec-1967	ROYAL CROWN
Afghanistan	Cott Beverages Inc.	1200	15-Dec-1967	RC
Albania	Cott Beverages Inc.	166	13-Nov-1992	RC
Albania	Cott Beverages Inc.	5010	13-Nov-1992	ROYAL CROWN
Albania	Cott Beverages Inc.	5011	20-Apr-1991	UPPER 10
Albania	Cott Beverages Inc.	11023	20-Feb-2007	ROYAL CROWN
Albania	Cott Beverages Inc.	11024	20-Feb-2007	RED RAIN

Country	Owner	Registration Number	Date	Trademark
Albania	Cott Beverages Inc.	12016	07-Nov-2008	ORIENT
	C			EMPORIUM TEA
				CO.
Algeria	Cott Beverages Inc.	61880	27-Nov-1991	RC
Algeria	Cott Beverages Inc.	61881	27-Nov-1991	ROYAL CROWN
Argentina	Cott Beverages Inc.	1907186	30-Nov-1992	RC
Argentina	Cott Beverages Inc.	1948725	31-May-1993	ROYAL CROWN
Argentina	Cott Beverages Inc.	2116557	26-Sept-2006	DIET-RITE
Armenia	Cott Beverages Inc.	2430	14-Oct-1997	ROYAL CROWN
Armenia	Cott Beverages Inc.	2988	31-Mar-1998	ROYAL CROWN
	-			COLA RC COLA &
				Design
Armenia	Cott Beverages Inc.	11508	06-Mar-2007	ROYAL CROWN
	-			COLA & RC Design
Australia	Cott Beverages Inc.	673324	09-May-1997	ROYAL CROWN
Australia	Cott Beverages Inc.	750239	07-Mar-2001	ROYAL CROWN
	-			DRAFT
Australia	Cott Beverages Inc.	789019	22-Mar-1999	RC EDGE
Australia	Cott Beverages Inc.	1139904	09-Oct-2006	RC & Design
Austria	Cott Beverages Inc.	101426	21-Dec-1992	ROYAL CROWN
Austria	Cott Beverages Inc.	101709	31-Jan-1983	RC (Stylized)
Austria	Cott Beverages Inc.	101748	27-Jan-1983	DIET-RITE
Azerbaijan	Cott Beverages Inc.	980658	15-Apr-1998	ROYAL CROWN
Azerbaijan	Cott Beverages Inc.	20050476	07-Jul-2005	RC
Bahamas	Cott Beverages Inc.	555	04-Nov-1926	NEHI
Bahamas	BCB Beverages Limited	3987	23-Jul-1963	ROYAL CROWN
Bahamas	BCB Beverages Limited	3988	23-Jul-1963	ROYAL CROWN
Bahamas	BCB Beverages Limited	4369	10-Dec-1964	DIET-RITE
Bahamas	BCB Beverages Limited	22397	09-Jan-2004	RC
Bahamas	Cott Beverages Inc.	28984	07-Apr-2010	ROYAL CROWN
				COLA & RC Design
Bahrain	Cott Beverages Inc.	2081	18-Sep-1967	ROYAL CROWN
				COLA
Bahrain	Cott Beverages Inc.	12596	17-Jun-1989	DIET-RITE
Bahrain	Cott Beverages Inc.	21444	25-Dec-1996	RC
Bahrain	Cott Beverages Inc.	33397	19-Jun-2003	COTT
Barbados	Royal Crown Company,	81805	30-Sep-1986	ROYAL CROWN
	Inc.			
Barbados	Royal Crown Company,	815413	27-Oct-1965	DIET RITE
	Inc.			
Belarus	Royal Crown Company,	5913	13-Mar-1997	ROYAL CROWN
	Inc.			

Country	Owner	Registration Number	Date	Trademark
Belarus	Cott Beverages Inc.	23324	28-Jul-2006	RC
Benelux	Cott Beverages Inc.	52116	12-Oct-1973	DIET-RITE
Benelux	Cott Beverages Inc.	65286	12-Oct-1977	RC
Benelux	Cott Beverages Inc.	65287	12-Oct-1966	ROYAL CROWN
Benelux	Cott Beverages Inc.	96122	20-Dec-1971	UPPER 10 (Stylized)
Benelux	Cott Corporation	581344	14-NOV-1995	COTT
Benelux	Cott Beverages Limited	1175565	11-May-2009	50 5IFTY
Benelux	Cott Beverages Limited	1183872	10-Sep-2009	CARTERS STAR
Benelux	Cott Beverages Limited	1183871	10-Sep-2009	CARTERS
Bermuda	Royal Crown Company,	B8220	26-Aug-1977	RC (Stylized)
	Inc.		-	-
Bermuda	Royal Crown Company,	B8221	26-Aug-1977	ROYAL CROWN
	Inc.			COLA RC (Stylized)
Bolivia	Cott Beverages Inc.	51900A	11-Apr-1977	ROYAL CROWN
Bolivia	Cott Beverages Inc.	71441C	10-Mar-1999	RC
Bolivia	Cott Beverages Inc.	C78604	15-May-2000	KICK
Bolivia	Cott Beverages Inc.	114840C	09-Apr-2007	ROYAL CROWN
				COLA & RC Design
Bosnia and Herzegovina	Cott Beverages Inc.	BAZ047494	04-Dec-2008	RC
Bosnia and Herzegovina	Cott Beverages Inc.	BAZ047495	16-Dec-2008	RCQ
Bosnia and Herzegovina	Cott Beverages Inc.	BAZ047493	16-Dec-2008	ROYAL CROWN
Bosnia and Herzegovina	Cott Beverages Inc.	BAZ069870	02-Apr-2010	ROYAL CROWN
Bosnia and Herzegovina	Cott Beverages Inc.	BAZ069869	05-Apr-2010	RED RAIN
Botswana	Cott Beverages Inc.	SA4434	06-Apr-1976	RC
Botswana	Cott Beverages Inc.	UK863	12-Sep-1988	ROYAL CROWN
Brazil	Cott Beverages Inc.	007041292	25-Dec-1979	ROYAL COLA
Brazil	BCB International	818341289	04-Nov-1997	STARS & STRIPES
	Limited			
Brazil	Cott Beverages Inc.	818909340	01-Sep-1998	ROYAL CROWN
Brazil	Cott Beverages Inc.	819415855	06-Apr-1999	RC
Brazil	Cott Beverages Inc.	821568051	15-Oct-2002	RC EDGE
Brazil	Cott Beverages Inc.	828490333	17-Nov-2009	RC & Design
Brunei Darussalam	Cott Beverages Inc.	16187	03-Nov-1990	ROYAL CROWN
Brunei Darussalam	Cott Beverages Inc.	16249	22-Dec-1990	RC
Bulgaria	Cott Beverages Inc.	20515	01-Jun-1993	ROYAL CROWN
Bulgaria	Cott Beverages Inc.	20955	06-Jul-1993	RC
Bulgaria	Cott Beverages Inc.	20956	06-Jul-1993	UPPER 10
Cambodia	Cott Beverages Inc.	1727103	08-Jan-2003	RC

Country	Owner	Registration Number	Date	Trademark
Cambodia	Cott Beverages Inc.	1756203	25-Feb-2003	ROYAL CROWN
Chile	Cott Beverages Inc.	606147	14-May-1981	RC ARCI & Label
	e		5	Design
Chile	Cott Beverages Inc.	660850	03-Mar-1942	ROYAL CROWN
Chile	Cott Beverages Inc.	724464	15-Jan-1985	DIET-RITE
Chile	Cott Beverages Inc.	743916	26-Dec-2005	ROYAL CROWN
	C			COLA & RC Design
Chile	Cott Beverages Inc.	761414	29-Jun-2006	RCQ (Stylized)
Chile	BCB International	793204	31-Jan-1997	STARS & STRIPES
	Limited			
China	Cott Beverages Inc.	166070	30-Nov-1982	ROYAL CROWN
China	Cott Beverages Inc.	166071	30-Nov-1982	ROYAL CROWN
	e			COLA RC (Stylized)
China	Cott Beverages Inc.	166072	30-Nov-1982	DIET RITE
China	Cott Beverages Inc.	262288	10-Sep-1986	UPPER 10
China	Cott Beverages Inc.	725534	21-Jan-1995	ROYAL CROWN
	C			(Outlined Chinese
				Characters)
China	Cott Beverages Inc.	732001	28-Feb-1995	RC & Design
China	Cott Beverages Inc.	1289576	28-Jun-1999	ROYAL CROWN
	C			(Chinese Characters –
				Huang Quan)
China	Cott Beverages Inc.	1955876	28-Oct-2002	KICK
China	Cott Corporation	3638090	07-Feb-2005	AQUEL
China	Cott Beverages Inc.	4514356	14-Nov-2007	ROYAL CROWN
				COLA & RC Design
China	Cott Beverages Inc.	5491798	07-Jun-2009	COTT
China	Cott Beverages Inc.	5491797	21-Nov-2009	COTT
China	Cott Beverages Inc.	5925194	28-Nov-2009	RCQ
China	Cott Beverages Inc.	5925195	28-Nov-2009	GL-FIT
China	Cott Beverages Inc.	6633362	28-Mar-2010	BARE ALL
China	Cott Beverages Inc.	6176649	14-Jan-2010	COTT (in Chinese)
China	Cott Beverages Inc.	6176650	21-Mar-2010	COTT (in Chinese)
China	Cott Beverages Inc.	6606264	28-Mar-2010	RED ROOSTER
China	Cott Beverages Inc.	6726412	07-Apr-2010	RC & Design (color)
China	Cliffstar LLC	1375619		ShanStar (design)
Colombia	Cott Beverages Inc.	172327	26-Jan-1995	RC
Colombia	Royal Crown Company,	263155	23-Apr-2002	ROYAL CROWN
	Inc.			COLA RC COLA
				(Stylized)
Colombia	Cott Beverages Inc.	92841	26-Jun-1978	ROYAL CROWN
Congo	Cott Beverages Inc.	3632C	28-Aug-1987	RC
Congo	Cott Beverages Inc.	3633C	28-Aug-1987	ROYAL CROWN
Costa Rica	Cott Beverages Inc.	28806	06-Nov-1990	RC (Stylized)

Country	Owner	Registration Number	Date	Trademark
Costa Rica	Cott Beverages Inc.	75945	26-Jun-1991	ROYAL CROWN
Croatia	Cott Beverages Inc.	Z20040208A	10-Feb-2004	RC
Croatia	Cott Beverages Inc.	Z20040209A	10-Feb-2004	RCQ
Croatia	Cott Beverages Inc.	Z20041530A	04-Oct-2004	RC & Design
Croatia	Cott Beverages Inc.	Z20041531A	04-Oct-2004	RCQ (Stylized)
Croatia	Cott Beverages Inc.	Z20060594	11-Dec-2006	REDRAIN
Croatia	Cott Beverages Inc.	Z20060595	11-Dec-2006	ROYAL CROWN
Croatia	Cott Beverages Inc.	Z941764	16-May-1996	ROYAL CROWN
Cuba	Royal Crown Company,	115017	20-Jul-1984	ROYAL CROWN
	Inc.			COLA RC (Stylized)
Cyprus	Cott Beverages Inc.	10552	03-May-1967	ROYAL CROWN
• 1	C		•	(English & Greek
				Characters)
Cyprus	Cott Beverages Inc.	10554	03-May-1967	RC & Design
Czech Republic	Cott Beverages Inc.	164169	17-Sep-1979	RC
Czech Republic	Cott Beverages Inc.	211950	25-Aug-1998	KICK
Czech Republic	Cott Beverages Inc.	221169	22-Nov-1999	ROYAL CROWN
Czech Republic	Cott Beverages Inc.	264292	23-Jul-2004	ROYAL CROWN
-	-			COLA RC COLA
				Label Design in
				Color
Czech Republic	Cott Beverages Inc.	264293	23-Jul-2004	ROYAL CROWN
				COLA RC COLA
				Label Design in b&w
Czech Republic	Cott Beverages Limited	996972	11-Mar-2009	EMERGE
Czech Republic	Cott Beverages Limited	467589	27-Apr-2009	U FORCE device
Denmark	Cott Beverages Inc.	VR196401092	04-Apr-1964	DIET-RITE
Denmark	Cott Beverages Inc.	VR197000734	20-Feb-1970	ROYAL CROWN
Denmark	Cott Beverages Inc.	VR197000737	20-Feb-1970	DIET-RITE
Dominican Republic	Cott Beverages Inc.	17477	24-Apr-1969	RC
Dominican Republic	Cott Beverages Inc.	17480	24-Apr-1969	ROYAL CROWN
Dominican Republic	Cott Beverages Inc.	17481	24-Apr-1969	UPPER 10
Dominican Republic	Cott Beverages Inc.	60751	16-Jul-1991	ARCI
Dominican Republic	Cott Beverages Inc.	153474	17-Mar-2006	ROYAL CROWN
				COLA & RC Design
Ecuador	Cott Beverages Inc.	2573	27-Mar-1942	ROYAL CROWN
Ecuador	Cott Beverages Inc.	2574	17-Apr-1973	RC
Ecuador	Cott Beverages Inc.	428495	18-Dec-1995	DIET-RITE
Egypt	Royal Crown Company,	43700	15-Sep-1968	RC
	Inc.			

Country	Owner	Registration Number	Date	Trademark
Egypt	Royal Crown Company, Inc.	43701	15-Sep-1968	ROYAL CROWN
Egypt	Royal Crown Company, Inc.	90789	04-Dec-1997	ROYAL CROWN (Stylized English & Arabic Characters)
El Salvador	Cott Beverages Inc.	00016	26-Aug-2004	UPPER 10
El Salvador	Cott Beverages Inc.	00114	23-Jul-2004	UPPER 10
El Salvador	Royal Crown Company, Inc.	105 Book 98	15-Mar-1983	ROYAL CROWN COLA RC & Label Design
El Salvador	Cott Beverages Inc.	85 Book 19	27-Aug-1993	RC (Stylized)
El Salvador	Cott Beverages Inc.	2006061308	30-Jan-2008	ROYAL CROWN COLA RC & Design
Estonia	Cott Beverages Inc.	19289	19-Apr-1996	ROYAL CROWN
Estonia	Cott Beverages Inc.	29909	13-Dec-1999	KICK
Estonia	Cott Beverages Inc.	44958	21-Apr-2008	RC & Design
Ethiopia	Cott Beverages Inc.	03034	22-Jul-1999	ROYAL CROWN
Ethiopia	Cott Beverages Inc.	03035	22-Jul-1999	RC
European Community	Cott Beverages Inc	4436481	24-MAY-2006	RCQ
European Community	Cott Beverages, Inc.	4436473	10-MAY-2007	DIET RITE
European Community	Cott Beverages Inc.	4380143	25-APR-2006	RC
European Community	Cott Beverages Inc	4338067	19-JUN-2006	RC
European Community	Cott Beverages Limited	3033172	20-DEC-2004	RED ROOSTER
European Community	Cott Beverages Limited	2655892	26-SEP-2003	MACAW
European Community	Cott Beverages Limited	2655900	14-AUG-2003	Macaw Head Logo
European Community	Cott Beverages, Inc.	1393701	26-Feb-01	RC EDGE
European Community	Cott Beverages, Inc.	576041	17-NOV-1998	HEAD KICK
European Community	Cott Private Label Limited	642884	3/18/1999	JOOCE
European Community	Cott Beverages Limited	5801105	17-Apr-2008	BARE ALL
European Community	Cott Beverages Limited	5934435	25-Apr-2008	ORIENT EMPORIUM TEA CO
European Community	Cott Beverages Limited	5847629	13-Mar-2008	Bare all (and Leaf Design)
European Community	Cott Beverages Inc.	4338075	29-May-2008	ROYAL CROWN

Country	Owner	Registration Number	Date	Trademark
European Community	Cott Beverages Inc.	8673162	19-May-2010	UPPER 10
European	Cott Beverages Limited	8385262	12-Jan-2010	RED ROOSTER
Community	C			ENERGY SHOT
European Community	Cott Beverages Limited	8500084	27-Jan-2010	RED RAIN
European Community	Cott Beverages Limited	8387334	12-Jan-2010	U FORCE design
European Community	Cott Beverages Inc.	8774119	15-Jun-2010	RC LIGHT
European Community	Cott Beverages Limited	1211010	12-Sep-2000	BEN SHAWS
European Community	Cott Beverages Limited	6021687	22-May-2008	GL-7
Fiji	Cott Beverages Inc.	3970	11-Oct-1961	ROYAL CROWN
				COLA
Finland	Cott Beverages Inc.	57662	09-Nov-1970	ROYAL CROWN
Finland	Cott Beverages Inc.	58291	21-Apr-1971	DIET RITE
Finland	Cott Beverages Inc.	81400	05-May-1982	RC (Stylized)
France	Cott Beverages Inc.	1470581	26-Jul-1968	RC
France	Cott Beverages Inc.	1470582	26-Jul-1968	ROYAL CROWN
France	Cott Beverages Inc.	95593742	23-Oct-1995	ROYAL CROWN
				DRAFT
France	Cott Beverages Limited	93640210	30-Mar-2009	RED RAIN
France	Cott Beverages Limited	093654844	04-Jun-2009	CARTERS
France	Cott Beverages Limited	093659405	23-Jun-2009	CARTERS STAR
Gaza District	Cott Beverages Inc.	3321	14-Sep-1996	ROYAL CROWN
Gaza District	Cott Beverages Inc.	3322	14-Sep-1996	RC
Gaza District	Cott Beverages Inc.	5859	30-Jan-2000	ROYAL CROWN
				COLA & RC Design (in Arabic) (Label in color)
Gaza District	Cott Beverages Inc.	5860	30-Jan-2000	ROYAL CROWN COLA & RC Design (in English) (Label in color)
Georgia	Cott Beverages Inc.	4361	16-Jan-1997	ROYAL CROWN COLA RC (Stylized)
Georgia	Cott Beverages Inc.	4362	17-Jan-1997	ROYAL CROWN
Germany	Cott Beverages Inc.	779444	15-Dec-1959	ROYAL CROWN
Germany	Cott Beverages Inc.	786315	31-Mar-1964	DIET-RITE
Germany	Cott Beverages Inc.	2097827	02-Aug-1995	UPPER 10
Germany	Cott Beverages Inc.	39510662	05-Dec-1995	ROYAL CROWN
				COLA RC COLA (Stylized)
Germany	Cott Beverages Inc.	39539153	12-Feb-1996	ROYAL CROWN DRAFT

Country	Owner	Registration Number	Date	Trademark
<u>Country</u> Ghana	Royal Crown Company,		06-May-1978	ROYAL CROWN
Gilalia	Inc.	17855	00-Way-1978	KOTAL CROWN
Ghana	Royal Crown Company,	B17912	06-May-1971	RC (Stylized)
Ghuna	Inc.	D17912	00 May 1971	Re (Stynzed)
Greece	Cott Beverages Inc.	46834	11-Aug-1971	RC
Greece	Cott Beverages Inc.	58128	03-Feb-1977	DIET RITE
Greece	Cott Beverages Inc.	129463	29-May-1996	ROYAL CROWN
Greece	Cott Beverages Inc.	153347	17-Dec-2009	RC ZERO
Guatemala	Cott Beverages Inc.	4875	18-Feb-1942	ROYAL CROWN
Guatemala	Cott Beverages Inc.	20525	18-Mar-1969	DIET-RITE
Guatemala	Cott Beverages Inc.	20526	18-Mar-1969	UPPER 10 (Stylized)
Guatemala	Cott Beverages Inc.	22789	17-Nov-1970	ROYAL CROWN
Guatemala	Cott Beverages Inc.	22791	17-Nov-1970	RC
Guyana	Cott Beverages Inc.	10051C	02-Oct-1976	ROYAL CROWN
Guyana	Cott Beverages Inc.	12369C	14-Dec-1985	DIET-RITE
Haiti	Cott Beverages Inc.	234143	06-Oct-2004	ROYAL CROWN
Haiti	Cott Beverages Inc.	311139	07-May-1973	RC
Honduras	Cott Beverages Inc.	22549	22-Oct-1975	RC
Honduras	Cott Beverages Inc.	23190	20-Sep-1976	ROYAL CROWN
Honduras	Cott Beverages Inc.	24712	23-May-1978	DIET RITE
Honduras	Cott Beverages Inc.	81108	26-Mar-2001	UPPER 10
Honduras	Cliffstar LLC	87087		CLIFFSTAR
Hong Kong	Cott Beverages Inc.	002791963	21-Mar-1963	CROWN COLA
Hong Kong	Cott Beverages Inc.	009781965	16-Oct-1965	ROYAL CROWN
				COLA
Hong Kong	Cott Beverages Inc.	300685666	06-Feb-2007	COTT
Hong Kong	Cott Beverages Inc.	300842779	29-Mar-2007	GL-FIT
Hong Kong	Cott Beverages Inc.	300842788	29-Mar-2007	RCQ
Hong Kong	Cott Beverages Inc.	300842797	29-Mar-2007	UPPER 10
Hong Kong	Cott Beverages Inc.	300855405	17-Aug-2007	ORIENT
				EMPORIUM TEA
				CO.
Hong Kong	Cott Beverages Inc.	300915057	8-Jan-2008	COTT (in Chinese)
Hungary	Cott Beverages Inc.	133619	30-Mar-1993	UPPER 10
Hungary	Cott Beverages Inc.	143507	28-Mar-1997	RC
Hungary	Cott Beverages Inc.	154446	05-Oct-1998	ROYAL CROWN
Hungary	Cott Beverages Inc.	185469	31-Jul-2006	KICK
Hungary	Cott Beverages Inc.	190510	07-Aug-2007	RC & Design
Hungary	Cott Beverages Limited	199160	24-Apr-2009	U FORCE design
Iceland	Cott Beverages Inc.	2092007	06-Feb-2007	ROYAL CROWN
				COLA & RC Design
India	Cott Beverages Inc.	337035	03-Jul-1980	ROYAL CROWN
India	Cott Beverages Inc.	665825	16-May-1995	ROYAL CROWN
				COLA RC COLA
·		000100	<b>A A A A A A A A A A</b>	(Stylized)
India	Cott Beverages Inc.	909192	21-May-2005	RC EDGE

