SONOCO PRODUCTS CO
Form DEF 14A
March 18, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES

EXCHANGE ACT OF 1934 (Amendment No.)

Filed by the Registrant þ

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement
¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
þ Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to §240.14a-12

Sonoco Products Company

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ No fee required.

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

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(3) Filing Party:

(4) Date Filed:

SONOCO PRODUCTS COMPANY

1 NORTH SECOND STREET

HARTSVILLE, SOUTH CAROLINA 29550 USA

March 7, 2016

To Our Shareholders:

You are cordially invited to attend our Annual Shareholders Meeting to be held at the Center Theater, 212 North Fifth Street, Hartsville, South Carolina, on Wednesday, April 20, 2016, at 11:00 a.m. (Eastern time).

We have enclosed a Notice of 2016 Annual Meeting of Shareholders and Proxy Statement that cover the details of matters to be presented at the meeting.

In addition to acting on the matters listed in the Notice of Annual Meeting of Shareholders, we will discuss the Company s progress, and you will be given an opportunity to ask questions of general interest to all shareholders.

We have also enclosed a copy of our *2015 Annual Report*, which reviews the Company s events of the past year, and discusses strategy and the outlook for the future (or we delivered one copy of the Annual Report for all shareholders at your address).

We hope that you will come to the 2016 Annual Meeting of Shareholders in person; however, even if you plan to attend, we strongly encourage you to complete the enclosed proxy card or brokers voting instruction form and return it in the enclosed business reply envelope. If you are a shareholder of record, you can also vote by telephone (if you live in the United States) or via the Internet. Instructions are shown on your proxy card. If you are a shareholder of record and for any reason you desire to revoke your proxy, you can do so at any time before the voting. Your vote is important and will be greatly appreciated.

Harris E. DeLoach, Jr.

Executive Chairman

TABLE OF CONTENTS

Table of Contents

SONOCO PRODUCTS COMPANY

1 NORTH SECOND STREET

HARTSVILLE, SOUTH CAROLINA 29550 USA

NOTICE OF 2016 ANNUAL MEETING OF SHAREHOLDERS

TIME	11:00 a.m. (Eastern time) on Wednesday, April 20, 2016
PLACE	The Center Theater, 212 North Fifth Street, Hartsville, South Carolina
PROPOSALS	Proposal 1: Election of Directors;
	Proposal 2: Ratification of independent registered public accounting firm;
	Proposal 3: Advisory (nonbinding) resolution to approve executive compensation;
	Proposal 4: Board of Directors Proposal relating to an amendment to the Articles of Incorporation to declassify the Board of Directors and elect all directors annually; and
	Proposal 5: Advisory (nonbinding) shareholder proposal regarding shareholder proxy access
	Transact any other business that properly comes before the meeting or any adjournment of the meeting.
	Proposals 1, 2, 3 and 4 were submitted by the Board of Directors. Proposal 5 was submitted by a shareholder.
RECORD DATE	You may vote only if you were a shareholder of record at the close of business on February 24, 2016.
ANNUAL REPORT	We have enclosed a copy of the *2015 Annual Report* or we have delivered a single copy of the Annual Report for all shareholders at your address. The Annual Report is not part of the proxy soliciting material.
PROXY VOTING	It is important that your shares be represented and voted at the meeting.

If you hold your shares in your own name as a record shareholder, please vote in one of these three ways:

(1) USE THE TOLL-FREE TELEPHONE NUMBER shown on your proxy card if you live in the United States;

(2) VISIT THE WEB SITE shown on your proxy card and vote via the Internet; or

(3) MARK, SIGN, DATE, AND PROMPTLY RETURN the enclosed proxy card in the postage-paid envelope.

If your shares are held in street name by a broker, bank, or other nominee, please follow the instructions that entity sent to you with these proxy materials to have your shares voted at the Annual Meeting.

By order of the Board of Directors,

Ritchie L. Bond

Secretary

March 7, 2016

Table of