Country	Owner	Registration Number	Date	Trademark
India	Cott Beverages Inc.	1149220	05-May-2005	COTT
India	Cott Beverages Inc.	265536B	23-Feb-1972	RC (Stylized)
India	Cott Beverages Inc.	696321	14-Mar-2008	RCQ
Indonesia	Cott Beverages Inc.	270693	18-Mar-1968	<b>ROYAL CROWN</b>
Indonesia	Cott Beverages Inc.	445284	01-May-2000	RC
Indonesia	Cott Beverages Inc.	448987	14-Jun-2000	KICK
Indonesia	Cott Beverages Inc.	457082	22-Apr-1999	RC EDGE
International Register	Cott Beverages Limited	996972	11-Mar-2009	EMERGE
International Register	Cott Beverages Limited	941160	02-OCT-2007	ORIENT
				EMPORIUM TEA CO
Iran	Cott Beverages Inc.	158199	14-Sep-2008	RC
Ireland	Cott Beverages Inc.	165030	25-Jul-1997	RC COLA (Stylized)
Ireland	Cott Beverages, Limited	221106	4/4/2001	<b>RED ROOSTER</b>
Ireland	Cott Beverages Limited	241884	29-Jul-2009	CARTERS STAR
Ireland	Cott Beverages Limited	996972	28-Jul-2009	EMERGE
Israel	Cott Beverages Inc.	70515	17-Mar-1993	DIET RITE
Israel	Cott Beverages Inc.	70517	06-Dec-1992	ROYAL CROWN
Israel	Cott Beverages Inc.	70518	06-Dec-1992	ROYAL CROWN
				COLA RC (Stylized)
Israel	Cott Beverages Inc.	70519	17-Mar-1993	UPPER 10 (Stylized)
Israel	Cott Beverages Inc.	88825	08-Oct-1996	Cott
Israel	Cott Beverages Inc.	88826	08-Oct-1996	"COTT" (Stylized) &
				Design
Israel	Cott Beverages Inc.	90836	08-Oct-1996	COTT
Israel	Cott Beverages Inc.	127345	06-Apr-2000	RC EDGE
Israel	Cott Beverages Inc.	156307	02-Jun-2003	RCQ
Israel	Cott Beverages Inc.	207425	06-May-2009	RC
Israel	Cott Beverages Inc.	208203	08-Nov-2009	RC COLA FREE
Israel	Cott Beverages Inc.	207427	08-Nov-2009	RC COLA ONE
Israel	Cott Beverages Inc.	221833	08-Nov-2009	Tattoo Logo
Italy	Cott Beverages Inc.	461729	28-Sep-1963	DIET-RITE
Italy	Cott Beverages Inc.	689457	26-Jan-1987	ROYAL COLA
Italy	Cott Beverages Inc.	720619	27-Sep-1997	ROYAL CROWN
			I	DRAFT
Italy	Cott Beverages Inc.	783056	14-Feb-1968	ROYAL CROWN
Italy	Cott Beverages Inc.	783057	14-Feb-1968	RC
Italy	Cott Beverages Inc.	989334	30-Dec-2005	RC EDGE
Italy	Cott Beverages Limited	MI/2004/10872	11/3/04	EMERGE
Jamaica	Cott Beverages Inc.	26790	01-Aug-1996	UPPER 10
Jamaica	Royal Crown Company,		20-May-2003	<b>ROYAL CROWN</b>
	Inc.		-	DRAFT
Jamaica	Cott Beverages Inc.	48109	08-Dec-2006	ROYAL CROWN
	č			COLA RC & Design
				-

Country	Owner	Registration Number	Date	Trademark
Jamaica	Cott Beverages Inc.	52032	25-Apr-2008	RED RAIN
Japan	Cott Beverages Inc.	4116722	20-Feb-1998	DIET RITE
Japan	Cott Beverages Inc.	5106214	18-Jan-2008	RC & Design
Japan	Cott Beverages Inc.	4195568	09-Oct-1998	ROYAL CROWN
•	C			DRAFT
Japan	Cott Beverages Inc.	4199861	16-Oct-1998	ROYAL CROWN
Japan	Cott Beverages Inc.	5106214	18-Jan-2008	RC & Design
Jordan	Cott Beverages Inc.	14364	11-Nov-1971	RC
Jordan	Cott Beverages Inc.	18440	11-Nov-1971	ROYAL CROWN
Jordan	Cott Beverages Inc.	74601	25-Apr-2004	RCQ
Kazakhstan	Cott Beverages Inc.	5238	18-Mar-1997	UPPER 10 (Stylized)
Kazakhstan	Cott Beverages Inc.	7107	08-Jun-1998	ROYAL CROWN
Kazakhstan	Cott Beverages Inc.	8098	30-Dec-1998	KICK
Kazakhstan	Cott Beverages Inc.	19651	30-Jan-2006	RC & Design
Kazakhstan	Cott Beverages Inc.	27047	17-Nov-2008	RCQ
Kenya	Cott Beverages Inc.	26133	25-May-1979	ROYAL CROWN
-	-		-	COLA RC (Stylized)
Korea, Republic of	Cott Beverages Inc.	460261	07-Dec-1999	RC EDGE
Korea, Republic of	Cott Beverages Inc.	658956	18-Apr-2006	ROYAL CROWN
-	-		-	COLA & RC Design
Korea, Republic of	Cliffstar LLC	572675		GOLDEN CROWN
Kuwait	Cott Beverages Inc.	3519	14-Oct-1968	RC
Kuwait	Cott Beverages Inc.	3713	14-Oct-1968	ROYAL CROWN
Kuwait	Cott Beverages Inc.	8833	18-Feb-1978	DIET-RITE (English
	C			& Arabic Characters)
Kuwait	Cott Beverages Inc.	8834	18-Feb-1978	ROYAL CROWN
	C			(Arabic Characters)
Kuwait	Cott Beverages Inc.	8836	18-Feb-1978	RC (Arabic Characters)
Kuwait	Cott Beverages Inc.	17230	30-Sep-1985	UPPER 10 (English
	-		-	& Arabic Characters)
Kuwait	Cott Beverages Inc.	41780	31-Oct-2000	RC EDGE
Kuwait	Cott Beverages Inc.	50622	16-Feb-2003	RCQ
Kuwait	Cott Beverages Inc.	57503	23-Apr-2006	COTT
Kyrgyz Republic	Cott Beverages Inc.	2701	20-Dec-1995	ROYAL CROWN
Kyrgyz Republic	Cott Beverages Inc.	2702	20-Dec-1995	UPPER 10 (Stylized)
Kyrgyz Republic	Cott Beverages Inc.	4132	30-Dec-1997	KICK
Kyrgyz Republic	Cott Beverages Inc.	7295	31-Mar-2005	RC & Design
Laos	Cott Beverages Inc.	9115	18-Sep-2002	RC
Laos	Cott Beverages Inc.	9116	18-Sep-2002	ROYAL CROWN
Latvia	Cott Beverages Inc.	M34880	20-Dec-1996	ROYAL CROWN
Latvia	Cott Beverages Inc.	M40210	20-Mar-1998	KICK
Latvia	Cott Beverages Inc.	M54696	20-Mar-2005	RC
	č			

Country	Owner	Registration Number	Date	Trademark
Lebanon	Cott Beverages Inc.	68738		DIET-RITE (English
Leounon	Con Develuges me.	00750	20 Juli 1900	& Arabic Characters)
Lebanon	Cott Beverages Inc.	80682	24-Sep-1969	RC
Lebanon	Cott Beverages Inc.	80683	25-Sep-1969	ROYAL CROWN
Lebanon	Cott Beverages Inc.	82446	12-Feb-1970	RC (Arabic
	6			Characters)
Lebanon	Cott Beverages Inc.	82447	12-Feb-1970	ROYAL CROWN
	C			(Arabic Characters)
Lebanon	Cott Beverages Inc.	107431	06-Jul-2006	RCQ (Stylized)
Lesotho	Cott Beverages Inc.	LSM9001883	12-Sep-1967	ROYAL CROWN
Lesotho	Cott Beverages Inc.	LSM9002820	31-Jul-1967	RC
Lesotho	Cott Beverages Inc.	LSM0700012	24-Oct-2008	ROYAL CROWN
				COLA & RC Design
Liberia	Cott Beverages Inc.	200400047	18-May-2004	RC
Liberia	Cott Corporation	41289/274	18-Nov-1959	ROYAL CROWN
Lithuania	Cott Beverages Inc.	24909	29-May-1997	ROYAL CROWN
Lithuania	Cott Beverages Inc.	32577	08-Apr-1999	KICK
Lithuania	Cott Beverages Inc.	50920	10-Feb-2006	RC
Macao	Cott Beverages Inc.	5665M	12-Feb-1988	RC
Macao	Cott Beverages Inc.	5667M	12-Feb-1988	DIET-RITE
Macao	Cott Beverages Inc.	5668M	12-Feb-1988	ROYAL CROWN
Macao	Cott Beverages Inc.	N23288	07-Dec-2006	COTT
Macao	Cott Beverages Inc.	N24500	20-Apr-2007	COTT
Macao	Cott Beverages Inc.	N26981	30-Jul-2007	GL-FIT
Macao Macao	Cott Beverages Inc. Cott Beverages Inc.	N26982 N27264	30-Jul-2007 30-Jul-2007	RCQ RC & Design
Macao	Cott Beverages Inc.	N27077	03-Jan-2008	ORIENT
Macao	Cott Beverages file.	N27077	0 <b>5-Ja</b> li-2008	EMPORIUM TEA
				CO.
Macao	Cott Beverages Inc.	N27078	03-Jan-2008	ORIENT
Widedo	Cott Develages me.	112/0/0	05 Juli 2000	EMPORIUM TEA
				CO.
Macedonia	Cott Beverages Inc.	01853	05-Feb-1996	ROYAL CROWN
Macedonia	Cott Beverages Inc.	02243	05-Mar-1996	UPPER 10
Macedonia	Cott Beverages Inc.	05333	13-Jul-1997	ROYAL CROWN
	6			COLA RC (Stylized)
Macedonia	Cott Beverages Inc.	13064	10-Mar-2005	KICK
Macedonia	Cott Beverages Inc.	13695	11-Feb-2008	RED RAIN
Macedonia	Cott Beverages Inc.	13697	11-Feb-2008	ROYAL CROWN
Macedonia	Cott Beverages Inc.	14995	03-Mar-2008	ORIENT
	C			EMPORIUM TEA
				CO.
Madagascar	Cott Beverages Inc.	296	23-Mar-1995	ROYAL CROWN
Madagascar	Cott Beverages Inc.	297	23-Mar-1995	DIET RITE
Madagascar	Cott Beverages Inc.	298	23-Mar-1995	RC

Country	Owner	Registration Number	Date	Trademark
Malawi	Cott Beverages Inc.	108562	31-Oct-1962	ROYAL CROWN
	6			COLA
Malaysia	Cott Beverages Inc.	M094284	04-Jan-1968	ROYAL CROWN
•	C			COLA
Malaysia	Cott Beverages Inc.	03008128	03-Sep-2009	ROYAL CROWN
Malta	Cott Beverages Inc.	8570	02-Mar-1966	ROYAL CROWN
Malta	Cott Beverages Inc.	11125	31-Jan-1972	RC (Stylized)
Martinique	Royal Crown Company,	M49283	04-Jan-1968	ROYAL CROWN
	Inc.			COLA RC (Stylized)
Martinique	Cott Beverages Inc.	M49284	04-Jan-1968	ROYAL CROWN
				COLA
Mauritius	Cott Beverages Inc.	A24133	05-Sep-1974	ROYAL CROWN
				RC & Design
Mexico	Cott Corporation	1047802	30-Jun-2008	AGUA MIST /
				AQUA MIST
Mexico	Cott Corporation	1005619	05-Oct-2007	AMERICAN
				CLASSIC
Mexico	Cott Corporation	1005618	05-Oct-2007	AQUEL
Mexico	Cott Corporation	1004667	27-Sep-2007	COTT EAU
	~ ~ .			NATURELLE
Mexico	Cott Corporation	1005625	05-Oct-2007	DR. EXTREME
Mexico	Cott Corporation	1011396	15-Nov-2007	DR. STRIPES
Mexico	Cott Corporation	1005624	05-Oct-2007	EMERGE
Mexico	Cott Corporation	1004666	27-Sep-2007	GL-7
Mexico	Cott Corporation	1005623	05-Oct-2007	GLFIT
Mexico	Cott Corporation	1005621	05-Oct-2007	MOUNTAIN STARS
Mexico	Cott Corporation	1060056	09-Sep-2008	ORIENT
				EMPORIUM TEA
Mexico	Cott Corporation	1005622	05-Oct-2007	CO. SILVER PEAK
Mexico	Cott Corporation	1005614	05-Oct-2007 05-Oct-2007	SO CLEAR
Mexico	Cott Corporation	1005615	05-Oct-2007 05-Oct-2007	SO CLEAR
Mexico	Cott Corporation	516113	31-Jan-1996	STARS & STRIPES
Mexico	Cott Corporation	1097377	24-Apr-2009	STARS & STRIPES
WIEXICO	Contemporation	1097577	24-Api-2009	& Design
Mexico	Cott Corporation	1005620	05-Oct-2007	STARS UP
Mexico	Cott Corporation	1005617	05-Oct-2007 05-Oct-2007	SUN MOUNTAIN
Mexico	Cott Corporation	1005616	05-Oct-2007	TWICE UP
Moldova	Cott Beverages Inc.	3439	22-Feb-1996	ROYAL CROWN
Moldova	Cott Beverages Inc.	12430	04-Mar-2004	RC
Moldova	Cott Beverages Inc.	18496	19-Mar-2008	ORIENT
11010010	Con Develuges me.	10190	17 1111 2000	EMPORIUM TEA
				CO.
Monaco	Cott Beverages Inc.	0424235	15-Jul-2004	RC
Monaco	Cott Beverages Inc.	R9516083	09-Apr-1970	ROYAL CROWN
Monaco	Cott Beverages Inc.	R9516084	09-Apr-1970	DIET-RITE
			1	

Country	Owner	Registration Number	Date	Trademark
Morocco	Cott Beverages Inc.	46313	21-Mar-1991	ROYAL CROWN
Morocco	Cott Beverages Inc.	46314	21-Mar-1991	ROYAL CROWN (Arabic Characters)
Morocco	Cott Beverages Inc.	46315	21-Mar-1991	RC
Morocco	Cott Beverages Inc.	46316	21-Mar-1991	RC (Arabic Characters)
Myanmar	Cott Beverages Inc.	3074	25-Jul-1995	UPPER 10
Myanmar	Royal Crown Company, Inc.	3075	25-Jul-1995	RC
Myanmar	Cott Beverages Inc.	3076	25-Jul-1995	DIET RITE
Myanmar	Cott Beverages Inc.	3079	25-Jul-1995	ROYAL CROWN
Namibia	Cott Beverages Inc.	68042	12-Feb-1968	ROYAL CROWN COLA
Namibia	Cott Beverages Inc.	71329	27-Jul-1971	ROYAL CROWN
Namibia	Cott Beverages Inc.	20040354	05-Jul-2006	RC
Netherlands Antilles	Cott Beverages Inc.	13101	20-Jan-1984	RC
Netherlands Antilles	Cott Beverages Inc.	13549	27-Jun-2008	ROYAL CROWN
Netherlands Antilles	Cott Beverages Inc.	14630	19-Mar-2010	DIET UPPER 10
Netherlands Antilles	Cott Beverages Inc.	14627	19-Mar-2010	RC ZERO
Netherlands Antilles	Cott Beverages Inc.	14628	19-Mar-2010	RCQ
Netherlands Antilles	Cott Beverages Inc.	14629	19-Mar-2010	UPPER 10
New Zealand	Cott Beverages Inc.	262155	12-Nov-1999	ROYAL CROWN
New Zealand	Cott Beverages Inc.	285601	03-Dec-1997	ROYAL CROWN DRAFT
New Zealand	Cott Beverages Inc.	B240072	10-Aug-1998	RC COLA (Stylized)
Nigeria	Cott Beverages Inc.	28480	28-Apr-1992	ROYAL CROWN COLA RC (Stylized)
Nigeria	Cott Beverages Inc.	41942	29-May-1991	UPPER 10
Norway	Cott Beverages Inc.	79079	16-Apr-1970	DIET-RITE
Norway	Cott Beverages Inc.	79512	19-Jun-1970	RC
Norway	Cott Beverages Inc.	238457	22-Mar-2007	RC & Design
Norway	Cott Beverages Inc.	183082	26-Jun-1997	ROYAL CROWN
Oman	Cott Beverages Inc.	4780	04-Apr-1999	BRAVO
Oman	Cott Beverages Inc.	4781	07-Nov-1998	DIET-RITE
Oman	Cott Beverages Inc.	4782	07-Nov-1998	ROYAL CROWN
Oman	Cott Beverages Inc.	9655	23-Jun-2002	RC ROYAL CROWN
Oman	Cott Beverages Inc.	19970	09-Jun-2004	RC EDGE
Oman	Cott Beverages Inc.	29995	19-Jun-2005	RCQ
Oman	Cott Beverages Inc.	30249	05-Jul-2005	COTT

Country	Owner	Registration Number	Date	Trademark
Pakistan	Cott Beverages Inc.	60540	22-Apr-1974	ROYAL CROWN
				RC (Stylized)
Pakistan	Cott Beverages Inc.	60541	19-Oct-1976	RC COLA & Design
	e e e e e e e e e e e e e e e e e e e			(Urdu & Arabic
				Characters)
Pakistan	Cott Beverages Inc.	68471	23-Sep-1980	UPPER 10
Pakistan	Cott Beverages Inc.	138411	29-Oct-1996	RC
Pakistan	Cott Beverages Inc.	138422	29-Oct-1996	ROYAL CROWN
Panama	Cott Beverages Inc.	230	27-Aug-1942	ROYAL CROWN
Panama	Cott Beverages Inc.	15670601	15-Apr-2008	RC & Design
Papua New Guinea	Cott Beverages Inc.	A2564R	16-Sep-1975	ROYAL CROWN
-	_		_	COLA
Papua New Guinea	Cott Beverages Inc.	A65259	09-Jun-2004	RC & Design
Paraguay	Cott Beverages Inc.	318255	17-Sep-1998	ROYAL CROWN
Paraguay	Cott Beverages Inc.	221950	18-Jan-2000	KICK
Paraguay	Cott Beverages Inc.	240849	25-Oct-1971	RC
Paraguay	Cott Beverages Inc.	266650	30-Mar-2004	ROYAL COLA
Paraguay	Cott Beverages Inc.	327887	19-Jan-2010	RED RAIN
Paraguay	Cott Beverages Inc.	328876	10-Mar-2010	EMERGE
Peru	Cott Beverages Inc.	9018	27-Oct-1986	ROYAL CROWN
Peru	Cott Beverages Inc.	9037	29-Oct-1981	RC
Peru	Cott Beverages Inc.	61835	15-May-1991	DIET-RITE
Philippines	Cott Beverages Inc.	58817	12-Jul-1994	ROYAL CROWN
Philippines	Cott Beverages Inc.	42002006443	17-Jan-2005	RC
Philippines	Cott Beverages Inc.	42008005405	13-Oct-2008	DIET RITE
Philippines	Cott Beverages Inc.	42009007513	21-Jan-2010	RCQ
Philippines	Cott Beverages Inc.	42009007512	21-Jan-2010	RED RAIN
Philippines	Cott Beverages Inc.	42009007511	21-Jan-2010	UPPER 10
Poland	Cott Beverages Inc.	R75903	21-Jan-1994	ROYAL CROWN
Poland	Cott Beverages Inc.	R75904	21-Jan-1994	RC
Portugal	Cott Beverages Inc.	156785	10-Dec-1970	RC (Stylized)
Portugal	Cott Beverages Inc.	156787	10-Dec-1970	DIET-RITE
Portugal	Cott Beverages Inc.	162246	12-Apr-1972	ROYAL CROWN
Portugal	Cott Beverages Inc.	231177	08-Oct-1991	UPPER 10
Portugal	Cott Beverages Inc.	350353	01-Oct-2001	RC
Qatar	Cott Beverages Inc.	4738	19-Feb-1991	DIET RITE (English
_				& Arabic Characters)
Qatar	Cott Beverages Inc.	12047	29-Oct-2002	ROYAL CROWN
Qatar	Cott Beverages Inc.	12048	29-Oct-2002	ROYAL CROWN
				COLA RC COLA &
	~ ~ ~			Design
Qatar	Cott Beverages Inc.	34921	11-Sep-2007	ROYAL CROWN
				COLA (English)
<b>.</b> .		2 (222		& RC (Arabic)
Romania	Cott Beverages Inc.	36233	02-Aug-1996	KICK

Country	Owner	Registration Number	Date	Trademark
Romania	Cott Beverages Inc.	R18359	21-Jul-1995	UPPER 10
Romania	Cott Beverages Inc.	R21130	05-Jun-1991	ROYAL CROWN
Romania	Cott Beverages Inc.	R22046	25-Feb-1996	RC
Russian Federation	Cott Beverages Inc.	108301	05-Oct-1992	ROYAL CROWN
Russian Federation	Cott Beverages Inc.	136917	25-Jan-1996	ROYAL CROWN
Russian Federation	Cott Beverages Inc.	149515	15-Jan-1997	DIET RITE
Russian Federation	Cott Beverages Inc.	152999	28-May-1997	ROYAL CROWN
	-		-	COLA RC COLA &
				Design
Russian Federation	Cott Beverages Inc.	157246	13-Oct-1997	KICK
Russian Federation	Cott Beverages Inc.	174076	13-Apr-1999	ROYAL CROWN
	-		-	DRAFT
Russian Federation	Cott Beverages Inc.	225247	18-Oct-2002	RC EDGE
Russian Federation	Cott Beverages Inc.	285281	29-Mar-2005	RCQ (Stylized)
Russian Federation	Cott Beverages Inc.	288664	12-May-2005	RC & Design
Sabah	Cott Beverages Inc.	12117	04-Jan-1968	ROYAL CROWN
	-			COLA RC (Stylized)
Sarawak	Royal Crown Company,	20858	14-Jan-1981	DIOT-RITE
	Inc.			
Sarawak	Cott Beverages Inc.	SAR7453	18-Jan-1968	ROYAL CROWN
				COLA
Saudi Arabia	Cott Beverages Inc.	6422	01-Dec-1976	ROYAL CROWN
				(English & Arabic
				Characters)
Saudi Arabia	Cott Beverages Inc.	16392	17-Nov-1986	DIET RITE
Saudi Arabia	Cott Beverages Inc.	49771	02-Oct-1999	RC EDGE
Saudi Arabia	Cott Beverages Inc.	71688	04-Mar-2004	COTT
Saudi Arabia	Cott Beverages Inc.	79575	23-Jul-2005	RC
Saudi Arabia	Cott Beverages Inc.	10489	18-Feb-2009	UPPER 10
Serbia	Cott Beverages Inc.	21300	26-Jan-1976	RC
Serbia	Cott Beverages Inc.	21677	15-Aug-1976	ROYAL CROWN
Serbia	Cott Beverages Inc.	52881	19-Jul-2007	ROYAL CROWN
Serbia	Cott Beverages Inc.	52882	19-Jul-2007	RED RAIN
Serbia	Cott Beverages Limited	941160	02-Oct-2007	ORIENT
				EMPORIUM TEA
				CO.
Seychelles	Cott Beverages Inc.	1214	10-Mar-1973	RC
Seychelles	Royal Crown Company,	1215	10-Mar-1973	ROYAL CROWN
	Inc.			
Sierra Leone	Cott Beverages Inc.	14847	21-May-1999	KICK

Country	Owner	Registration Number	Date	Trademark
Singapore	Cott Beverages Inc.	T0515816B	30-Aug-2005	RC & Design
Singapore	Cott Beverages Inc.	T7048364A	10-Feb-1970	ROYAL CROWN
Singapore	Cott Beverages Inc.	T7048918F	21-Apr-1970	ROYAL CROWN
8-F				COLA RC & Design
Singapore	Cott Beverages Inc.	T8000067H	09-Jan-1980	DIET RITE
Singapore	Cott Beverages Inc.	T9509167D	26-Sep-1995	ROYAL CROWN
81	6		I	DRAFT
Singapore	Cott Corporation	T0310179A	08-Jul-2003	AQUEL
Slovakia	Cott Beverages Inc.	164169	19-Sep-1979	RC
Slovakia	Cott Beverages Inc.	189218	27-Jan-2000	ROYAL CROWN
Slovakia	Cott Beverages Limited	226531	11-Dec-2009	U FORCE device
Slovenia	Cott Beverages Inc.	9471085	08-Aug-1995	UPPER 10
Slovenia	Cott Beverages Inc.	9471087	12-Feb-1996	ROYAL CROWN
Slovenia	Cott Beverages Inc.	9570803	10-Jun-1998	DIET RITE
Slovenia	Cott Beverages Inc.	200470653	24-Mar-2004	RC
South Africa	Cott Beverages Inc.	9605824	01-Jul-1999	ROYAL CROWN
	e			DRAFT COLA Label
South Africa	Cott Beverages Inc.	196202134	26-Jun-1962	ROYAL CROWN
South Africa	Cott Beverages Inc.	196703337	30-May-1968	RC
South Africa	Cott Beverages Inc.	B641499	04-May-1964	DIET-RITE
Spain	Cott Beverages Inc.	431779	30-June-1967	DIET-RITE
Spain	Cott Beverages Inc.	622002	05-Apr-1973	RC
Spain	Cott Beverages Inc.	622003	03-Oct-1974	ROYAL CROWN
Spain	Cott Corporation	1951513 M8	05-OCT-1995	COTT
St. Lucia	Cott Beverages Inc.	10470	25-Aug-1970	RC (Stylized)
St. Lucia	Cott Beverages Inc.	10570	25-Aug-1970	ROYAL CROWN
Sudan	Royal Crown Company,	12790	27-Oct-1970	ROYAL CROWN
	Inc.			(English & Arabic
				Characters)
Sudan	Royal Crown Company,	12791	27-Oct-1970	RC (English &
	Inc.			Arabic Characters)
Suriname	Cott Corporation	7389	08-Oct-1971	ROYAL CROWN
Suriname	Cott Corporation	7390	08-Oct-1971	RC
Swaziland	Cott Beverages Inc.	2471971SA	16-Aug-1971	RC
Swaziland	Cott Beverages Inc.	UK51972	12-Sep-1967	ROYAL CROWN
Sweden	Cott Beverages Inc.	125386	15-Nov-1968	DIET-RITE
Sweden	Cott Beverages Inc.	128904	24-Oct-1969	DIET-RITE
Sweden	Cott Beverages Inc.	322345	21-Mar-1997	ROYAL CROWN
Sweden	Cott Beverages Inc.	323317	09-May-1997	UPPER 10
Switzerland	Cott Beverages Inc.	395685	05-Jun-1972	ROYAL CROWN
				COLA RC (Stylized)
Syria	Royal Crown Company,	13606	03-Aug-1967	ROYAL CROWN
	Inc.			
Syria	Royal Crown Company,	19781	03-Oct-1974	ROYAL CROWN
	Inc.			(Arabic Characters)

		Registration		
Country	Owner	Number	Date	Trademark
Syria	Royal Crown Company, Inc.	26809	23-Dec-1975	UPPER 10
Taiwan	Cott Beverages Inc.	738695	01-Dec-1996	ROYAL CROWN DRAFT
Taiwan	Cott Beverages Inc.	782264	16-Oct-1997	RC
Taiwan	Cott Beverages Inc.	790102	16-Dec-1997	ROYAL CROWN
Taiwan	Cott Beverages Inc.	818609	16-Sep-1998	DIET RITE
Taiwan	Cott Beverages Inc.	1144574	16-Mar-2005	RC EDGE
Tajikistan	Cott Beverages Inc.	1733	03-Jan-1995	RC (Stylized)
Tajikistan	Cott Beverages Inc.	1747	23-Jan-1995	ROYAL CROWN COLA
				RC (Stylized)
Tajikistan	Cott Beverages Inc.	2538	13-Jul-1994	UPPER 10 (Stylized)
Tajikistan	Cott Beverages Inc.	2555	13-Jul-1994	ROYAL CROWN
Tajikistan	Cott Beverages Inc.	3823	12-May-1999	KICK
Tajikistan	Cott Beverages Inc.	TJ6624	18-Mar-2005	ROYAL CROWN COLA
·	-			& RC Design
Thailand	Cott Beverages Inc.	KOR229506	08-Nov-2005	RCQ (Stylized)
Thailand	Cott Beverages Inc.	KOR79285	02-Nov-1979	RC COLA & Design
	5			(Thai Characters)
Thailand	Cott Beverages Inc.	KOR79581	28-Jun-1972	ROYAL CROWN
Thailand	Cott Beverages Inc.	KOR80619	14-Jul-1972	RC
Trinidad and Tobago	Cott Beverages Inc.	1362	28-Nov-1963	ROYAL CROWN COLA
Trinidad and Tobago	Cott Beverages Inc.	B6018	01-Oct-1974	ROYAL CROWN
Tunisia	Cott Beverages Inc.	EE85313	17-Dec-1970	ROYAL CROWN
	con Deverages mer	2200010	1, 200 1,70	(Latin & Arabic Characters)
Tunisia	Cott Beverages Inc.	EE85314	17-Dec-1970	RC (Latin & Arabic Characters)
Tunisia	Cott Beverages Inc.	EE910016	13-Jan-1976	DIET RITE (Stylized)
Tunisia	Cott Beverages Inc.	EE060192	2/3/2006	UPPER 10 (Stylized)
Turkey	Cott Beverages Inc.	76986	15-Dec-1972	RC (Stylized)
Turkey	Cott Beverages Inc.	94630	19-Nov-1972	ROYAL CROWN
Turkey	Cott Beverages Inc.	129763	29-Sep-1971	DIET-RITE
Turkey	Cott Beverages Inc.	176002	29-5cp-1971 24-Jun-1996	RC
Turkey	Cott Beverages Inc.	200635555	24-Jul-1990 21-Jul-2006	RC & Design
Turkmenistan	Cott Beverages Inc.	9201	12-Apr-2007	RCQ (Stylized)
Turkmenistan	Cott Beverages Inc.	9201	12-Apr-2007	ROYAL CROWN COLA &
Turkmenistan	Con Beverages Inc.	9202	12-Api-2007	RC Design
Ukraine	Cott Beverages Inc.	10867	30-Oct-1998	ROYAL CROWN
Ukraine	Cott Beverages Inc.	16622	16-Oct-2000	KICK
Ukraine	Cott Beverages Inc.	67288	15-Sep-2006	ROYAL CROWN COLA &
				RC Design

Country	Owner	Registration Number	Date	Trademark
Ukraine	Cott Beverages Inc.	120638	<u></u>	ORIENT EMPORIUM TEA CO.
United Arab Emirates	Royal Crown Company, Inc.	31305	12-May-1999	RC EDGE
United Arab Emirates	Royal Crown Company, Inc.	40448	21-May-2003	ROYAL CROWN
United Arab Emirates	Cott Beverages Inc.	59591	16-Apr-2006	RC
United Arab Emirates	Cott Beverages Inc.	44580	06-Jan-2004	COTT
Uruguay	Cott Beverages Inc.	391866	05-Jun-1998	RC
Uruguay	Cott Beverages Inc.	391865	31-May-1976	ROYAL CROWN
Uzbekistan	Cott Beverages Inc.	5471	18-Nov-1996	ROYAL CROWN
Uzbekistan	Cott Beverages Inc.	5473	16-Nov-1996	UPPER 10 (Stylized)
Uzbekistan	Cott Beverages Inc.	7183	19-Mar-1998	KICK
Uzbekistan	Cott Beverages Inc.	MGU13425	27-Apr-2005	RC & Design
Venezuela	Cott Beverages Inc.	139275	09-Oct-1990	ROYAL CROWN
Venezuela	Cott Beverages Inc.	118455MF	22-Apr-1986	RC
Venezuela	Cott Beverages Inc.	157685F	02-May-1994	DIET RITE
Venezuela	Cott Beverages Inc.	157687F	02-May-1994	ROYAL CROWN
Venezuela	BCB International Limited	P189755	29-May-1996	STARS & STRIPES
Viet Nam	Royal Crown Company, Inc.	1975	11-Dec-1990	UPPER 10
Viet Nam	Royal Crown Company, Inc.	2344	03-Mar-1991	ROYAL CROWN
Viet Nam	Royal Crown Company, Inc.	7000	19-Dec-1992	ROYAL CROWN COLA
				RC (Stylized)
Viet Nam	Cott Beverages Inc.	58562	19-Nov-2004	AQUEL
Viet Nam	Cott Beverages Inc.	142224	08-Feb-2010	RC & Design
West Bank	Cott Beverages Inc.	3949	29-Mar-2000	RC
West Bank	Cott Beverages Inc.	3950	29-Mar-2000	ROYAL CROWN
West Bank	Cott Beverages Inc.	6580	13-May-2002	<b>ROYAL CROWN COLA &amp;</b>
	-			RC Design (in Arabic)
				(Label in color)
West Bank	Cott Beverages Inc.	6582	13-May-2002	<b>ROYAL CROWN COLA &amp;</b>
	-			RC Design (in English)
				(Label in color)
Yemen	Cott Beverages Inc.	6097	07-Jan-1997	ROYAL CROWN
Yemen	Royal Crown Company, Inc.	6403	19-Mar-1997	ROYAL CROWN COLA
				RC COLA & Design
Yemen	Cott Beverages Inc.	28411	17-Oct-2006	RC (Block Letters)
Zambia	Cott Beverages Inc.	55394	19-Dec-1994	DIET-RITE

Country	Owner	Registration Number	Date	Trademark
Zambia	Cott Beverages Inc.	55494	19-Dec-1994	ROYAL CROWN RC (Stylized)
Zambia	Cott Beverages Inc.	55594	19-Dec-1994	ROYAL CROWN
Zimbabwe	Cott Beverages Inc.	44499	08-Apr-1999	RC EDGE
Zimbabwe	Cott Beverages Inc.	62071	05-Aug-1971	ROYAL CROWN
Zimbabwe	Cott Beverages Inc.	7202006	30-Apr-2007	ROYAL CROWN COLA & RC Design

## International

## Trademark Applications

Country Name	Owner	Application Number	Date	Trademark
Argentina	Cott Beverages Inc.	2819632	24-Apr-2008	EMERGE
Argentina	Cott Beverages Inc.	2819630	24-Apr-2008	ORIENT EMPORIUM TEA CO.
Argentina	Cott Beverages Inc.	2819631	24-Apr-2008	RED RAIN
Aruba	Cott Beverages Inc.	10031130	11-Mar-2010	DIET UPPER 10
Aruba	Cott Beverages Inc.	1003128	11-Mar-2010	RC
Aruba	Cott Beverages Inc.	10031126	11-Mar-2010	RC ZERO
Aruba	Cott Beverages Inc.	1003124	11-Mar-2010	RCQ
Aruba	Cott Beverages Inc.	1003126	11-Mar-2010	ROYAL CROWN
Aruba	Cott Beverages Inc.	10031128	11-Mar-2010	UPPER 10
Bangladesh	Cott Beverages Inc.	45410	12/5/1995	ROYAL CROWN
Bangladesh	Cott Beverages Inc.	45411	12/5/1995	RC
Bangladesh	Cott Beverages Inc.	45412	12/5/1995	UPPER 10
Bangladesh	Cott Beverages Inc.	79300	3/15/2003	RCQ
Barbados	Cott Beverages Inc.	8122795	3/1/2007	RC & Design
Belarus	Cott Beverages Inc.	20084677	24-Dec-2008	ORIENT EMPORIUM TEA CO.
Belarus	Cott Beverages Inc.	20094638	21-Dec-2009	RC LIGHT
Brazil	Cott Beverages Inc.	82952097	12/20/07	RC LIGHT
Brazil	Cott Beverages Inc.	829707166	07-May-2008	EMERGE
Brazil	Cott Beverages Inc.	829707069	07-May-2008	ORIENT EMPORIUM TEA CO.
Brazil	Cott Beverages Inc.	829707182	07-May-2008	RED RAIN
Brazil	Cott Beverages Inc.	830357815	30-Jul-2009	RC ZERO
Brazil	Cott Beverages Inc.	31570.Brazil	01-Jun-2010	RCQ
Chile	Cott Beverages Inc.	881492	16-Oct-2009	RC LIGHT
Chile	Cott Beverages Inc.	881491	16-Oct-2009	RC ZERO
Chile	Cott Beverages Inc.	884739	12-Nov-2009	RCQ FANTASY
Chile	Cott Beverages Inc.	884738	12-Nov-2009	RCQ SUN
Chile	Cott Beverages Inc.	884737	12-Nov-2009	RCQ TROPICAL

Country Name	Owner	Application Number	Date	Trademark
Columbia	Cott Beverages Inc.	09116552	19-Oct-2009	ORIENT EMPORIUM TEA CO.
Cyprus	Cott Beverages Inc.	73211	20-Nov-2006	RC & Design
Denmark	Cott Beverages Limited	996972	23-Apr-2010	EMERGE
Egypt	Cott Beverages Inc.	215805	29-Apr-2008	ROYAL CROWN COLA &
871			I	RC Design
European	Cott Beverages Limited	8932832	05-Mar-2010	COTT
Community	6			
European	Cott Beverages Limited	9017121	09-Apr-2010	CARTERS
Community	6		1	
European	Cott Beverages Limited	9017195	09-Apr-2010	JUICEFUL
Community	C			
Gaza District	Cott Beverages Inc.	13478	09-Jun-2009	RED RAIN
Gaza District	Cott Beverages Inc.	13517	06-Jul-2009	Tattoo Logo
Guatemala	Cott Beverages Inc.	20002409	29-Mar-2000	EDGE
Guyana	Cott Beverages Inc.	22663A	28-May-2008	RED RAIN
Hungary	Cott Beverages Limited	996972	11-Mar-2009	EMERGE
India	Cott Beverages Inc.	1282092	5/5/2004	RCQ (Stylized)
India	Cott Beverages Inc.	1802620	02-Apr-2009	RC ZERO
Israel	Cott Beverages Inc.	207426	13-Jan-2008	RC COLA ZERO
Israel	Cott Beverages Inc.	207819	27-Jan-2008	RC COLA ZERO Logo
Israel	Cott Beverages Inc.	217520	21-Dec-2008	RED RAIN
Israel	Cott Beverages Inc.	219310	08-Mar-2009	UPPER 10
Italy	Cott Beverages Inc.	MI2008C5988	26-May-2008	RC ZERO
Kosovo	Cott Beverages Inc.	160	03-Mar-2008	ORIENT EMPORIUM TEA CO.
Kosovo	Cott Beverages Inc.	161	03-Mar-2008	RCQ
Kosovo	Cott Beverages Inc.	9000N	13-Jul-2009	RCQ BITTER LEMON
Kosovo	Cott Beverages Inc.	8999N	13-Jul-2009	RCQ EXOTIC
Kosovo	Cott Beverages Inc.	9001N	13-Jul-2009	RCQ ORANGE
Kosovo	Cott Beverages Inc.	159	03-Mar-2008	RED RAIN
Kosovo	Cott Beverages Inc.	158	03-Mar-2008	ROYAL CROWN COLA &
				RC Design
Libya	Cott Beverages Inc.	10156	2/7/2007	<b>ROYAL CROWN COLA &amp;</b>
				RC Design
Libya	Cott Beverages Inc.	10157	2/7/2007	DIET RITE & Design
Malaysia	Cott Beverages Inc.	06000013	1/3/2006	<b>ROYAL CROWN COLA &amp;</b>
				RC Design
Pakistan	Cott Beverages Inc.	261777	16-Feb-2009	RCQ

		Application	D (	
Country Name	Owner	Number	Date	Trademark
Paraguay	Cott Beverages Inc.	153892008	06-May-2008	ORIENT EMPORIUM TEA CO.
Philippines	Cott Beverages Inc.	42010002443	04-Mar-2010	RC COLA FREE
Poland	Cott Beverages Limited	996972	11-Mar-2009	EMERGE
Poland	Cott Beverages Limited	Z - 355044	23-Apr-2009	U FORCE device
Serbia	Cott Beverages Inc.	Z79606	3/31/2006	RED RAIN
Slovakia	Cott Beverages Limited	996972	11-Mar-2009	EMERGE
Suriname	Cott Beverages Inc.	21923	26-May-2009	RC ZERO
Suriname	Cott Beverages Inc.	21595	03-Oct-2008	RED RAIN
United Arab Emirates	Cott Beverages Inc.	134226	30-Sep-2009	RC ZERO
Uruguay	Cott Beverages Inc.	391788	13-May-2008	EMERGE
Uruguay	Cott Beverages Inc.	391789	13-May-2008	ORIENT EMPORIUM TEA CO.
Uruguay	Cott Beverages Inc.	391790	13-May-2008	RED RAIN
Uruguay	Cott Beverages Inc.	383114	7/23/2007	<b>ROYAL CROWN COLA &amp;</b>
	-			RC Design
Venezuela	Cott Beverages Inc.	141742007	6/19/2007	RC & Design
West Bank	Cott Beverages Inc.	16616	18-Aug-2009	RED RAIN
West Bank	Cott Beverages Inc.	16617	18-Aug-2009	Tattoo Logo

# <u>Copyrights</u>

## Canada

<u>Owner</u>	Registration Number	Date	Copyright
Cott Corporation Corporation Cott	1057443	April 8, 2008	Happy Natural, Highland
(in the name of a predecessor being			Spring, Nice-N-Lite, Happy-
Cott Beverages West Ltd. which was			Up, C'Mon Get Happy,
a grant of Interest from Brio			Happy Pop & Design,
Beverages Inc.)			Giggle, Happy Pop

# <u>Licenses</u> [\*\*\*][Certain License information redacted]

## Canada

		<b>Registration</b> /Application		
Licensor	Licensee	Number	Date	Description
S.M. Jaleel &	Cott Beverages	492,131	31-JAN-1999	CHUBBY
Company Limited	Canada			Character and Design
S.M. Jaleel &	Cott Beverages	891,288	31-JAN-1999	CHUBBY
Company Limited	Canada			
S.M. Jaleel &	Cott Beverages	844,168	31 JAN 1999	Chubby Bottle
Company Limited	Canada			Distinguishing Guise
[***]	Cott			
	Corporation	[***]	[***]	[***]
[***]	Cott			
	Corporation	[***]		[***]
[***]	Cott			
	Corporation	[***]		[***]
[***]	Cott			
	Corporation	[***]		[***]

# United Kingdom

Licensor	Licensee	Registration/Application Number	Date	Description
[***]	Cott Beverages Limited		[***]	[***]
Caribbean Flavors, Ltd.	Cott Beverages Limited		6/29/06	License of the following marks in conjunction with a Manufacturing and Distribution agreement: D&G TING KOLA CHAMPAGNE

KOOL KAT OLD JAMAICAN DESNOES & GEDDES

### **Registration**/

Licensor	Licensee	Application Number D	ate	Description
Cott Beverages Limited	1) Choice Brands	1585494 12-SEP-19	94 COT	T (Classes 30 and 32)
-	Europe Limited			
	2) Retail Brands			
	(Holdings) BV			
	3) Cott UK Limited			
Cott Beverages Limited	Cott Beverages Limited	2102231 7-OCT-199	99 BEN	SHAWS (Class 32)
<u>Industrial Designs</u>				
Canada				
	Registration			
Owner	Number	Date		Description
Cott Beverages Inc.	126935	20-Mar-2009	Bot	
Cott Beverages Inc.	129656	20-Mar-2009	Bot	
Cliffstar LLC	104425	10-Mar-2005	Bot	tle
United Kingdom				
Owner	<b>Registration Number</b>	Date		Description
Cott Beverages Limited	3011241	28-FEB-2003	Des	ign of Bottle
Cott Beverages Limited	3011014	20-FEB-2003	Des	ign of Bottle
Cott Beverages Limited	3011013	20-FEB-2003	Des	ign of Bottle
Internet Domain Names				

Owner	Registrar	Expiration Date	Domain Name
Cott Corporation	Network Solutions	June 13, 2008	Bombshellenergy.com
Cott Corporation	Network Solutions	June 13, 2008	Drinkstarsandstripes.com
Cott Corporation	Network Solutions	June 29, 2008	superfruitsbrand.com
Cott Corporation	Network Solutions	July 2, 2008	fortifido.com
Cott Corporation	Network Solutions	July 3, 2008	Rccolainternational.com
Cott Corporation	Network Solutions	July 31, 2008	cott-beverages.com
Cott Corporation	Network Solutions	July 31, 2008	redrainvodka.com

Owner Cott Corporation **Cott Corporation** Cott Corporation **Cott Corporation** Cott Corporation **Cott Corporation** Cott Corporation **Cott Corporation Cott Corporation** Cott Corporation Cott Corporation Cott Corporation Cott Corporation

Registrar Network Solutions Network Solutions

Expiration Date August 8, 2008 August 8, 2008 August 20, 2008 September 7, 2008 September 7, 2008 September 8, 2008 October 11, 2008 October 28, 2008 October 29, 2008 January 7, 2009 January 12, 2009 February 5, 2009 May 10, 2009 May 10, 2009 May 10, 2009 December 27, 2009 February 2, 2010

Domain Name barealldrinks.com bareallsmoothies.com sparklinghealthbrand.com Orientemporium.com Orientemporiumteaco.com Cott.com Cottvending.com Drinksas.com Billionbubbles.com Drinkvess.com Vesswhistle.com Whistleorange.com Vintageseltzer.biz Vintageseltzer.net Vintageseltzer.org Vintageseltzer.us Drinkvintage.com Fruitrefreshers.com Seltzer.biz Vess.us Vesssoda.com Vintageseltzer.info Cottsoda.com Aftershockenergy.com Grimreaperenergy.com Drinkclearchoice.com Enjoyclearchoice.com Lifesclearchoice.com Cottnet.com Redrainenergy.com drinkemerge.com neretailerbrands.com ozmozwater.com Cott.ca Cottvending.ca Redrainenergy.ca bare-all.co.uk bare-all.org cott.co.uk emergesport.com emergestimulation.co.uk favouritefamilychippy.co.uk h2drinks.co.uk h2drinks.com h2kids.co.uk h2sport.co.uk h2spring.co.uk

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## Schedule 3.10

### Canadian Union Plans, Canadian Benefit Plans and Canadian Pension Plans

The following are Canadian Union Plans:

- Viscount Union : Teamster Canadian Pension Trust Fund; and
- Plan Pointe Claire Union : Teamsters Canadian Pension Plan, Soft Drink Industry Division;

The following are Canadian Pension Plans:

- <u>Surrey Union</u>: Employee Registered Retirement Savings Plan (RRSP);
- <u>Calgary Union</u>: Cott Corporation Deferred Profit Sharing Plan/Group Registered Retirement Savings Plans (DPSP/GRSP) Retirement Program;
- <u>Salaried and Non-Union Hourly</u>: Cott Corporation Deferred Profit Sharing Plan/Group Registered Retirement Savings Plans (DPSP/GRSP) Retirement Program;

The following are Canadian Benefit Plans:

- Common Share Option Plan
- Share Appreciation Rights
- Performance Share Unit Plan;
- Officers and Senior Management Executives Performance Bonus; and
- Reinstated Executive Share Purchase Plans

The Canadian Pension Plans are defined contribution plans. The Canadian Union Plans (Viscount and Pointe Claire) are defined benefit plans.

Canadian Group Benefit Plans:

- Extended Health
- Dental
- Life Insurance
- Dependent Life
- Optional Life
- Accidental Death & Dismemberment insurance (AD&D)
- Voluntary Accidental Death & Dismemberment insurance
- Short Term Disability
- Long Term Disability

Each union has benefit plan specific to their union Salaried and non-union hourly employees have their own benefit plan Great-West Life is provider for all benefits except AD&D Industrial Alliance Pacific is provider for AD&D

# Schedule 3.14

## **Insurance**

[\*\*\*][Insurance information redacted - 36 pages]

# Schedule 3.15 Capitalization and Subsidiaries

Exact Legal Name of Entity	Record Owner (Beneficial Owner if Different)	Type of Entity	Number of Shares or Interests Owned	Number of Shares of Interests Outstanding
156775 Canada Inc.	Cott Corporation Corporation Cott	Corporation	1 common share	1 common share
2011438 Ontario Limited	Cott Corporation Corporation Cott	Corporation	1 common share	1 common share
804340 Ontario Limited	Cott Corporation Corporation Cott	Corporation	1 common share	1 common share
967979 Ontario Limited	Cott Corporation Corporation Cott	Corporation	<ul> <li>a) 10,088,608 common shares</li> <li>b) 800,000 Junior Preference shares</li> <li>c) No Senior Preference shares</li> </ul>	<ul> <li>a) 10,088,608 common shares</li> <li>b) 800,000 Junior</li> <li>Preference shares</li> <li>c) No Senior</li> <li>Preference shares</li> </ul>
Ad Personales, S.A. de C.V.	Mexico Bottling Services, S.A. de C.V. 50% Servicios Gerenciales de México, S.A. de C.V. 50%	Limited liability corporation of variable capital	a) 25,000 Class I Shares b) 25,000 Class I Shares	<ul> <li>a) 25,000 Class</li> <li>I Shares - Mexico</li> <li>Bottling Services,</li> <li>S.A. de C.V.</li> <li>b) 25,000 Class</li> <li>I Shares - Servicios</li> <li>Gerenciales de</li> <li>Mexico, S.A. de C.V.</li> </ul>
BCB European Holdings	BCB International Holdings	Exempted Company	170,029,865 ordinary shares	170,029,865 ordinary shares
BCB International Holdings	Cott Corporation Corporation Cott	Exempted Company	154,854,485 ordinary shares	154,854,485 ordinary shares
Caroline LLC	Cott Corporation Corporation Cott	Limited liability company	N/A	N/A
CB Nevada Capital Inc.	Cott USA Corp.	Corporation	50.02 shares common stock	50.02 shares common stock
Cliffstar LLC	Cott Acquisition LLC /100%	Limited liability company	507,526,030 LLC interests	507,526,030 LLC interests

Exact Legal Name of Entity	Record Owner (Beneficial Owner if Different)	Type of Entity	Number of Shares or Interests Owned	Number of Shares of Interests Outstanding
Cott (Barbados) IBC Ltd.	Cott Corporation	International business	100 common shares	100 common shares
	Corporation Cott	company		
Cott (Hong Kong) Limited	Cott (Barbados)	Private limited	1 ordinary share of	1 ordinary share of
	IBC Ltd.	liability company (limited by shares)	US\$1.00 each	US\$1.00 each
Cott (Nelson) Limited	Cott Nelson	Private company	88,751 ordinary £1	88,751 ordinary £1
	(Holdings) Limited	limited by shares	shares	shares
Cott (Shanghai) Trading Co.,	Cott (Hong Kong)	Limited liability	USD 1,400,000 as	USD 1,400,000 as
Ltd.	Limited	company and independent legal	registered capital	registered capital
		person		
Cott Acquisition Limited	Cott UK Acquisition	Private company	265,732,801 ordinary	265,732,801 ordinary
	Limited/100%	limited by shares	shares £1 shares	shares £1 shares
Cott Acquisition LLC	Cott Acquisition	Limited liability	a) 415,000,085 LLC	a) 415,000,085 LLC
	Limited/82%	company	interests	interests
	Cott US Acquisition		b) 92,256,045 LLC	b) 92,256,045 LLC
	LLC/18%		interests	interests
Cott Beverages Inc.	Cott USA Corp.	Corporation	1,794.519 shares	1,794.519 shares
a . b			common stock	common stock
Cott Beverages Limited	Cott Retail	Private company	a) 157,839,690	a) 157,839,690
	Brands Limited	limited by shares	ordinary shares £1	ordinary shares £1
			shares	shares
			b) 2,000 preference	b) 2,000 preference
		<i>a</i> .	shares£1 shares	shares £1 shares
Cott Corporation	Public Company	Corporation	N/A	a) 81,410,120
Corporation Cott				common shares (as
				of August 2, 2010)
				b) No preferred

shares

Exact Legal Name of Entity	Record Owner (Beneficial Owner if Different)	Type of Entity	Number of Shares or Interests Owned	Number of Shares of Interests Outstanding
Cott do Brasil Industria, Comercio, Importacao e Exportacao de Bebidas e Concentrados Ltda	a) Cott Corporation Corporation Cott/99% and b) 804340 Ontario Limited/1%	Limited liability company	<ul><li>a) 1,270,269 quotas</li><li>b) 12,831 quotas</li></ul>	a) 1,270,269 quotas b) 12,831 quotas
Cott Embotelladores de Mexico, S.A. de C.V.	Cott Corporation Corporation Cott/99.375% Embotelladora de Puebla, S.A. de C.V./0.625%	Limited liability corporation of variable capital	a) 1 Series I, Class A Share b) 49,999 Series I, Class B Shares c) 399,999 Series II, Class A Shares d) 3,550,001 Series II, Class B Shares e) 60,000,000 Series II, Class C Shares	<ul> <li>a) 1 Series I, Class A Share - Embotelladora de Puebla, S.A. de C.V.</li> <li>b) 49,999 Series I, Class B Shares - Cott Corporation Corporation Cott</li> <li>c) 399,999 Series II, Class A Shares - Embotelladora de Puebla, S.A. de C.V.</li> <li>d) 3,550,001 Series II, Class B Shares – Cott Corporation Corporation Cott</li> <li>e) 60,000,000 Series II, Class C Shares – Cott Corporation Corporation Cott</li> </ul>
Cott Europe Trading Limited Cott Holdings Inc.	Cott Retail Brands Limited Cott U.S. Holdings LLC	Private company limited by shares Corporation	1,860,709 ordinary £1 shares a) 182 common shares b) 696 Class A preferred shares c) 2 Class B preferred share	1,860,709 ordinary £1 shares a) 182 common shares b) 696 Class A preferred shares c) 2 Class B preferred share

Exact Legal Name of Entity	Record Owner (Beneficial Owner if Different)	Type of Entity	Number of Shares or Interests Owned	Number of Shares of Interests Outstanding
Cott International SRL	Cott Investment,	International society	a) 99 common quotas	a) 99 common quotas
	L.L.C./99% Cott International Trading Ltd./1%	with restricted liability	b)1 common quota	b)1 common quota
Cott International Trading	Cott Corporation	International business	53,878,575 common	53,878,575 common
Ltd.	Corporation Cott	company	shares	shares
Cott Investment, L.L.C.	Cott Corporation	Limited liability	LLC interest/90%	LLC interest/90%
	Corporation Cott /90% 804340 Ontario Limited/10%	company	LLC interest/10%	LLC interest/10%
Cott IP Holdings Corp.	Cott Beverages Inc.	Corporation	100 shares	100 shares
Cott Limited	Cott Retail Brands Limited	Private company limited by shares	<ul> <li>a) 3,810,800 'A'</li> <li>ordinary shares of 10</li> <li>pence each</li> <li>b) 1,445,476 preferred</li> <li>ordinary shares of 10</li> <li>pence each</li> <li>c) No preference shares</li> </ul>	<ul> <li>a) 3,810,800 'A'</li> <li>ordinary shares of 10</li> <li>pence each</li> <li>b) 1,445,476 preferred</li> <li>ordinary shares of 10</li> <li>pence each</li> <li>c) No preference</li> <li>shares</li> </ul>
Cott Maquinaria y Equipo, S.A. de C.V.	Cott Embotelladores de México, S.A. de C.V. / 0.0019% Cott Corporation / 97.49% Embotelladora Puebla, S.A. de C.V. / 2.50%	Limited liability corporation of variable capital	a) 1 Series "A" Share b) 49,999 Series "A" Share c) 1,283 Series "B" Shares	<ul> <li>a) 1 Series "A" Share</li> <li>Cott Embotelladores</li> <li>de México, S.A. de</li> <li>C.V.</li> <li>b) 49,999 Series "A"</li> <li>Share - Cott</li> <li>Corporation</li> <li>c) 1,283 Series "B"</li> <li>Shares - Embotelladora</li> <li>de Puebla, S.A. de C.V.</li> </ul>
Cott NE Holdings Inc.	Northeast Finco Inc.	Corporation	100 shares	100 shares
Cott Nelson (Holdings) Limited	Cott Beverages Limited	Private company limited by shares	162,669 ordinary £1 shares	162,669 ordinary £1 shares

Exact Legal Name of Entity	Record Owner (Beneficial Owner if Different)	Type of Entity	Number of Shares or Interests Owned	Number of Shares of Interests Outstanding
Cott Private Label Limited	Cott Beverages Limited	Private company	a) 25,000 'A' ordinary	a) 25,000 'A' ordinary
		limited by shares	shares	shares
			b) 221,469 'B' ordinary	b) 221,469 'B' ordinary
			shares	shares
			c) 753,531 'C' ordinary	c) 753,531 'C' ordinary
Catt Datail Dranda	DCD E	Deisse ta carriera ann	shares	shares
Cott Retail Brands	BCB European	Private company	129,949,024 ordinary	129,949,024 ordinary
Limited Cott Retail Brands	Holdings Cott Retail Brands	limited by shares Limited liability	£1 shares 400 ordinary shares	£1 shares 400 ordinary shares
Netherlands BV	Limited	company	400 ordinary shares	400 ordinary shares
Cott UK Acquisition	Cott Beverages	Private company	176,088,001 ordinary	176,088,001 ordinary
Limited	Inc./100%	limited by shares	£1 shares	£1 shares
Cott USA Corp.	Cott Holdings Inc.	Corporation	7,575.691 shares	7,575.691 shares
con corr corp.	Cott Holdings me.	corporation	common stock	common stock
Cott USA Finance LLC	Cott Corporation	Limited liability	1,570,001 LLC interests	1,570,001
	Corporation Cott	company	_,,	LLC interests
Cott U.S. Acquisition	Cott Beverages	Delaware limited	72,526,130 LLC	72,526,130 LLC
LLC	Inc./100%	liability company	interests	interests
Cott U.S. Holdings LLC	Cott Beverages	Delaware limited	169,000,100 limited	169,000,100 limited
	Limited/100%	liability company	liability interests	liability interests
Cott Vending Inc.	Cott Beverages Inc.	Corporation	1,000 shares	1,000 shares
Interim BCB, LLC	Cott Beverages Inc.	Limited liability	None – Single Member	None – Single Member
		company	Limited Liability	Limited Liability
			Company	Company
Mexico Bottling Services,	2011438 Ontario	Limited liability	a) 1 Class I Shares	a) 1 Class I Shares -
S.A. de C.V.	Limited/2%	corporation of variable	b) 49 Class I Shares	2011438 Ontario
	804340 Ontario	capital		Limited
	Limited/98%			b) 49 Class I Shares - 804340 Ontario
				Limited
Northeast Finco Inc.	Cott Beverages Inc.	Corporation	100 shares	100 shares
Northeast Retailer Brands	Cott NE Holdings	Limited liability	100 Limited Liability	100 Limited Liability
LLC	Inc./51%	company	Company Interests	Company Interests
LLC	Polar Corp./48%	company	Company interests	Company interests
	Adirondack Beverages			
	Corp./1%			
	•			

Exact Legal Name of Entity	Record Owner (Beneficial Owner if Different)	Type of Entity	Number of Shares or Interests Owned	Number of Shares of Interests Outstanding
Servicios Gerenciales de	2011438 Ontario	Limited liability	a) 1 Class I Shares	a) 1 Class I Shares -
Mexico, S.A. de C.V.	Limited/2%	corporation of variable	b) 49 Class I Shares	2011438 Ontario
	804340 Ontario	capital		Limited
	Limited/98%			b) 49 Class I Shares -
				804340 Ontario
				Limited
Star Real Property, LLC	Cliffstar LLC/99%	Limited liability	a) 7,920,000 LLC	a) 7,920,000 LLC
	Cott Acquisition	company	interests	interests - Cliffstar LLC
	LLC/1%		b) 80,000 LLC interests	b) 80,000 LLC interests - Cott Acquisition LLC

# Schedule 3.16 Jurisdictions for Filings and Mortgages

Type of Filing	Entity	Applicable Collateral Document [Mortgage, Security Agreement or Other]	Jurisdictions and Filing Offices
PPSA and RDPRM	Cott Corporation	Security Agreement and	Ontario, British Columbia,
	Corporation Cott	Hypothec	Alberta, Quebec, New
			Brunswick and Nova Scotia
PPSA	156775 Canada Inc.	Security Agreement	Ontario
PPSA	967979 Ontario Limited	Security Agreement	Ontario
PPSA	804340 Ontario Limited	Security Agreement	Ontario
PPSA	2011438 Ontario Limited	Security Agreement	Ontario
Form MG01 (Particulars of a Mortgage or Charge)	Cott Retail Brands Limited	Debenture	Companies House (England and Wales)
Form MG01 (Particulars of a Mortgage or Charge)	Cott Limited	Debenture	Companies House (England and Wales)
Form MG01 (Particulars of a Mortgage or Charge)	Cott Europe Trading Limited	Debenture	Companies House (England and Wales)
Form MG01 (Particulars of a Mortgage or Charge)	Cott Beverages Limited	Debenture	Companies House (England and Wales)
Form MG01 (Particulars of a Mortgage or Charge)	Cott Private Label Limited	Debenture	Companies House (England and Wales)
Form MG01 (Particulars of a Mortgage or Charge)	Cott (Nelson) Limited	Debenture	Companies House (England and Wales)
Form MG01 (Particulars of a Mortgage or Charge)	Cott Nelson (Holdings) Limited	Debenture	Companies House (England and Wales)
Form MG01 (Particulars of a Mortgage or Charge)	Cott UK Acquisition Limited	Debenture	Companies House (England and Wales)
Form MG01 (Particulars of a Mortgage or Charge)	Cott Acquisition Limited	Debenture	Companies House (England and Wales)
UCC	Cott Corporation Corporation Cott	UCC-1 Financing Statement	District of Columbia Recorder of Deeds
UCC	156775 Canada Inc.	UCC-1 Financing Statement	District of Columbia Recorder of Deeds
UCC	967979 Ontario Limited	UCC-1 Financing Statement	District of Columbia Recorder of Deeds

Type of Filing	Entity	Applicable Collateral Document [Mortgage, Security Agreement or Other]	Jurisdictions and Filing Offices	
UCC	804340 Ontario Limited	UCC-1 Financing Statement	District of Columbia Recorder of	
		C	Deeds	
UCC	2011438 Ontario Limited	UCC-1 Financing Statement	District of Columbia Recorder of Deeds	
UCC	Cott Retail Brands Limited	UCC-1 Financing Statement	District of Columbia Recorder of Deeds	
UCC	Cott Europe Trading Limited	UCC-1 Financing Statement	District of Columbia Recorder of Deeds	
UCC	Cott Limited	UCC-1 Financing Statement	District of Columbia Recorder of Deeds	
UCC	Cott Private Label Limited	UCC-1 Financing Statement	District of Columbia Recorder of Deeds	
UCC	Cott Nelson (Holdings) Limited	UCC-1 Financing Statement	District of Columbia Recorder of Deeds	
UCC	Cott (Nelson) Limited	UCC-1 Financing Statement	District of Columbia Recorder of Deeds	
UCC	Cott UK Acquisition Limited	UCC-1 Financing Statement	District of Columbia Recorder of Deeds	
UCC	Cott Acquisition Limited	UCC-1 Financing Statement	District of Columbia Recorder of Deeds	
UCC	Cott Holdings Inc.	UCC-1 Financing Statement	Delaware Secretary of State	
UCC	Cott USA Finance LLC	UCC-1 Financing Statement	Delaware Secretary of State	
UCC	Interim BCB, LLC	UCC-1 Financing Statement	Delaware Secretary of State	
UCC	Cott Vending Inc.	UCC-1 Financing Statement	Delaware Secretary of State	
UCC	Cott Investment, L.L.C.	UCC-1 Financing Statement	Delaware Secretary of State	
UCC	Cott USA Corp.	UCC-1 Financing Statement	Georgia Cooperative Authority	
UCC	Cott Beverages Inc.	UCC-1 Financing Statement	Georgia Cooperative Authority	
UCC	Cott Beverages Inc.	UCC-1 Financing Statement	Bexar County, Texas	
Schedule 5.15				

Type of Filing	Entity	Applicable Collateral Document [Mortgage, Security Agreement or Other]	Jurisdictions and Filing Offices
UCC	Cott Beverages Inc.	UCC-1 Financing Statement	San Bernardino, California
UCC	Cott Beverages Inc.	UCC-1 Financing Statement	Tarrant County, Texas
UCC	Cott Beverages Inc.	UCC-1 Financing Statement	Hillsborough County, Florida
UCC	CB Nevada Capital Inc.	UCC-1 Financing Statement	Nevada Secretary of State
UCC	Cott U.S. Acquisition LLC	UCC-1 Financing Statement	Delaware Secretary of State
UCC	Cott Acquisition LLC	UCC-1 Financing Statement	Delaware Secretary of State
UCC	Cott U.S. Holdings LLC	UCC-1 Financing Statement	Delaware Secretary of State
UCC	Caroline LLC	UCC-1 Financing Statement	Delaware Secretary of State
UCC	Cliffstar LLC	UCC-1 Financing Statement	Delaware Secretary of State
Security Instrument	156775 Canada Inc. on behalf	Debenture, Assignment	Land Title Division of
2	of Cott Corporation Cott as	of Rents	the Peel
	beneficial holder		Land Registry Office
			(Mississauga, Ontario)
Security Instrument	Cott Corporation	Debenture, Assignment of	Land Title Division of the
	Corporation Cott	Rents	Southern Alberta Registry
			Office (Calgary, Alberta)
Mortgage	Cott Beverages Inc.	Deed of Trust, Security	St. Louis County Recorder of
		Agreement, Assignment of	Deeds
		Rents and Leases and Fixture	
		Filing	
Mortgage	Cott Beverages Inc.	Deed of Trust, Security	New Madrid County
		Agreement, Assignment of	Recorder
		Rents and Leases and Fixture	of Deeds
		Filing	
Forms AP1 and RX1	Cott Beverages Limited	Debenture	UK Land Registry
Intellectual Property	Cott Corporation	Trademark Security	PTO/CIPO
	Corporation Cott	Filing/Patent Security	
		Filing/Copyright Security	
		Filing	
Intellectual Property	Cott Beverages Inc.	Trademark Security	PTO/CIPO
		Filing/Patent Security	
		Filing/Copyright Security	
		Filing	
Intellectual Property	Cliffstar LLC	Trademark Security Filing/	PTO/CIPO
		Patent Security Filing/	
		Copyright Security Filing	

Type of Filing_	Entity	Applicable Collateral Document [Mortgage, Security Agreement or Other]	Jurisdictions and Filing Offices
Intellectual Property	Cott Private Label Limited	Trademark Security Filing /	Trade Marks Registry
		Patent Security Filing / Copyright Security Filing	
Intellectual Property	Cott Beverages Limited	Trademark Security Filing /	Trade Marks Registry
		Patent Security Filing / Copyright Security Filing	
Intellectual Property	BCB Beverages Limited	Trademark Security Filing / Patent Security Filing /	Trade Marks Registry
		Copyright Security Filing	
Intellectual Property	Cott Corporation Corporation	Charge Over Intellectual	Trade Marks Registry
	Cott and Cott Beverages Inc.	Property	

## Schedule 3.24(a)

### Intercompany Loans and Advances as of July 3, 2010

(i)

	U.S. Dollar Equivalent		
	<u>nount July 3/10</u>	Owed By	Owed To
\$	160,000,000	Cott Holdings Inc. (US)	Cott Corporation (CA)
\$	41,000,000	Cott Holdings Inc. (US)	Cott Corporation (CA)
\$	24,288,853	Cott Beverages Inc. (US)	Cott Holdings Inc. (US)
\$ 60	284,000,000	Cott Holdings Inc. (US)	Cott USA Corporation Cott USA Finance LLC
	8,000,000.00	Cott Beverages Limited (UK)	
\$	25,525,000	Cott NE Holdings Inc.	Northeast Finco
\$	149,668,000	Cott Beverages Inc. (US)	CB Nevada Capital Inc. (US)
\$	25,043	Northeast Retailer Brands LLC	Cott Beverages Inc. (US)
\$	12,322,771	Cott Beverages Inc.	Cott Vending Inc.
\$	25,013,225	Cott Embotelladores de Mexico SA de CV	Cott Corporation (CA)
\$	575,360	Cott Beverages Limited	Cott Retail Brands Netherlands BV
\$	2,426,813	967979 Ontario Limited	Cott Corporation (CA)
\$	11,782	Cott International SRL	Cott Corporation (CA)
\$	1,270,606	Cott Corporation (CA)	804340 Ontario Limited
\$	13,893,302	Cott Beverages Inc (US)	Interim BCB, LLC
\$	357,190	Cott International Trading Ltd.	Cott International SRL
\$	41,861,976	Cott Corporation (CA)	Cott International Trading Ltd.
\$	2,990	Cott Corporation (CA)	BCB European Holdings
\$	6,525	Cott Corporation (CA)	BCB International Holdings
\$	1,011,738	Cott Beverages Limited (UK)	Cott (Nelson) Limited
\$	292,312	Cott Beverages Limited (UK)	Cott Retail Brands Limited
£	13,000,000	Cott Beverages Limited (UK)	Cott USA Finance LLC
\$	1,949,882	Cott Retail Brands Limited	Cott Ltd.
\$	151,860	Cott Beverages Limited	Cott Private Label Limited
\$	1,603,545	Cott Maquinaria y Equipo, SA de CV	Cott Embotelladores de Mexico SA de CV
\$	(30,095)	Ad Personales, SA de CV	Cott Embotelladores de Mexico SA de CV
\$	259,359	Cott Embotelladores de Mexico SA de CV	Sevicios Gerenciales de Mexico SA de CV
\$	208,842	Cott Corporation (CA)	Cott (Hong Kong) Limited
\$	38,742	Cott (Shanghai) Trading Co. Ltd.	Cott (Hong Kong) Limited
\$	701,871	Cott Embotelladores de Mexico SA de CV	Cott Corporation

Note: A number of the above loans and advances are denominated in currencies other than U.S. Dollars; therefore, amounts may change as the U.S. Dollar fluctuates against such foreign currency.

U.S. Dollar Equivalent Amount		
August 17/10	Owed By	Owed To
75,000,000.00	Cott Retail Brands Limited	Cott USA Finance LLC
160,000,000.00	Cott U.S. Acquisition LLC	Cott Beverages Inc.
140,000,000.00	Cott U.K. Acquisition Limited	Cott U.S. Acquisition LLC

Note: A number of the above loans and advance are denominated in currencies other than U.S. Dollars; therefore, amounts may change as the U.S. Dollar fluctuates against such foreign currency.

Schedule 5.15

(ii)

## Schedule 3.24(b)

### Intercompany Trade Payable / Receivables as of July 3, 2010

U.S. Doll Equivale			
Amount			
July 3/10	)	Owed By	Owed To
\$ 29	90,258	Cott Beverages Limited (UK)	Cott Beverages Inc. (US)
\$ 2'	79,837	Cott Beverages Limited (UK)	Cott Corporation (CA)
\$ 6,93	33,766	Cott Beverages Inc. (US)	Cott Corporation (CA)
\$	50,683	Cott Beverages Inc. (US)	Cott Corporation (CA)
\$	96,357	Cott Beverages Inc. (US)	Cott Beverages Limited (UK)
\$111,1:	53,206	Cott (Nelson) Limited	Cott Beverages Limited (UK)
\$106,99	90,521	Cott Beverages Limited (UK)	Cott (Nelson) Limited
\$ 67,8	32,330	Cott Beverages Limited (UK)	Cott (Nelson) Limited
\$ 7,59	93,176	Cott Beverages Limited (UK)	Cott Europe
\$ 7,79	94,286	Cott Beverages Limited (UK)	Cott Europe
\$ 5.	52,328	Cott Beverages Limited (UK)	Cott Europe Trading Ltd.
\$ 2,78	88,038	Cott Embotelladores de Mexico SA de CV	Cott Beverages Inc. (US)

Note: A number of the above payables and receivables are denominated in currencies other than U.S. Dollars; therefore, amounts may change as the U.S. Dollar fluctuates against such foreign currency.

#### Schedule 5.15

#### POST-CLOSING COVENANTS

1. <u>Appraisals and Field Examinations</u>. No later than sixty days following the Effective Date, the Loan Parties shall provide the Administrative Agent and the Administrative Collateral Agent with (i) updated appraisals (the "<u>Updated Appraisals</u>") of Inventory, equipment and Eligible Real Property of the Borrowers (provided that updated appraisals of the Inventory of the U.S. Co-Borrowers shall not be required and appraisals of the equipment of Cliffstar LLC shall only be required to the extent that such equipment is necessary to provide sufficient availability under the PP&E Component), in each case from an appraiser selected and engaged by the Administrative Agent, and prepared on a basis satisfactory to the Administrative Agent and the Administrative Collateral Agent, such Updated Appraisals to include, without limitation, information required by applicable law and regulations, with such Updated Appraisals being at the sole cost and expense of the Company to conduct field examinations, to ensure the adequacy of the Borrowing Base Collateral and related reporting and control systems, with each such field examination being at the sole cost and expense of the Loan Parties and subject to the satisfaction of the Administrative Agent and the Administrative Agent.

2. <u>Insurance Review</u>. (i) No later than thirty days following the Effective Date, the Administrative Agent shall have completed a review of the insurance coverage of the Company and its Subsidiaries taking into account the Cliffstar Acquisition. (ii) No later than thirty days after the Administrative Agent completes its review of the Company's insurance coverage pursuant to clause (i) of this item 2, the Company and its Subsidiaries shall update their insurance coverage and provide the Administrative Agent with evidence of such updated insurance coverage, in form, scope, and substance reasonably satisfactory to the Administrative Agent and otherwise in compliance with the applicable terms of the Security Agreements (including Section 5.09 of this Agreement and Section 4.11 of the U.S. Security Agreement).

3. <u>Environmental Review</u>. No later than sixty days following the Effective Date, the Administrative Agent shall have received environmental Phase I reports meeting ASTME-1527-05 Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process or the Canadian Standards Association Phase I Environmental Site Assessment Protocol Z768-01, updated April 2003, as appropriate, with respect to each of the real properties of the Borrowers and their Subsidiaries identified on <u>Schedule 1.01(a)</u> as requiring such environmental studies from firm(s) satisfactory to the Administrative Agent, which review reports shall be acceptable to the Administrative Agent. If such environmental review reports, if any, identify any environmental hazards or liabilities, such environmental review reports shall include or be accompanied by the Loan Parties' plans with respect thereto.

4. <u>Cott Mexican Group Post-Closing Requirements</u>. (i) No later than ten days following the Effective Date, the Loan Parties shall take all necessary actions to deliver to the Administrative Agent and the Administrative Collateral Agent the duly executed original versions of the Mexican Termination Agreements listed on <u>Annex A</u> to this Schedule 5.15, each in form and

substance reasonably acceptable to the Administrative Agent and the Administrative Collateral Agent, duly executed and formalized as required herein and in accordance with applicable law by their respective parties; (ii) As soon as practicable and in any event no later than thirty days following the Effective Date, the Loan Parties shall take all necessary actions to register the Current Assets Pledge Termination Agreement pursuant to paragraph 1 of <u>Annex B</u> to this Schedule 5.15, and deliver to the Administrative Agent and the Administrative Collateral Agent the no lien certificates described in paragraph 2 of <u>Annex B</u> to this Schedule 5.15, each in form and substance reasonably acceptable to the Administrative Agent and the Administrative Collateral Agent, duly issued in accordance with applicable law by their respective parties, and (iii) No later than sixty days following the Effective Date, the Loan Parties shall take all necessary actions to deliver to the Administrative Agent and the Administrative Agent and the Administrative Quaranty Documents listed on <u>Annex C</u> to this Schedule 5.15, in form and substance reasonably acceptable to the Administrative Agent and the Administrative Agent and the Administrative Collateral Agent, duly executed and formalized as required herein and in accordance with applicable law by their respective parties (hereinafter jointly referred to as the "<u>Mexican Guaranty Documents</u>").

5. <u>Collateral Access and Control Agreements</u>. No later than thirty days following the Effective Date, the Administrative Collateral Agent or the UK Security Trustee, as applicable, shall have received each (i) Collateral Access Agreement required to be provided pursuant to Section 4.12 of the U.S. Security Agreement or Section 4.12 of the Canadian Security Agreement or Clause 5.5.1 of the UK Security Agreement, (ii) Deposit Account Control Agreements required to be provided pursuant to Article VII of the U.S. Security Agreement or Article VII of the Canadian Security Agreement which the Administrative Collateral Agent has agreed to require delivery of on the Effective Date, and (ii) acknowledgement of notice, signed by each bank or financial institution with which an account has been opened or maintained by any Chargor (as defined in the UK Security Agreement), in the form required under Clause 5.5.1 of the UK Security Agreement.

6. <u>Post-Closing Delivery of Certificated Securities and Instruments.</u> No later than ten days following the Effective Date, the Administrative Collateral Agent or the UK Security Trustee, as applicable, shall have received the originals of all promissory notes and certificates representing Equity Interest required to be delivered under the terms of the Security Documents which the Administrative Collateral Agent or the UK Security Trustee has agreed to not to take possession of on the Effective Date as an accommodation to the Loan Parties to facilitate the Restructuring, in each case endorsed or accompanied by an undated instruments of transfer executed by the owner of such Equity Interest on the date of such delivery.

#### ANNEX A TO SCHEDULE 5.15 COTT MEXICAN GROUP POST-CLOSING COVENANTS

Capitalized terms used herein and not defined in this Annex A will have the definitions assigned to them in the Credit Agreement.

- 1.- Six sets of duly executed original versions of the Termination Agreement regarding the current Mexican Guaranty Agreement dated effective as of May 28, 2008 and entered into by and between AD Personales, S.A. de C.V. (hereinafter "<u>AD</u>"), Servicios Gerenciales de México S.A. de C.V. (hereinafter "<u>SGM</u>"), México Bottling Services, S.A. de C.V. (hereinafter "<u>Mexico Bottling</u>") and JPMorgan Chase Bank, N.A. (hereinafter "<u>JPMorgan Chase</u>"). Each set of duly executed original versions of such termination agreement shall be executed by each party thereto in the same physical document, in each case before a Notary Public with jurisdiction in its place of execution, and apostilled or legalized (as applicable) for its validity in Mexico.
- 2.- Six sets of duly executed original versions of the Termination Agreement regarding the Mexican Limited Guaranty Agreement dated effective as of May 28, 2008 and entered into by and between Cott Embotelladores de México S.A. de C.V. (hereinafter "Cott Embotelladores "), Cott Maquinaria y Equipo, S.A. de C.V. (hereinafter "Cott Maquinaria") and JPMorgan Chase. Each set of duly executed original versions of such termination agreement shall be executed by each party thereto in the same physical document, in each case before a Notary Public with jurisdiction in its place of execution, and apostilled or legalized (as applicable) for its validity in Mexico.
- 3.- Six sets of duly executed original versions of the Termination Agreement regarding the Mexican Stock Pledge Agreement dated effective as of May 28, 2008 and entered into by and between Cott Corporation Corporation Cott (hereinafter "<u>Cott Corporation</u>"), Cott Embotelladores, SGM, Mexico Bottling, Cott Maquinaria, AD and JPMorgan Chase. Each set of duly executed original versions of such termination agreement shall be executed by each party thereto in the same physical document, in each case before a Notary Public with jurisdiction in its place of execution, and apostilled or legalized (as applicable) for its validity in Mexico.
- 4.- Six sets of duly executed original versions of the Termination Agreement regarding the Mexican Stock Pledge Agreement dated effective as of May 28, 2008 and entered into by and between Cott Corporation, 804340 Ontario Limited, 2011438 Ontario Limited, Cott Embotelladores, SGM, Mexico Bottling and JPMorgan Chase. Each set of duly executed original versions of such termination agreement shall be executed by each party thereto in the same physical document, in each case before a Notary Public with jurisdiction in its place of execution, and apostilled or legalized (as applicable) for its validity in Mexico.
- 5.- Six sets of duly executed original versions of the Termination Agreement regarding the Mexican Assets Pledge Agreement dated effective as of May 28, 2008 and entered into by and between Cott Embotelladores, SGM, Cott Maquinaria, AD, Mexico Bottling and JPMorgan Chase (hereinafter the "Current Assets Pledge Termination Agreement"). Each set of duly executed original versions of such termination agreement shall be executed by each party thereto in the same physical document, in each case before a Notary Public with jurisdiction in its place of execution, and apostilled or legalized (as applicable) for its validity in Mexico. The Current Assets Pledge Termination Agreement shall (a) appoint individuals on behalf of the Administrative Collateral Agent to protocolize the document in Mexico before a Mexican Notary Public, to give effect to its registration in the relevant Public Register of Commerce in which each of Cott Embotelladores, SGM, Cott Maquinaria, AD, Mexico Bottling are registered.

Annex A to Schedule 5.15

### ANNEX B TO SCHEDULE 5.15 COTT MEXICAN GROUP POST-CLOSING COVENANTS

Capitalized terms used herein and not defined in this Annex B will have the definitions assigned to them in the Credit Agreement.

- Register the Current Assets Pledge Termination Agreement (as such term is defined in paragraph 5 of <u>Annex A</u> to Schedule 5.15 of the Credit Agreement) in the Public Register of Commerce of the corporate domicile of each of Cott Embotelladores, SGM, Cott Maquinaria, AD, Mexico Bottling (as such terms are defined in paragraphs 1 and 2, respectively, of <u>Annex A</u> to Schedule 5.15).
- 2.- Process and obtain no lien certificates for each of Cott Embotelladores, SGM, Cott Maquinaria, AD, Mexico Bottling, issued by the relevant Public Register of Commerce, and evidencing the termination and release of the assets' pledge under Mexican law, and as a condition precedent to the execution of the MAPAs (as such term is defined in paragraph 12 of <u>Annex C</u> to Schedule 5.15) and as provided for under Mexican law.

#### ANNEX C TO SCHEDULE 5.15 COTT MEXICAN GROUP POST-CLOSING COVENANTS

Capitalized terms used herein and not defined in this Annex C will have the definitions assigned to them in the Credit Agreement.

- 1.- Acknowledgement Agreement signed by Cott Embotelladores de México S.A. de C.V. (hereinafter "<u>Cott Embotelladores</u>") and JPMorgan Chase Bank, N.A. (hereinafter "<u>JPMorgan Chase</u>"), whereby Cott Embotelladores acknowledges, agrees and confirms that, by its execution of such document, Cott Embotelladores will be deemed to be a Loan Party under the Credit Agreement for all purposes of the Credit Agreement and shall have all of the obligations of a Loan Party thereunder as if it had executed the Credit Agreement.
- 2.- Acknowledgement Agreement signed by Cott Maquinaria y Equipo, S.A. de C.V. (hereinafter "Cott Maquinaria") and JPMorgan Chase, whereby Cott Maquinaria acknowledges, agrees and confirms that, by its execution of such document, Cott Maquinaria will be deemed to be a Loan Party under the Credit Agreement for all purposes of the Credit Agreement and shall have all of the obligations of a Loan Party thereunder as if it had executed the Credit Agreement.
- 3.- Acknowledgement Agreement signed by AD Personales, S.A. de C.V. (hereinafter "<u>AD</u>") and JPMorgan Chase, whereby AD acknowledges, agrees and confirms that, by its execution of such document, AD will be deemed to be a Loan Party under the Credit Agreement for all purposes of the Credit Agreement and shall have all of the obligations of a Loan Party thereunder as if it had executed the Credit Agreement.
- 4.- Acknowledgement Agreement signed by Servicios Gerenciales de México S.A. de C.V. (hereinafter "<u>SGM</u>") and JPMorgan Chase, whereby SGM acknowledges, agrees and confirms that, by its execution of such document, SGM will be deemed to be a Loan Party under the Credit Agreement for all purposes of the Credit Agreement and shall have all of the obligations of a Loan Party thereunder as if it had executed the Credit Agreement.
- 5.- Acknowledgement Agreement signed by México Bottling Services, S.A. de C.V. (hereinafter "<u>Mexico Bottling</u>") and JPMorgan Chase, whereby Mexico Bottling acknowledges, agrees and confirms that, by its execution of such document, Mexico Bottling will be deemed to be a Loan Party under the Credit Agreement for all purposes of the Credit Agreement and shall have all of the obligations of a Loan Party thereunder as if it had executed the Credit Agreement.
- 6.- Documents evidencing each of Mexico Bottling, SGM, AD, Cott Embotelladores and Cott Maquinaria's respective title the assets to be granted in pledge by such entities under the MAPA, as may be reasonably requested by the Administrative Collateral Agent.
- 7.- Mexican Guaranty Agreement, to be entered into by and between AD, SGM, Mexico Bottling and the Administrative Collateral Agent, to guarantee the obligations under the Credit Agreement (hereinafter the "<u>MGA</u>"), executed before a Notary Public with jurisdiction in its place of execution, and apostilled or legalized (as applicable) for its validity in Mexico.

- 8.- Mexican Stock Pledge Agreement, to be entered into by and between Cott Corporation, Cott Embotelladores, SGM, Mexico Bottling, Cott Maquinaria, AD and the Administrative Collateral Agent (and any such other parties as may be shareholders of record of any of the Pledged Shares (as such term is hereinafter defined), except for Embotelladora de Puebla S.A. de C.V.), to guarantee the obligations under the Credit Agreement (hereinafter the "<u>MSPA No. 1</u>"), executed before a Notary Public with jurisdiction in its place of execution, and apostilled or legalized (as applicable) for its validity in Mexico, and in respect of their relevant pledge in favor of the Administrative Collateral Agent of the respective Pledged Shares. To the extent that any record or registration of the MPSA No. 1 may be required or advisable under applicable law, such registration must be filed and obtained.
- 9.- Mexican Stock Pledge Agreement, to be entered into by and between Cott Corporation, 804340 Ontario Limited, 2011438 Ontario Limited, Cott Embotelladores, SGM, Mexico Bottling and the Administrative Collateral Agent (and any such other parties as may be shareholders of record of any of the Pledged Shares, except for Embotelladora de Puebla S.A. de C.V.), to guarantee the obligations under the Credit Agreement (hereinafter the "<u>MSPA No. 2</u>", and jointly with the MSPA No. 1, the "<u>MSPAs</u>"), executed before a Notary Public with jurisdiction in its place of execution, and apostilled or legalized (as applicable) for its validity in Mexico, and in respect of their relevant pledge in favor of the Administrative Collateral Agent of the respective Pledged Shares. To the extent that any record or registration of the MPSA No. 2 may be required or advisable under applicable law, such registration must be filed and obtained.
- 10.- Mexican Assets Pledge Agreement, to be entered into by and between SGM, AD, Mexico Bottling and the Administrative Collateral Agent (hereinafter the "<u>MAPA</u>"), to guarantee the obligations under the Credit Agreement. The MAPA (a) shall be executed before a Notary Public with jurisdiction in their place of execution, and apostilled or legalized (as applicable) for their validity in Mexico; (b) shall appoint individuals on behalf of the Administrative Collateral Agent to protocolize the document in Mexico before a Mexican Notary Public, to give effect to its registration in the relevant Public Register of Commerce in which each of SGM, AD, Mexico Bottling are registered, and in any such other register as may be required or advisable under applicable law; (c) be translated into Spanish by a Mexican court-approved translator in order for the Mexican protocolization to be obtained, and (d) be duly registered in such Public Register of Commerce, and in any such other register as may be required or advisable under applicable law.
- 11.- Mexican Assets Pledge Agreement, to be entered into by and between Cott Embotelladores and the Administrative Collateral Agent, to guarantee an intercompany promissory note executed between two or more of the Loan Parties, and in the terms and conditions to be agreed by such Loan Parties and the Administrative Collateral Agent (hereinafter the "<u>Cott Embotelladores MAPA</u>"). The Cott Embotelladores MAPA (a) shall be executed before a Notary Public with jurisdiction in their place of execution, and apostilled or legalized (as applicable)

for their validity in Mexico; (b) shall appoint individuals on behalf of the Administrative Collateral Agent to protocolize the document in Mexico before a Mexican Notary Public, to give effect to its registration in the relevant Public Register of Commerce in which each of Cott Embotelladores is registered, and in any such other register as may be required or advisable under applicable law; (c) be translated into Spanish by a Mexican court-approved translator in order for the Mexican protocolization to be obtained, and (d) be duly registered in such Public Register of Commerce of the corporate domicile of Cott Embotelladores, and in any such other register as may be required or advisable under applicable law.

- 12.- Mexican Assets Pledge Agreement, to be entered into by and between Cott Maquinaria and the Administrative Collateral Agent, to guarantee an intercompany promissory note executed between two or more of the Loan Parties, and in the terms and conditions to be agreed by such Loan Parties and the Administrative Collateral Agent (hereinafter the "Cott Maquinaria MAPA", and jointly with the MAPA and the Cott Embotelladores MAPA, the "MAPAs"). The Cott Maquinaria MAPA (a) shall be executed before a Notary Public with jurisdiction in their place of execution, and apostilled or legalized (as applicable) for their validity in Mexico; (b) shall appoint individuals on behalf of the Administrative Collateral Agent to protocolize the document in Mexico before a Mexican Notary Public, to give effect to its registration in the relevant Public Register of Commerce in which each of Cott Maquinaria is registered, and in any such other register as may be required or advisable under applicable law; (c) be translated into Spanish by a Mexican court-approved translator in order for the Mexican protocolization to be obtained, and (d) be duly registered in such Public Register of Commerce of the corporate domicile of Cott Maquinaria, and in any such other register as may be required or advisable under applicable law.
- 13.- Legal opinions issued by the Mexican counsel of each of Mexico Bottling, SGM, AD, Cott Embotelladores and Cott Maquinaria, regarding the validity, due issuance and enforceability (among other common and reasonable Mexican law issues) of (respectively as will be applicable for each such legal entity) the MGA, the MSPAs and the MAPAs.
- 14.- Legal opinions from counsel authorized to practice law in the jurisdiction of incorporation of each of the Granting Shareholders, regarding their title to the respective Pledged Shares, validity and enforceability (among other common and reasonable issues under applicable law) of their respective issuance of the MSPAs regarding their respective shares issued by each of Mexico Bottling, SGM, AD, Cott Embotelladores and Cott Maquinaria.
- 15.- Notarial certified copies of the shareholders' resolutions of each of Mexico Bottling, SGM, AD, Cott Embotelladores and Cott Maquinaria, approving the guaranty and pledge transactions and each of such parties' respective execution, as applicable, of the MGA, the MSPAs and MAPAs, the granting of the pledge of the Pledged Shares, and the granting of the special powers of attorney required to execute each of the MGA, the MSPAs and the MAPAs (respectively); these resolutions will need to be protocolized before a Mexican Notary Public and registered in the Public Register of Commerce in which each of Mexico Bottling, SGM, AD, Cott Embotelladores and Cott Maquinaria are registered.

- 16.- Any and all other documents which may be reasonable required, appropriate or convenient in order to duly formalize each of the MGA, the MSPAs and the MAPAs under Mexican law, as may be required by the Administrative Collateral Agent from time to time and until such time in which the MGA, the MSPAs and MAPAs have been duly formalized in accordance with applicable law.
- 17.- Originals of each and all of the following share certificates (the "<u>Pledged Shares</u>") evidencing their respective pledge, duly endorsed as transferred in pledge in accordance with Mexican law, in favor of the Administrative Collateral Agent:

Issuing Company Name	Issued To	Type of Shares	No.
Cott Embotelladores	Cott Corporation	Series I Class B	1
Cott Embotelladores	Cott Corporation	Series II Class B	1
Cott Embotelladores	Cott Corporation	Series II Class C	3
Cott Maquinaria	Cott Embotelladores	Series A	1
Cott Maquinaria	Cott Corporation	Series A	2
AD	Mexico Bottling	Class 1	1
AD	SGM	Class 1	2
Mexico Bottling	804340 Ontario Limited	Class 1	1
Mexico Bottling	2011438 Ontario Limited	Class 1	2
SGM	804340 Ontario Limited	Class 1	1
SGM	2011438 Ontario Limited	Class 1	2

18.- Certificates issued by the secretary of each of Mexico Bottling, SGM, AD, Cott Embotelladores and Cott Maquinaria, as issuers of the Pledged Shares, certifying as to the completeness and due formalization of the registration of the relevant Pledged Shares of each such legal entity in its respective books and records, and attaching (a) a Notarial copy of such relevant records, (b) a Notarial copy of the incorporation deed of each respective issuer of the Pledged Shares, (c) a Notarial copy of each bylaws amendment which has been adopted by the relevant issuer of the Pledged Shares as of the delivery date, and (d) a Notarial copy of the relevant public deed through which the shareholders' resolution (as mentioned in paragraph 15 above) has been protocolized in Mexico, including evidence of its registration in the Public Registry of Commerce.

Annex B to Schedule 5.15

#### Certificate

- 19.- Official evidence of any other filings, procedures or registrations which may be necessary or appropriate in order to perfect the pledges granted under each of the MSPAs and the MAPAs under applicable law, including without limitation, evidence of any registration or filing which may be applicable before the Mexican Institute of Industrial Property (*Instituto Mexicano de la Propiedad Industrial*), the Register of Personal Guaranties (*Registro de Garantías Muebles*), or any other governmental authority, agency or registry.
- 20.- Notarial certified copies of the shareholders' resolutions of Cott Embotelladores approving (a) the execution of an amended and restated intercompany subordinated demand promissory note (together with an allonge thereof) (hereinafter jointly referred to as the "<u>Note</u>"), in form, terms and conditions substantially similar to the Amended and Restated Intercompany Subordinated Demand Promissory Note executed by each of Mexico Bottling, SGM, AD and Cott Maquinaria on the closing date, including language for the approval of the Note by the totality of the shareholders of Cott Embotelladores in the terms required by subparagraph (iii), paragraph (g) of article twenty-second (and any other related provisions, as the case may be) of the bylaws of Cott Embotelladores', and (b) granting the special powers of attorney required to execute the Note in the name and on behalf of Cott Embotelladores, provided that such resolutions will need to be protocolized before a Mexican Notary Public and registered in the Public Register of Commerce in which Cott Embotelladores is registered.
- 21.- Original Note, duly signed by Cott Embotelladores.

# Existing Indebtedness

1.

Amount outstanding as	s
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Debtor	Lender/Beneficiary	of	the Effective Date
Cott Beverages Inc.	General Electric Capital Corporation	\$	18,396,300.00
Cott Beverages Inc.	Jeff Hettinger	\$	1,804,407.00
Cott Beverages Inc.	Microsoft Corporation	\$	425,558.00
Cott Beverages Inc.	Hi-Cone Corporation	\$	1,266,750.00

2. See the Intercompany Indebtedness and Advances listed on Schedule 3.24.

# **Existing Liens**

1. Liens on the following assets:

<u>Name of Debtor</u> Cott Retail Brands Limited	Secured Party Bicc Public Limited Company	Jurisdiction/Office England and Wales (Companies House)	File Number/ Date Filed Created 18/05/94 Filed 21/05/94 (Registered)	Type of UCC or Equivalent Rent Deposit Deed	Description of Collateral £21,385 deposited by the Company with its landlords Bicc Public Company Limited
Cliffstar Corporation	General Electric Capital Corporation	Recorder of Deeds, Erie County, PA	Filed 6/16/2003	UCC-1	2003 Xpedx model Q-300XT Lantech Auto Stretch Wrapper serial number QX-0118
Cliffstar Corporation	General Electric Capital Corporation	Chautauqua County Clerk, NY	Filed 3/27/2003	UCC-1	2002 Lantech model S2503 Conveyorized Stretch Wrap Machine serial number SS -001911+
Cliffstar Corporation	General Electric Capital Corporation	Chautauqua County Clerk, NY	Filed 3/27/2003	UCC-1	2003 Lantech model S -1502 Automatic Straddle Stretch Wrap Machine serial number SC-001387 & 2003 Xpedx model S-2503 Lantech Fully Automatic Conveyorized Stretch Machine serial number SS001914

2. Liens on up to \$6,365,000 of cash collateral pledged pursuant to the Security Deposit Pledge Agreement dates as of January 22, 2008 between Cott Beverages Inc. and General Electric Capital Corporation.

3. Cash deposits with Ice River Springs in the amount of \$497,403.00 as of July 3, 2010.

4. Cash deposits with Tampa Electric Company in the amount of \$80,620.00 as of July 3, 2010.

5. Cash deposits with Receiver General of Canada in the amount of \$176,456.00 (Canadian Dollars) as of July 3, 2010.

6. Workers' Compensation Escrow account held at US Bank, 7th & Washington, St. Louis, MO 63101, Acct# 0047886-00-00397-01 by Cliffstar LLC.

7. Workers' Compensation Escrow account held at Citibank, N.A., Account # 30584369 by Cott Beverages Inc.

# Schedule 6.02-A

# Cash Collateral for Existing Letters of Credit

Cliffstar LLC	Self Insurance Plans- State of California	\$ 938,543.00
Cliffstar LLC	Pennsylvania Manufacturers' Assoc. Insurance Co	\$ 275,000.00
Cliffstar LLC	State of New York Worker's Compensation Board	\$1,325,220.00
Cliffstar LLC	Travelers Casualty and Surety Company of America (State of WA)	\$ 595,000.00

# **Existing Investments**

- 1. Permitted Margin Stock.
- 2. See the Intercompany Indebtedness and Advances listed on Schedule 3.24.
- 3. Cash deposits listed on Schedule 6.02.

# Permitted Asset Sales

[\*\*\*][Certain asset sales redacted]

# **Existing Restrictions**

The Cott Embotelladores de Mexico S.A. de C.V. (the "Company") Shareholder Agreement, dated June 20, 2002 (the "Shareholder Agreement"), contains certain restrictions on the ability of the Company and any of its subsidiaries to incur indebtedness, encumber assets, grant a guaranty, or dispose of certain assets or capital stock without either the consent of Embotelladora de Puebla, S.A. de C.V. (as Class A Shareholder) or the approval of the Class A Director (as such term is defined in the Shareholder Agreement).

# Existing BCB Assets

nount outstanding as
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Debtor	Lender	0	f the Effective Date
Cott Corporation	BCB European Holdings	\$	2,971.00
Cott Corporation	BCB International Holdings	\$	6,525.00

### Schedule 8

# **Security Trust Provisions**

- 1. Each Lender, each Issuing Bank and the Administrative Agent (together the "**Finance Parties**") appoints the UK Security Trustee to act as UK Security Trustee under and in connection with the UK Security Agreement and authorises the UK Security Trustee, to exercise the rights, powers, authorities and discretions specifically given to it under or in connection with the UK Security Agreement, together with any other incidental rights, powers, authorities and discretions, and to give a good discharge for any moneys payable under any of the Loan Documents.
- 2. The Administrative Agent shall promptly notify the UK Security Trustee of the contents of any communication on any matter concerning the UK Security Agreement between it and any Loan Party. The UK Security Trustee shall promptly notify the Administrative Agent of the contents of any communication sent or received by it, in its capacity as UK Security Trustee under the UK Security Agreement, to or from any of the Loan Parties under the UK Security Agreement.
- 3. Reserved.
- 4. Subject to Clause 2 above, the UK Security Trustee shall have no duty or responsibility, either initially or on a continuing basis, to provide any of the parties to the Loan Documents with any information with respect to any Loan Party whenever coming into its possession or to provide any Finance Party with any communication received by it under or in connection with the UK Security Agreement.
- 5. The duties of the UK Security Trustee under the UK Security Agreement are solely mechanical and administrative in nature.
- 6. The UK Security Trustee shall not be under any obligations other than those for which express provision is made in the Loan Documents.
- 7 The UK Security Trustee shall not be an agent of any Finance Party or any Loan Party under or in connection with any Loan Document.
- 8 In this Section:

#### "Deductions":

means:

- (a) all sums payable to any Receiver or Delegate (as defined in the UK Security Agreement);
- (b) all sums which the UK Security Trustee is required to pay to any person in priority to, or before making any distribution to, the Finance Parties; and
- (c) insurance proceeds required to be applied in repairing, replacing, restoring or rebuilding any Collateral which has been damaged or destroyed;

"Proceeds":means all receipts or recoveries by the UK Security Trustee in relation to the Rights and all other moneys which are by the terms of any of the Loan Documents to be applied by the UK Security Trustee in accordance with paragraph 13 (*Application of Proceeds*), after

deducting (without double counting) the Deductions and including the proceeds (after deducting commissions and expenses) of any permitted currency conversion;

"Rights": means

- (a) the Transaction Security;
- (b) all contractual rights in favour of the UK Security Trustee (other than for its sole benefit) under or pursuant to any Loan Document; and
- (c) all rights vested by law in the UK Security Trustee by virtue of its holding the Transaction Security;

"Secured Liabilities": has the meaning given to that expression in the UK Security Agreement;

"Transaction Security" means the security in favour of the UK Security Trustee created or evidenced or expressed to be created or evidenced by or pursuant to the UK Security Agreement; and

"Trust Property": means the Rights and the Proceeds.

## 2. Declaration of Trust

- 2.1 The UK Security Trustee and each other Finance Party agree that the UK Security Trustee shall hold the Trust Property on trust for the benefit of the Finance Parties on the terms and subject to the conditions set out in the Loan Documents.
- 2.2 Each of the Finance Parties irrevocably authorises the UK Security Trustee to enter into the UK Security Agreement as trustee on behalf of such Finance Party.

## 3. Defects in Transaction Security

- 3.1 The UK Security Trustee shall not be liable for any failure or omission to perfect, or any defect in perfecting, the Transaction Security, including:
  - 3.1.1 failure to obtain any Authorisation or other authority for the execution, delivery, validity, legality, adequacy, performance, enforceability or admissibility in evidence of any of the Loan Documents; or
  - 3.1.2 failure to effect or procure registration of or otherwise protect or perfect any of the Transaction Security by registering the same under any applicable registration laws in any territory.

#### 4. **Retention of Documents**

4.1 The UK Security Trustee may hold title deeds and other documents relating to any of the Collateral in such manner as it sees fit (including allowing any Loan Party to retain them).

# 5. No Duty to Enquire

5.1 The UK Security Trustee shall be entitled to accept without enquiry, requisition, objection or investigation such title as each of the Loan Parties may have to any of the Collateral.

# 6. No Duty to Collect Payments

- 6.1 The UK Security Trustee shall not have any duty:
  - 6.1.1 to ensure that any payment or other financial benefit in respect of any of the Collateral is duly and punctually paid, received or collected; or
  - 6.1.2 to ensure the taking up of any (or any offer of any) stocks, shares, rights, moneys or other property accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise in respect of any of the Collateral.

# 7. Insurance

7.1 Without prejudice to the provisions of any of the Loan Documents, the UK Security Trustee shall not be under any obligation to insure any property or to require any other person to maintain any such insurance and shall not be responsible for any loss which may be suffered by any person as a result of the lack of or inadequacy or insufficiency of any such insurance. Where the UK Security Trustee is named on any insurance policy as an insured party, it shall not be responsible for any loss which may be suffered by reason of, directly or indirectly, its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind.

## 8. Suspense Account

8.1 Before making any application under paragraph 13 (*Application of Proceeds*), the UK Security Trustee may place any sum received, recovered or held by it in respect of the Trust Property in an interest bearing suspense account and shall invest an amount equal to the balance from time to time standing to the credit of that suspense account in any of the investments authorised by paragraph 9 (*Investments*), with power from time to time in its absolute discretion to vary any such investments.

### 9. Investments

9.1 Unless provided otherwise in any Loan Document, all moneys which are received by the UK Security Trustee and held by it as trustee in relation to any of the Loan Documents may be invested in the name of the UK Security Trustee or any nominee or under the control of the UK Security Trustee in any investment for the time being authorised by English law for the investment of trust money by trustees and, if not otherwise invested, such moneys may be placed on deposit in the name of the UK Security Trustee or any nominee at any bank or institution (including the UK Security Trustee itself, any other Finance Party or any Affiliate of any Finance Party) and upon any terms and in any currency as it thinks fit.

#### 10. Rights of UK Security Trustee

10.1 The UK Security Trustee shall have all the rights, privileges and immunities which gratuitous trustees have or may have in England, even though it is entitled to remuneration.

# 11. Waiver

11.1 Each of the Loan Parties hereby waives any right to appropriate any payment to, or other sum received, recovered or held by, the UK Security Trustee in or towards payment of any particular part of the Secured Liabilities and agrees that the UK Security Trustee shall have exclusive right to do so. This paragraph will overide any appropriation made or purported to be made by any other person.

### 12. Basis of Distribution

- 12.1 Distributions by the UK Security Trustee shall be made at such times as the UK Security Trustee in its absolute discretion determines.
- 12.2 To enable it to make any distribution, the UK Security Trustee may fix a date as at which the amount of the Secured Liabilities is to be calculated. Any such date must not be more than 30 days before the proposed date of the relevant distribution.
- 12.3 For the purpose of determining the amount of any payment to be made to any Finance Party, the UK Security Trustee shall be entitled to call for a certificate of the amount, currency and nature of the Secured Liabilities owing or incurred to the relevant Finance Party at the date fixed by the UK Security Trustee for such purpose and as to such other matters as the UK Security Trustee thinks fit. The UK Security Trustee shall be entitled to rely on any such certificate.
- 12.4 If any future or contingent liability included in the calculation of Secured Liabilities finally matures, or is settled, for less than the future or contingent amount provided for in that calculation, the relevant Finance Party shall notify the UK Security Trustee of that fact and such adjustment shall be made by payment by that Finance Party to the UK Security Trustee for distribution amongst the Finance Parties of such amount as may be necessary to put the Finance Parties into the position they would have been in (but taking no account of the time cost of money) had the original distribution been made on the basis of the actual as opposed to the future or contingent liability.
- 12.5 Any distribution by the UK Security Trustee which later transpires to have been, or is agreed by the UK Security Trustee to have been, invalid or which has to be refunded shall be refunded and shall be deemed never to have been made.

## 13. Application of Proceeds

- 13.1 All Proceeds shall, to the extent permitted by all applicable laws, be applied by the UK Security Trustee in the order set forth in Section 2.18 of the Credit Agreement.
- 13.2 Before making any application under paragraph 13.1 above, the UK Security Trustee may convert any Proceeds from their existing currency of denomination into the currency or currencies (if different) of sums then outstanding under the Loan Documents (any such conversion from one currency to another to be made at the spot rate for the purchase of that other currency with the first-mentioned currency reasonably determined by the UK Security Trustee).
- 13.3 The UK Security Trustee shall be entitled to make the deductions or withholdings (on account of Tax or otherwise) from payments under this Agreement which it is required by any applicable law to make, and to pay all Taxes which may be assessed against it and/or all expenses which may be incurred by it in respect of any of the Trust Property, in respect of anything done by it in its capacity as UK Security Trustee under the Loan Documents or otherwise by virtue of such capacity. Each of the Loan Parties agrees that its obligations under the Loan Documents shall only be discharged by virtue of receipt or recovery by the UK Security Trustee of Proceeds, or of applications made by the UK Security Trustee under this Agreement, to the extent that the ultimate recipient actually receives moneys (whether directly or through the Agent or otherwise) from the UK Security Trustee under this Agreement which are to be applied in or towards the discharge of those obligations.

13.4 If any of the Loan Parties receives any sum from any person which, pursuant to the Loan Documents, should have been paid to the UK Security Trustee, such sums shall be held on trust

for the Finance Parties and shall forthwith be paid over to the UK Security Trustee for application in accordance with this paragraph 13.

- 13.5 The UK Security Trustee shall be entitled to pay any Deductions to the person or persons entitled to the same.
- 13.6 The UK Security Trustee shall have no duty or responsibility, either initially or on a continuing basis, to investigate the application by any other person of any sums distributed pursuant to this paragraph 13.

#### 14. Delegation

- 14.1 The UK Security Trustee may at any time delegate by power of attorney or otherwise to any person or persons, or fluctuating body of persons, all or any of the rights, powers, authorities and discretions vested in it by any of the Loan Documents. Any such delegation may be made upon such terms (including the power to sub-delegate) and subject to such conditions and regulations as it may think fit.
- 14.2 The UK Security Trustee shall not be bound to supervise, or be in any way liable or responsible to anyone for any loss incurred by reason of any misconduct or default on the part of, any such delegate or sub-delegate.

#### 15. Appointment of Additional UK Security Trustees

- 15.1 The UK Security Trustee may at any time appoint any person (whether or not a trust corporation) to act either as a separate UK Security Trustee or as a co-UK Security Trustee jointly with it:
  - 15.1.1 if it considers such appointment to be in the interests of the Finance Parties;
  - 15.1.2 for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed; or
  - 15.1.3 for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of a judgment already obtained in respect of any of the provisions of the Loan Documents,

and the UK Security Trustee shall give prior notice to the Company and the Agent of any such appointment.

15.2 Any such appointment shall only take effect upon the receipt by the Agent of written confirmation from the appointee (in form and substance satisfactory to the Agent) that the appointee agrees to be bound by the provisions of the Loan Documents and all other related agreements to which the UK Security Trustee is a party in its capacity as UK Security Trustee under the Loan Documents.

- 15.3 Any person so appointed shall have such rights, powers, authorities and discretions and such duties and obligations as shall be conferred or imposed on such person by the instrument of appointment and shall, subject to any limitation contained in such instrument of appointment, have the same benefits under this Agreement (other than this paragraph 15) as the UK Security Trustee.
- 15.4 The UK Security Trustee shall have power to remove any person so appointed.
- 15.5 Such remuneration as the UK Security Trustee may pay to any person so appointed, and any costs, charges and expenses incurred by such person in performing its functions pursuant to such appointment, shall be treated as costs, charges and expenses incurred by the UK Security Trustee in performing its functions as UK Security Trustee under the Loan Documents.
- 15.6 The UK Security Trustee shall not be bound to supervise, or be in any way responsible for any loss incurred by reason of any misconduct or default on the part of, any such UK Security Trustee.

# 16. Additional Powers

- 16.1 The rights and trusts constituted upon the UK Security Trustee under the Loan Documents shall be in addition to any which may from time to time be vested in the UK Security Trustee by general law.
- 16.2 To the fullest extent permitted by law, none of Parts I, II, III, N or V of the Trustee Act 2000 nor the requirement to discharge the duty of care set out in Section 1(1) of the Trustee Act 2000 in exercising any of the powers contained in Sections 15 or 22 of the Trustee Act 1925 shall apply to any trusts created by this Agreement or to the role of the UK Security Trustee in relation to any such trust and this shall constitute an exclusion of the relevant parts of the Trustee Act 2000 for the purposes of that Act.

## 17. Amendments

- 17.1 Unless the provisions of any Loan Document expressly provide otherwise, the UK Security Trustee may, if authorised by the Required Lenders, amend or vary the terms of, waive breaches of or defaults under or otherwise excuse performance of any provision of, or grant consents under, any of the Security Documents (any such amendment, variation, waiver or consent so authorised to be binding on all Parties and the UK Security Trustee to be under no liability whatsoever in respect of any of the foregoing), provided that:
  - 17.1.1 the prior consent of all of the Finance Parties is required to authorise:
    - (a) any amendment of any Security Document which would affect the nature or the scope of the Collateral or the manner in which any Proceeds are distributed;
    - (b) the release of any Transaction Security or of any of the Collateral from the Transaction Security unless permitted under this Agreement or any other Loan Document; or
    - (c) any change in this paragraph 17; and

17.1.2 no waiver or amendment may impose any new or additional obligations on any person without the consent of that person.

17.2 Paragraph 17.1 above is without prejudice to:

17.2.1 any release permitted by paragraph 18 (Releases) or paragraph 20 (Winding-up of Trust); or

17.2.2 any amendment of any Security Document insofar as the same is necessary in order to effect such release.

## 18. Releases

- 18.1 The UK Security Trustee may:
  - 18.1.1 release Collateral from the Transaction Security if it relates to a sale or disposal of that Collateral where such sale or disposal is expressly permitted under this Agreement or any other Loan Document;
  - 18.1.2 release any Transaction Security given by any Loan Party which ceases to be a Loan Party in accordance with the terms of the Credit Agreement; and
  - 18.1.4 execute any documents (including, but not limited to, formal releases and certificates of non-crystallisation of floating charges) and do any things insofar as the same are necessary in order to effect any release permitted by this paragraph 18 or paragraph 20 *(Winding-up of Trust).*

# 19. Perpetuity Period

19.1 The perpetuity period under the rule against perpetuities, if applicable to this Agreement, shall be the period of eighty years from the date of this Agreement.

## 20. Winding-up of Trust

20.1 If the Agent, with the approval of the Required Lenders, shall determine that all the obligations of all the Loan Parties under the Loan Documents have been. fully and finally discharged and that none of the Finance Parties is under any commitment, obligation or liability (whether actual or contingent) to make any Utilisation or provide other financial accommodation under or pursuant to any Loan Document to any Loan Party, it shall notify the UK Security Trustee of such determination and approval. Upon such notification the trusts set out above shall be wound up and the UK Security Trustee shall release, without recourse or warranty, all of the Transaction Security then held by it, whereupon each of the UK Security Trustee, the Agent, the other Finance Parties and the Loan Parties shall be released from its obligations under this Agreement (save for those which arose prior to such winding-up).

#### ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "<u>Assignment and Assumption</u>") is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the "<u>Assignor</u>") and [*Insert name of Assignee*] (the "<u>Assignee</u>"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "<u>Credit Agreement</u>"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit, guarantees and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "<u>Assigned Interest</u>"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1.	Assignor:	
2.	Assignee:	
		[and is an Affiliate/Approved Fund of [ identify Lender ] 1]
3.	Borrowers:	Cott Corporation Corporation Cott, a corporation organized under the laws of Canada, Cott Beverages Inc., a Georgia corporation, Cliffstar LLC, a Delaware limited liability company, and Cott Beverages Limited, a company organized under the laws of England and Wales.
4.	Administrative Agent:	JPMorgan Chase Bank, N.A., as the administrative agent under the Credit Agreement.
1	Select as applicable.	

5. Credit Agreement:

The Credit Agreement, dated as of August 17, 2010, among Cott Corporation Corporation Cott, a corporation organized under the laws of Canada, Cott Beverages Inc., a Georgia corporation, Cliffstar LLC, a Delaware limited liability company, and Cott Beverages Limited, a company organized under the laws of England and Wales, as Borrowers, the other Loan Parties party thereto, the Lenders party thereto, JPMorgan Chase Bank, N.A., London Branch, as UK Security Trustee, JPMorgan Chase Bank, N.A., as Administrative Agent and Administrative Collateral Agent, General Electric Capital Corporation, as Co-Collateral Agent, and the other parties thereto.

#### 6. Assigned Interest:

2

Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans 2
\$	\$	%
\$ \$	\$ \$	% %

Effective Date: \_\_\_\_\_, 20 \_\_\_\_\_[TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The Assignee agrees to deliver to the Administrative Agent a completed Administrative Questionnaire in which the Assignee designates one or more Credit Contacts to whom all syndicate-level information (which may contain material non-public information about the Company, the Loan Parties and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and applicable laws, including federal, provincial, territorial and state securities laws.

Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

The terms set forth in this Assignment and Assumption are hereby agreed to:

# ASSIGNOR

[NAME OF ASSIGNOR]

ASSIGNEE

[NAME OF ASSIGNEE]

By:

Title:

Consented to and Accepted:

JPMORGAN CHASE BANK, N.A., as Administrative Agent

By

Title: Consented to:

JPMORGAN CHASE BANK, N.A., LONDON BRANCH, as UK Issuing Bank

By Title:

JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, as Canadian Issuing Bank

By

Title:

JPMORGAN CHASE BANK, N.A., as U.S. Issuing Bank

By

Title:

[Consented to:

[COTT CORPORATION CORPORATION COTT], as Borrower Representative

By

3

Title:]

If necessary according to Section 9.04(b)(A) of the Credit Agreement.

#### STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties .

1.1 <u>Assignor</u>. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of any Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by any Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. <u>Assignee</u>. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 4.01(b) or Section 5.01 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent or as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. <u>Payments</u>. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. <u>General Provisions</u>. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by facsimile shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

### BORROWING BASE CERTIFICATE



# **BORROWING BASE REPORT**

	gor Number: 1 Number:			Rpt # Date: Period Covered: to
COLI	LATERAL CATEGORY	A/R	Inventory	Total Eligible Collateral
	Description			
1	Beginning Balance (Previous report - Line 8)			
2	Additions to Collateral (Gross Sales or Purchases)			
3	Other Additions (Add back any non-A/R cash in line 3)			
4	Deductions to Collateral (Cash Received)			
5	Deductions to Collateral (Discounts, other)			
6 7	Deductions to Collateral (Credit Memos, all) Other <b>non-cash</b> credits to A/R			
8	Total Ending Collateral Balance			
9	Less Ineligible - Past Due			
10	Less Ineligible - Cross-age (50%)			
11	Less Ineligible - Foreign			
12	Less Ineligible - Contra			
13	Less Ineligible - Other (attached schedule)			
14	Total Ineligibles - Accounts Receivable			
15	Less Ineligible - Inventory Slow-moving			
16	Less Ineligible - Inventory Offsite not covered			
17	Less Ineligible - Inventory WIP			
18	Less Ineligible - Consigned			
19	Less Ineligible - Other (attached schedule)			
20	Total Ineligible Inventory			
21 22	Total Eligible Collateral Advance Rate Percentage	%	%	
22	Net Available - Borrowing Base Value	70	70	
23 24	Reserves (other)			
25	PP&E Component			
26	Earnout Reserve			
27	Total Borrowing Base Value			
27A	Total Availability/CAPS			
28	Revolver Line			Total Revolver Line
29	Maximum Borrowing Limit (Lesser of 27 or 28)*			Total Available
29A	Suppressed Availability			
20	LOAN STATUS			
30	Previous Loan Balance (Previous Report Line 33)			
31	Less: A. Net Collections (Same as line 4) B. Adjustments/Other			
32	Add: A. Request for Funds			
54	B. Adjustments/Other			
33	New Loan Balance			
34	Letter of Credit/BA's outstanding			
35	Availability Not Borrowed (Lines 29 less 33 & 34)			
36	-			Total New Loan Balance:
37	OVERALL EXPOSURE (line 33)			

Pursuant to, and in accordance with, the terms and provisions of that certain Credit Agreement ("Agreement"), among JPMorgan Chase Bank, N.A. ("Chase"), as administrative agent for the Lenders, Cott Corporation Corporation Cott (the "Company"), Cott Beverages Inc. ("Cott Beverages"), Cliffstar LLC, Cott Beverages Limited, Cott Nelson (Holdings) Limited, Cott (Nelson) Limited (together with Cott Beverages Limited and Cott Nelson (Holdings) Limited, the "U.K. Borrowers") (the U.K. Borrowers, together with the Company, Cott Beverages and Cliffstar LLC, the "Borrowers," and each a "Borrower"), the other Loan Parties party thereto and the other parties thereto, Borrower is executing and delivering to Chase this Collateral Report accompanied by supporting data (collectively referred to as the "Report"). Borrower represents and warrants to Chase that this Report is true and correct, and is based on information contained in Borrower's own financial accounting records. Borrower, by the execution of this Report, hereby ratifies, confirms and affirms all of the

terms, conditions and	provisions of the	Agreement,	and further	certifies on this	day of	, 20,	that the Borrowe	er is in
compliance with said A	Agreement.							

BORROWER NAME:

Exhibit B-1

#### BORROWING BASE CERTIFICATE

#### AGGREGATE BORROWING BASE REPORT

				Rpt #		
Obligor Number:				Date:		
Loan Number:				Period Covered:	to	
COLLATERAL CATEGORY		A/R	Inventory	Total Eligible Collateral		
	Description					
1	Beginning Balance (Previous report - Line 8)					
2	Additions to Collateral (Gross Sales or Purchases)					
3	Other Additions (Add back any non-A/R cash in line 3)					
4	Deductions to Collateral (Cash Received)					
5	Deductions to Collateral (Discounts, other)					
6	Deductions to Collateral (Credit Memos, all)					
7	Other <b>non-cash</b> credits to A/R					
8	Total Ending Collateral Balance					
9	Less Ineligible - Past Due					
10	Less Ineligible - Cross-age (50%)					
11	Less Ineligible – Foreign					
12	Less Ineligible – Contra					
13	Less Ineligible - Other (attached schedule)					
14	Total Ineligibles - Accounts Receivable					
15	Less Ineligible - Inventory Slow-moving					
16	Less Ineligible - Inventory Offsite not covered					
17	Less Ineligible - Inventory WIP					
18	Less Ineligible – Consigned					
19	Less Ineligible - Other (attached schedule)					
20	Total Ineligibles Inventory					
21	Total Eligible Collateral					
22	Advance Rate Percentage	%	%			
23	Net Available - Borrowing Base Value					
24	Reserves					
25	PP&E Component					
26	Earnout Reserve					
27	Total Borrowing Base Value					
	Total Availability/CAPS					
28	Revolver Line			Total CAPS/Loan Line		
29	Maximum Borrowing Limit (Lesser of 27 or 28)*			Total Available		
	Suppressed Availability					
	LOAN STATUS					
30	Previous Loan Balance (Previous Report Line 33)					
31	Less: A. Net Collections (Same as line 4)					
51	B. Adjustments/Other					
32	Add: A. Request for Funds					
51	B. Adjustments/Other					
33	New Loan Balance					
34	Letter of Credit/BA's outstanding					
35	Availability Not Borrowed (Lines 29 less 33 & 34)					
	11, and 21, 10, 10, 10, 10, 10, 10, 27, 10, 55, 55, 57, 57,					
35				<b>Total New Loan Balance:</b>		

# 36 OVERALL EXPOSURE (line 33)

Pursuant to, and in accordance with, the terms and provisions of that certain Credit Agreement ("Agreement"), among JPMorgan Chase Bank, N.A. ("Chase"), as administrative agent for the Lenders, Cott Corporation (the "Company"), Cott Beverages Inc. ("Cott Beverages"), Cliffstar LLC, Cott Beverages Limited, Cott Nelson (Holdings) Limited, Cott (Nelson) Limited (together with Cott Beverages and Cliffstar LLC, the "Borrowers"), the other Loan Parties party thereto and the other parties thereto, Borrower Representative, on behalf of the Borrowers, is executing and delivering to Chase this Collateral Report accompanied by supporting data (collectively referred to as the "Report"). Borrower Representative, on behalf of the Borrowers, represents and warrants to Chase that this Report is true and correct, and is based on information contained in the Borrowers' own financial accounting records. Borrower Representative, by the execution of this Report, hereby ratifies, confirms and affirms all of the terms, conditions and provisions of the Agreement, and further certifies on this \_\_\_\_\_\_day of \_\_\_\_\_\_, 20\_\_, that the Borrowers are in compliance with said Agreement.

Exhibit B-2

#### COMPLIANCE CERTIFICATE

To: The Lenders parties to the CreditAgreement Described Below

This Compliance Certificate is furnished pursuant to that certain Credit Agreement dated as of August 17, 2010 (as amended, restated, supplemented, modified, renewed or extended from time to time, the "Agreement"), among Cott Corporation Corporation Cott, a corporation organized under the laws of Canada, Cott Beverages Inc., a Georgia corporation, Cliffstar LLC, a Delaware limited liability company, and Cott Beverages Limited, a company organized under the laws of England and Wales, as Borrowers, the other Loan Parties party hereto, the Lenders party hereto, JPMorgan Chase Bank, N.A., London Branch, as UK Security Trustee, JPMorgan Chase Bank, N.A., as Administrative Agent and Administrative Collateral Agent, General Electric Capital Corporation, as Co-Collateral Agent, and the other parties thereto. Unless otherwise defined herein, capitalized terms used in this Compliance Certificate have the meanings ascribed thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES ON BEHALF OF THE BORROWERS AND NOT IN THE UNDERSIGNED'S INDIVIDUAL CAPACITY, THAT:

1. I am the duly elected \_\_\_\_\_\_ of the Borrower Representative;

2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Company and its Subsidiaries during the accounting period covered by the attached financial statements [ for quarterly or monthly financial statements add: and such financial statements present fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes];

3. The examinations described in paragraph 2 did not disclose, except as set forth below, and I have no knowledge of (i) the existence of any condition or event which constitutes a Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate or (ii) any change in GAAP or in the application thereof that has occurred since the date of the audited financial statement;

4. I hereby certify that no Loan Party has changed (i) its name, (ii) its chief executive office, (iii) principal place of business, (iv) the type of entity it is or (v) its state or other jurisdiction of incorporation or organization without having given the Agent the notice required by Section 4.15 of the U.S. Security Agreement or Section 4.15 of the Canadian Security Agreement, as applicable;

[5. <u>Schedule I</u> attached hereto sets forth financial data and computations of the Fixed Charge Coverage Ratio for the fiscal quarter most recently ended and, if applicable, evidencing the Borrowers' compliance with the covenant contained in Section 6.13 of the Agreement, all of which data and computations are true, complete and correct in all material respects;]<sup>4</sup>

<sup>4</sup> Schedule I is only required for each quarter of each fiscal year of the Company.

[6. Schedule II attached hereto sets forth an updated Customer List;] <sup>5</sup>

7. <u>Schedule III</u> attached hereto sets forth a detailed listing of all intercompany loans made by any of the Loan Parties or their Restricted Subsidiaries since the delivery of the last Compliance Certificate (or if no Compliance Certificate has been previously delivered, since the Effective Date);

[8. <u>Schedule IV</u> sets forth a list of (i) all Intellectual Property owned by the Loan Parties which is the subject of a registration or application in any intellectual property registry which has been acquired, filed or issued since the delivery of the last Compliance Certificate (or if no Compliance Certificate has been previously delivered, since the Effective Date), and (ii) any material licenses of Intellectual Property to which any Loan Party has become a party to or otherwise bound by (whether as licensor or licensee) since the delivery of the last Compliance Certificate (or if no Compliance Certificate has been previously delivered, since the Effective Date);]<sup>6</sup>

[9. <u>Schedule V</u> sets forth (i) a calculation of (x) EBITDA for the period of four fiscal quarters of the Company and its Subsidiaries most recently ended, and (y) consolidated total assets of the Company and its Subsidiaries as at the last day of such four fiscal quarter period and (ii) calculations demonstrating compliance with the limitations set forth in Section 5.13(a)(iii) of the Agreement;]<sup>7</sup>

10. <u>Schedule VI</u> sets forth a list of all commercial tort claims (as defined in the UCC) in excess of \$1,000,000 acquired by the Loan Parties since the delivery of the last Compliance Certificate (or if no Compliance Certificate has been previously delivered, since the Effective Date); and

11. <u>Schedule VII</u> sets forth a list of all letters of credit (other than those that are supporting obligations (within the meaning of the UCC) for other Collateral that is subject to a perfected security interest in favor of the Administrative Agent) in excess of \$1,000,000 as to which any Loan Party is the beneficiary and acquired by the Loan Parties since the delivery of the last Compliance Certificate (or if no Compliance Certificate has been previously delivered, since the Effective Date).

12. <u>Schedule VIII</u> sets forth any change in any Loan Party's mailing address, corporate offices or warehouses or locations at which Collateral is held or stored, or the location of its records concerning the Collateral as set forth in the Security Agreement, since the delivery of the last Compliance Certificate (or if no Compliance Certificate has been previously delivered, since the Effective Date).

[Enclosed with this Compliance Certificate is a certificate of good standing for Cott Beverages from the appropriate governmental officer in its jurisdiction of incorporation (or if such certificate of good standing is not enclosed with this Compliance Certificate, then an order has been placed by Cott Beverages to obtain the same prior to the date hereof).]<sup>8</sup>

- <sup>6</sup> Schedule IV is only required for the fourth quarter of each fiscal year of the Company.
- Schedule V is only required for each quarter of each fiscal year of the Company.
- <sup>8</sup> The certificate of good standing is only required for the first and third quarters of each fiscal year of the Company.

<sup>&</sup>lt;sup>2</sup> Schedule II is only required for the first and third quarters of each fiscal year of the Company.

Described below are the exceptions, if any, to paragraph 3 listing, in detail, the (i) nature of the condition or event, the period during which it has existed and the action which the Borrowers have taken, are taking, or propose to take with respect to each such condition or event or (ii) the change in GAAP or the application thereof and the effect of such change on the attached financial statements:

The foregoing certifications[, together with the computations set forth in [Schedule I] [and] [Schedule V] hereto] and the financial statements delivered with this Certificate in support hereof, are made and delivered this \_\_\_\_\_day of \_\_\_\_\_.

COTT CORPORATION CORPORATION COTT, as Borrower Representative

By:\_

Name:\_\_\_\_\_\_ Title: \_\_\_\_\_\_

# [SCHEDULE I]

[Calculations of Fixed Charged Coverage Ratio as of \_\_\_\_\_, \_\_\_]

# [SCHEDULE II]

[Customer List]

## SCHEDULE III

Intercompany Loans

[SCHEDULE IV]

[Intellectual Property]

[SCHEDULE V]

[Unrestricted and Excluded Subsidiaries]

### SCHEDULE VI

Commercial Tort Claims

### SCHEDULE VII

Letters of Credit

SCHEDULE VIII

Change of Mailing Address and Location

#### JOINDER AGREEMENT

THIS JOINDER AGREEMENT (this "<u>Agreement</u>"), dated as of \_\_\_\_\_\_, 200 \_\_, is entered into between \_\_\_\_\_\_, a \_\_\_\_\_(the "<u>New Subsidiary</u>") and JPMORGAN CHASE BANK, N.A., in its capacity as administrative agent (the "<u>Administrative</u> <u>Agent</u>") under that certain Credit Agreement, dated as of August 17, 2010, among Cott Corporation Corporation Cott, a corporation organized under the laws of Canada (the "<u>Company</u>"), Cott Beverages Inc., a Georgia corporation ("<u>Cott Beverages</u>"), Cliffstar LLC, a Delaware limited liability company, and Cott Beverages Limited, a company organized under the laws of England and Wales, (the "<u>UK Borrower</u>," and together with the Company, Cott Beverages and Cliffstar LLC, the "<u>Borrowers</u>"), the other Loan Parties party thereto, the Lenders party thereto, the Administrative Agent and the other parties thereto (as the same may be amended, modified, extended or restated from time to time, the "<u>Credit Agreement</u>"). All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement.

The New Subsidiary and the Administrative Agent, for the benefit of the Lenders, hereby agree as follows:

1. The New Subsidiary hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the New Subsidiary will be deemed to be a Loan Party under the Credit Agreement and a "Loan Guarantor" for all purposes of the Credit Agreement and shall have all of the obligations of a Loan Party and a Loan Guarantor thereunder as if it had executed the Credit Agreement. The New Subsidiary hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Credit Agreement, including without limitation (a) all of the representations and warranties of the Loan Parties set forth in Article III of the Credit Agreement, (b) all of the covenants set forth in Articles V and VI of the Credit Agreement and (c) all of the guaranty obligations set forth in Article X of the Credit Agreement, hereby guarantees, jointly and severally with the other Loan Guarantors, to the Administrative Agent and the Lenders, as provided in Article X of the Credit Agreement, the prompt payment and performance of the Guaranteed Obligations in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration or otherwise), the New Subsidiary will, jointly and severally together with the other Loan Guarantors, promptly pay and perform the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

2. The New Subsidiary also hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the New Subsidiary will be deemed to be a "Grantor" under the Security Agreement and shall have all of the obligations of a Grantor thereunder as if it had executed the Security Agreement. The New Subsidiary hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Security Agreement, including without limitation (a) all of the representations and warranties of the Grantors set forth in Article III of the Security Agreement, and (b) all of the covenants set forth in Article IV of the Security Agreement. Without limiting the

generality of the foregoing terms of this paragraph 2, the New Subsidiary, as security for the payment and performance in full of the Secured Obligations (as defined in the U.S. Security Agreement), does hereby create and grant to the Administrative Collateral Agent, on behalf and for the ratable benefit of the Secured Creditors, a security interest in all the New Subsidiary's right, title and interest in, to and under the Collateral (as defined in the U.S. Security Agreement) of the New Subsidiary. Each reference to a "Grantor" in the U.S. Security Agreement shall be deemed to include the New Subsidiary.

3. The New Subsidiary hereby irrevocably authorizes the Administrative Collateral Agent at any time and from time to time to file, all financing statements in order to maintain a perfected security interest in the Collateral owned by the New Subsidiary. Any financing statement filed by the Administrative Collateral Agent may be filed in any filing office in any UCC jurisdiction and may (i) indicate the New Subsidiary's Collateral (1) as all assets of the New Subsidiary or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC or such jurisdiction, or (2) by any other description which reasonably approximates the description contained in the Security Agreement, and (ii) contain any other information required by part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment. For the purposes of such filing, the New Subsidiary represents and warrants to the Administrative Collateral Agent and each secured party that it's name, type of organization and jurisdiction of organization are each as set forth in the first paragraph hereof.

4. The address of the New Subsidiary for purposes of Section 9.01 of the Credit Agreement is as follows:


5. The New Subsidiary hereby waives acceptance by the Administrative Agent and the Lenders of the guaranty by the New Subsidiary upon the execution of this Agreement by the New Subsidiary.

6. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument.

7. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

[Signature page follows]

<sup>-2-</sup>

IN WITNESS WHEREOF, the New Subsidiary has caused this Agreement to be duly executed by its authorized officer, and the Administrative Agent, for the benefit of the Lenders, has caused the same to be accepted by its authorized officer, as of the day and year first above written.

[NEW SUBSIDIARY]

By:	
ъ т	

Name:		
Title:		

Acknowledged and accepted:

JPMORGAN CHASE BANK, N.A., as Administrative Agent

Title:

#### BORROWING REQUEST

#### NOTICE OF BORROWING/ LETTER OF CREDIT REQUEST

To: JPMORGAN CHASE BANK, N.A.

as Disbursement Agent 1300 East Ninth Street, Floor 13 Cleveland, OH 44114-1573 Attention: David J. Waugh

JPMORGAN CHASE BANK, N.A., TORONTO BRANCH as Disbursement Agent c/o JPMORGAN CHASE BANK, N.A. 1300 East Ninth Street, Floor 13 Cleveland, OH 44114-1573 Attention: David J. Waugh

JPMORGAN CHASE BANK, N.A., LONDON BRANCH as Disbursement Agent c/o JPMorgan Europe Limited 125 London Wall London, EC2Y 5AG Attention: Loan and Agency Group

[Date]

Ladies and Gentlemen:

Reference is made to the Credit Agreement, dated as of August17, 2010 (as amended, restated, supplemented, replaced or otherwise modified from time to time, the "<u>Credit Agreement</u>"), among Cott Corporation Corporation Cott, a corporation organized under the laws of Canada (the "<u>Company</u>"), Cott Beverages Inc., a Georgia corporation ("<u>Cott Beverages</u>"), Cliffstar LLC, a Delaware limited liability company, Cott Beverages Limited, a company organized under the laws of England and Wales (the "<u>UK Borrower</u>", and together with the Company, Cott Beverages and Cliffstar LLC, each, a "<u>Borrower</u>" and collectively, the "<u>Borrowers</u>"), the other subsidiaries of the Company party thereto, the lenders party thereto (collectively, the "<u>Lenders</u>"), JPMorgan Chase Bank, N.A., London Branch, as UK Security Trustee (the "<u>UK Security Trustee</u>") and the other parties thereto. Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Credit Agreement.

-2-

Pursuant to Section 2.03 of the Credit Agreement, the [Company hereby requests] [U.S. Co-Borrower hereby request] [UK Borrower hereby requests] [Borrower Representative hereby gives you notice that the [U.S. Co-Borrower] [UK Borrower] request[s]] a Revolving Borrowing under the Credit Agreement, and in that connection sets forth below the terms on which such Revolving Borrowing is requested to be made:

(A) Date of Revolving Borrowing (which is a Business Day)	
(B) Principal amount of Revolving Borrowing	
(1) Amount of ABR Loans	
(2) Amount of Canadian Prime Loans	
(3) Amount of Eurodollar Loans	
(4) Amount of CDOR Loans	
(C) For a Eurodollar or CDOR Borrowing, the Interest Period to be applicable <sup>1</sup>	
(D) Currency of Revolving Borrowing <sup>2</sup>	
(E) Funds are requested to be disbursed to the following account(s) <sup>3</sup>	

Upon acceptance of any or all of the Loans made in response to this request, each Borrower shall be deemed to have represented and warranted that the conditions to lending specified in Section 4.02 of the Credit Agreement have been satisfied and that no notice pursuant to subsections 6 or 8 of Section 443.055 of the Revised Statutes of Missouri has been given.

#### [Signature Page Follows]

<sup>&</sup>lt;sup>3</sup> Specify the location and number of the account or accounts to which funds are to be disbursed, which shall comply with the requirements of the Credit Agreement.



 $<sup>\</sup>frac{1}{2}$  Shall be subject to the definition of "Interest Period" in the Credit Agreement.

Specify dollars for Borrowings by the U.S. Co-Borrowers, dollars or Canadian Dollars for Borrowings by the Company and dollars, Euros or Sterling for Borrowings by the UK Borrower.

Pursuant to Section 2.06 of the Credit Agreement, the [Company hereby requests] [U.S. Co-Borrower hereby request] [UK Borrower hereby requests] [Borrower Representative hereby gives you notice that the [U.S. Co-Borrower] [UK Borrower] request[s]] the [issuance of a Letter of Credit as described below][the amendment, renewal or extension of the Letter of Credit identified below] under the Credit Agreement:

- (A) Date of issuance, renewal or extension of the Letter of Credit (which is a Business Day)
- (B) Expiration Date (in accordance with Section 2.06(c) of the Credit Agreement)
- (C) Amount
- (D) Currency of the Letter of Credit
- (E) Beneficiary of the Letter of Credit

Upon issuance, amendment, renewal or extension of any Letter of Credit made in response to this request, each Borrower shall be deemed to have represented and warranted that the conditions to lending specified in Section 4.02 of the Credit Agreement have been satisfied and that no notice pursuant to subsections 6 or 8 of Section 443.055 of the Revised Statutes of Missouri has been given.

[Signature Page Follows]

# [COTT CORPORATION CORPORATION COTT, as Borrower Representative

#### By:

Name: Title:]

[COTT CORPORATION CORPORATION COTT, as the Company

#### By:

Name: Title:]

[COTT BEVERAGES INC., as a U.S. Co-Borrower

By:

Name: Title:]

[CLIFFSTAR LLC, as a U.S. Co-Borrower

By:

Name: Title:]

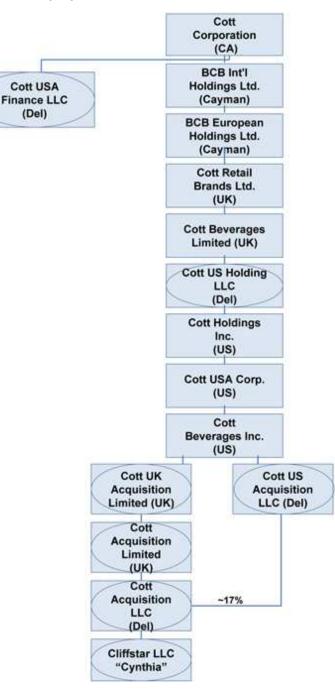
[COTT BEVERAGES LIMITED, as UK Borrower

### By:

Name: Title:]

# **Proposed Final Structure**

Structure has been simplified for illustrative purposes.



#### COTT CORPORATION 2010 EQUITY INCENTIVE PLAN RESTRICTED SHARE UNIT AWARD AGREEMENT (Time-Based Vesting)

1. <u>Restricted Share Unit Award — Terms and Conditions</u>. Under and subject to the provisions of the Cott Corporation 2010 Equity Incentive Plan (the "Plan") and upon the terms and conditions set forth herein, Cott Corporation (the "Company") has granted to \_\_\_\_\_\_ (the "Grantee"), on \_\_\_\_\_\_\_(the "Date of Grant"), a Restricted Share Unit Award (the "Award") of the number of restricted share units equal to \$ \_\_\_\_\_\_(such units, the "Units"), in respect of services to be provided by the Grantee in \_\_\_\_\_\_ and thereafter. At all times, each Unit shall be equal in value to one common share in the capital of the Company (each, a "Share"). Such Award is subject to the terms and conditions of this Restricted Share Unit Agreement (the "Agreement") and the Plan.

(a) <u>Restriction Period</u>. For purposes of this Agreement, the restriction period is the period beginning on \_\_\_\_\_\_, and ending on \_\_\_\_\_\_(the "Restriction Period"). Upon expiration of the Restriction Period, Awards that have not been forfeited pursuant to Section 3 below shall become vested. The Human Resources and Compensation Committee of the Company's Board of Directors (the "Committee") may, in accordance with the Plan and to the extent permitted by Section 409A of the Code (if applicable), accelerate the expiration of the Restriction Period as to some or all of the Units at any time.

(b) <u>Payout of Award</u>. Provided the Award has not previously been forfeited, as soon as administratively practicable following the expiration of the Restriction Period, but in no event later than the later to occur of (i) sixty (60) days following the expiration of the Restriction Period, and (ii) the date that audited financial statements are available for the Company's \_\_\_\_\_\_\_fiscal year, the Company shall issue to the Grantee in a single payment the number of Shares underlying the Units as of the date of the expiration of the Restriction Period. 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.

(c) <u>Rights During Restriction Period</u>. During the Restriction Period, the Grantee shall not have any rights as a shareholder with respect to the Shares underlying the Units. If the number of outstanding common shares of the Company ("Common Shares") is changed as a result of a stock dividend, stock split or the like, without additional consideration to the Company, the Units subject to this Award shall be adjusted to correspond to the change in the Company's outstanding Common Shares. Upon the expiration of the Restriction Period and payout of the Award, the Grantee may exercise voting rights and shall be entitled to receive dividends and other distributions with respect to the number of Shares to which the Grantee is entitled pursuant hereto.

2. <u>Prohibition Against Transfer</u>. Until the expiration of the Restriction Period and payout of the Award, the Award, the Units subject to the Award, and any interest in the Shares and the rights granted under this Agreement are not transferable or assignable other than for normal estate settlement purposes. Until the expiration of the Restriction Period and payout of the Award, the Units subject to the Award, and any interest in the Shares related thereto may not be sold, exchanged, assigned, transferred, pledged, hypothecated, encumbered or otherwise disposed of, shall not be assignable by operation of law, and shall not be subject to execution, attachment, charge, alienation or similar process. Any attempt to effect any of the foregoing shall be null and void and without effect.

3. <u>Securities Law Requirements</u>. The Company shall not be required to issue Shares pursuant to the Award, to the extent required, unless and until (a) such Shares have been duly listed upon each stock exchange on which the Common Shares is then registered; and (b) a registration statement under the Securities Act of 1933 with respect to such Shares is then effective.

4. <u>Incorporation of Plan Provisions</u>. This Agreement is made pursuant to the Plan, the provisions of which are hereby incorporated by reference. Capitalized terms not otherwise defined herein shall have the meanings set forth for such terms in the Plan. In the event of a conflict between the terms of this Agreement and the Plan, the terms of the Plan shall govern.

5. <u>Compliance with Section 409A of the Code</u>. To the extent applicable, it is intended that the Agreement and the Plan comply with the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to the Grantee. The Agreement and the Plan shall be administered and interpreted in a manner consistent with this intent, and any provision that would cause the Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force and effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Corporation without the consent of the Grantee). Notwithstanding the foregoing, no particular tax result for the Grantee with respect to any income recognized by the Grantee in connection with the Agreement is guaranteed, and the Grantee solely shall be responsible for any taxes, penalties or interest imposed on the Grantee under Section 409A in connection with the Agreement. Reference to Section 409A of the Code will also include any regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.

#### 6. Tax Withholding.

(a) <u>Grantees Other Than UK Grantees</u>. The Grantee shall pay all applicable income and employment taxes (including taxes of any foreign jurisdiction) which the Company or a Subsidiary is required to withhold at any time with respect to the Units. Such payment shall be made in full, at the Grantee's election, in cash or check, by withholding from the Grantee's

next normal payroll check, or by the relinquishment of Shares that otherwise would be issued to the Grantee pursuant to this Agreement. Shares tendered as payment of required withholding shall be valued at the closing price per share of the Company's common stock on the date such withholding obligation arises.

(b) <u>UK Grantees</u>. By executing this Agreement, the Grantee agrees with the Company (for itself and on behalf of the Grantee's employing company (the "Employer")) that the Company (or, if it is the secondary contributor in respect of the Grantee for the purposes of national insurance contributions, the Employer) may recover from the Grantee (by deduction or otherwise) an amount equal to any secondary Class 1 contributions payable in respect of the acquisition by the Grantee of any Shares pursuant to this Agreement, together with any income tax and primary Class 1 contributions due under the Pay As You Earn system in respect of any Shares acquired by the Grantee pursuant to this Agreement and the Grantee hereby agrees to indemnify the Company and the Employer for such amounts. For the avoidance of doubt, a broker or trustee instructed by the Grantee shall be entitled to retain, out of the aggregate number of Shares issued in the name of the Grantee and to which the Grantee would otherwise be entitled pursuant to this Agreement, and sell as agent for the Grantee, such number of Shares as in the opinion of the Company or the Employer will realize an amount equivalent to any amount due from the Grantee pursuant to this Section and to pay such proceeds to the Employer to reimburse it for such amount.

7. <u>Employment</u>. The rights and obligations of the Grantee under the terms of his office or employment with the Employer will not be affected by his participation in the Plan or any right which he may have under this Agreement and this Agreement does not form part of any contract of employment between the Grantee and the Employer. If the Grantee's office or employment is terminated for any reason whatsoever (and whether lawful or otherwise) he will not be entitled to claim any compensation for or in respect of any consequent diminution or extinction of his rights or benefits (actual or prospective) under this Agreement or otherwise in connection with the Plan.

8. <u>Beneficiary Designation</u>. The Grantee may, subject to compliance with all applicable laws, name, from time to time, any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in the event of the Grantee's death before the Grantee receives any or all of such benefit. Each designation will revoke all prior designations by the Grantee, shall be in the form as may be prescribed by the Committee, and will be effective only when filed by the Grantee in writing with the Committee during his or her lifetime. In the absence of any such designation, benefits remaining unpaid at the Grantee's death shall be paid to his or her estate.

9. <u>Governing Law</u>. This Agreement 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.

10. <u>Severability</u>. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

11. Entire Agreement.

(a) The Grantee hereby acknowledges that he or she has received, reviewed and accepted the terms and conditions applicable to this Agreement, and has not been induced to enter into this Agreement or acquire any Units by expectation of employment or continued employment with the Company or any of its subsidiaries. The granting of the Award and the issuance of Units are subject to the terms and conditions of the Plan, all of which are incorporated into and form an integral part of this Agreement.

(b) The Grantee hereby acknowledges that he or she is to consult with and rely upon only the Grantee's own tax, legal, and financial advisors regarding the consequences and risks of this Agreement and the award of Units.

(c) This Agreement may not be amended or modified except by a written agreement executed by the parties hereto or their respective successors and legal representatives. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

12. Counterparts. This Agreement may be executed in counterparts, which together shall constitute one and the same original.

IN WITNESS WHEREOF, Cott Corporation has caused this Agreement to be duly executed by one of its duly authorized officers, and the Grantee has executed this Agreement, effective as of the day and year first above written.

WITNESS:

#### COTT CORPORATION

By:
Print Name:
Title:

GRANTEE:

By: Print Name:

#### COTT CORPORATION 2010 EQUITY INCENTIVE PLAN RESTRICTED SHARE UNIT AWARD AGREEMENT (Performance-Based Vesting)

1. <u>Performance-Based Share Unit Award – Terms and Conditions</u>. Under and subject to the provisions of the Cott Corporation 2010 Equity Incentive Plan (the "Plan") and upon the terms and conditions set forth herein, Cott Corporation (the "Company") has granted to \_\_\_\_\_\_(the "Grantee"), on \_\_\_\_\_\_(the "Date of Grant"), a Restricted Share Unit Award (the "Award") of the number of performance-based restricted share units equal to \$ \_\_\_\_\_\_(such units, as may be adjusted in accordance with Section 1(e) herein, the "Performance Units"), in respect of services to be provided in \_\_\_\_\_ and thereafter. At all times, each Performance Unit shall be equal in value to one common share in the capital of the Company (each, a "Share"). Such Award is subject to the terms and conditions of this Performance-Based Restricted Share Unit Agreement (the "Agreement") and the Plan.

(a) <u>Performance Period</u>. For purposes of this Agreement, the "Performance Period" is the period beginning on \_\_\_\_\_\_, and ending on \_\_\_\_\_\_.

(b) <u>Payout of Award</u>. Provided the Award has not previously been forfeited, as soon as administratively practicable following the expiration of the Performance Period, but in no event later than the later to occur of (i) sixty (60) days following the expiration of the Performance Period and (ii) the date that audited financial statements are available for the Company's \_\_\_\_\_\_fiscal year, the Company shall issue to the Grantee in a single payment the number of Shares underlying the Performance Units to which the Grantee is entitled pursuant hereto. 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.

(c) <u>Satisfaction of Performance Objectives</u>. The payout of the Award shall be contingent upon the attainment during the Performance Period of the performance objectives set forth in Section 1(e) herein (the "Performance Objectives"). The payout of the Award shall be determined upon the expiration of the Performance Period in accordance with the Performance Objectives. The final determination of the payout of the Award will be authorized by the Human Resources and Compensation Committee of the Company's Board of Directors (the "Committee").

(d) <u>Rights During Performance Period</u>. During the Performance Period, the Grantee shall not have any rights as a shareholder with respect to the Shares underlying the Performance Units. Upon the expiration of the Performance Period and payout of the Award, the Grantee may exercise voting rights and shall be entitled to receive dividends and other distributions with respect to the number of Shares to which the Grantee is entitled pursuant hereto.

(e) <u>Performance Objectives</u>. Subject to Section 2 of this Agreement, the Performance Units shall vest and become non-forfeitable as set forth in the chart below based on the Company's achievement of a for the Performance Period:

For purposes of this Section 1(e), the following definitions shall apply:

"Target" shall mean \_\_\_\_\_\_ for the Performance Period.

2. <u>Prohibition Against Transfer</u>. Until the expiration of the Performance Period and payout of the Award, the Award, the Performance Units subject to the Award, and any interest in Shares related thereto, and the rights granted under this Agreement are not transferable or assignable other than for normal estate settlement purposes. Until the expiration of the Performance Period and payout of the award, the Award, the Performance Units and any interest in Shares related thereto, may not be sold, exchanged, assigned, transferred, pledged, hypothecated, encumbered or otherwise disposed of, shall not be assignable by operation of law, and shall not be subject to execution, attachment, charge, alienation or similar process. Any attempt to effect any of the foregoing shall be null and void and without effect.

3. <u>Securities Law Requirements</u>. The Company shall not be required to issue Shares pursuant to the Award, to the extent required, unless and until (a) such Shares have been duly listed upon each stock exchange on which the Common Shares are then registered; and (b) a registration statement under the Securities Act of 1933 with respect to such Shares is then effective.

4. <u>Adjustments</u>. For purposes of calculating \_\_\_\_\_\_, adjustments will be made for items that are discretely disclosed in either the financial statements, footnotes thereto or Management's Discussion and Analysis sections of the Company's quarterly or annual filings with the U.S. Securities & Exchange Commission. The following are adjustments to \_\_\_\_\_\_:

5. <u>Incorporation of Plan Provisions</u>. This Agreement is made pursuant to the Plan, the provisions of which are hereby incorporated by reference. Capitalized terms not otherwise defined herein shall have the meanings set forth for such terms in the Plan. In the event of a conflict between the terms of this Agreement and the Plan, the terms of the Plan shall govern.

6. <u>Compliance with Section 409A of the Code</u>. To the extent applicable, it is intended that the Agreement and the Plan comply with the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to the Grantee. The Agreement and the Plan shall be administered and interpreted in a manner consistent with this intent, and any provision that would cause the Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force and effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Corporation without the consent of the Grantee). Notwithstanding the foregoing, no particular tax result for the Grantee with respect to any income recognized by the Grantee in connection with the Agreement. Reference to Section 409A of the Code will also include any regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.

#### 7. Tax Withholding.

(a) <u>Grantees Other Than UK Grantees</u>. The Grantee shall pay all applicable income and employment taxes (including taxes of any foreign jurisdiction) which the Company or a Subsidiary is required to withhold at any time with respect to the Units. Such payment shall be made in full, at the Grantee's election, in cash or check, by withholding from the Grantee's next normal payroll check, or by the relinquishment of Shares that otherwise would be issued to the Grantee pursuant to this Agreement. Shares tendered as payment of required withholding shall be valued at the closing price per share of the Company's common stock on the date such withholding obligation arises.

(b) <u>UK Grantees</u>. By executing this Agreement, the Grantee agrees with the Company (for itself and on behalf of the Grantee's employing company (the "Employer")) that the Company (or, if it is the secondary contributor in respect of the Grantee for the purposes of national insurance contributions, the Employer) may recover from the Grantee (by deduction or otherwise) an amount equal to any secondary Class 1 contributions payable in respect of the acquisition by the Grantee of any Shares pursuant to this Agreement, together with any income tax and primary Class 1 contributions due under the Pay As You Earn system in respect of any Shares acquired by the Grantee pursuant to this Agreement and the Grantee hereby agrees to indemnify the Company and the Employer for such amounts. For the avoidance of doubt, a broker or trustee instructed by the Grantee shall be entitled to retain, out of the aggregate number of Shares issued in the name of the Grantee and to which the Grantee would otherwise be entitled pursuant to this Agreement, and sell as agent for the Grantee, such number of Shares as in the opinion of the Company or the Employer will realize an amount equivalent to any amount due from the Grantee pursuant to this Section and to pay such proceeds to the Employer to reimburse it for such amount.

8. <u>Employment</u>. The rights and obligations of the Grantee under the terms of his office or employment with the Employer will not be affected by his participation in the Plan or any right which he may have under this Agreement and this Agreement does not form part of any contract of employment between the Grantee and the Employer. If the Grantee's office or employment is terminated for any reason whatsoever (and whether lawful or otherwise) he will not be entitled to claim any compensation for or in respect of any consequent diminution or extinction of his rights or benefits (actual or prospective) under this Agreement or otherwise in connection with the Plan.

9. <u>Beneficiary Designation</u>. The Grantee may, subject to compliance with all applicable laws, name, from time to time, any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in the event of the Grantee's death before the Grantee receives any or all of such benefit. Each designation will revoke all prior designations by the Grantee, shall be in the form as may be prescribed by the Committee, and will be effective only when filed by the Grantee in writing with the Committee during his or her lifetime. In the absence of any such designation, benefits remaining unpaid at the Grantee's death shall be paid to his or her estate.

10. <u>Governing Law</u>. This Agreement 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.

11. <u>Severability</u>. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

#### 12. Entire Agreement.

(a) The Grantee hereby acknowledges that he or she has received, reviewed and accepted the terms and conditions applicable to this Agreement, and has not been induced to enter into this Agreement or acquire any Performance Units by expectation of employment or continued employment with the Company or any of its subsidiaries. The granting of the Award and the issuance of Performance Units are subject to the terms and conditions of the Plan, all of which are incorporated into and form an integral part of this Agreement.

(b) The Grantee hereby acknowledges that he or she is to consult with and rely upon only the Grantee's own tax, legal, and financial advisors regarding the consequences and risks of this Agreement and the award of Performance Units.

(c) This Agreement may not be amended or modified except by a written agreement executed by the parties hereto or their respective successors and legal representatives. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

13. Counterparts. This Agreement may be executed in counterparts, which together shall constitute one and the same original.

#### [SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Cott Corporation has caused this Agreement to be duly executed by one of its duly authorized officers, and the Grantee has executed this Agreement, effective as of the day and year first above written.

WITNESS:	COTT CORPORATION	
By: Print Name:	By: Print Name: Title:	
	GRANTEE:	
	By: Print Name:	
	6	

#### CERTIFICATIONS PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002.

I, Jerry Fowden, certify that:

- 1. I have reviewed this quarterly report on Form 10-Q of Cott Corporation;
- 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 10, 2010

<u>/s/ Jerry Fowden</u> Jerry Fowden Chief Executive Officer

#### CERTIFICATIONS PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002.

I, Neal Cravens, certify that:

- 1. I have reviewed this quarterly report on Form 10-Q of Cott Corporation;
- 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 10, 2010

<u>/s/ Neal Cravens</u> Neal Cravens Chief Financial Officer

# CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Jerry Fowden, Chief Executive Officer of Cott Corporation (the "Company"), has executed this certification in connection with the filing with the Securities and Exchange Commission of the Company's Quarterly Report on Form 10-Q for the quarter ended October 2, 2010 (the "Report").

The undersigned hereby certifies that to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned has executed this certification as of the 10<sup>th</sup> day of November, 2010.

<u>/s/ Jerry Fowden</u> Jerry Fowden Chief Executive Officer

# CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Neal Cravens, Chief Financial Officer of Cott Corporation (the "Company"), has executed this certification in connection with the filing with the Securities and Exchange Commission of the Company's Quarterly Report on Form 10-Q for the quarter ended October 2, 2010 (the "Report").

The undersigned hereby certifies that to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned has executed this certification as of the 10<sup>th</sup> day of November, 2010.

<u>/s/ Neal Cravens</u> Neal Cravens Chief Financial Officer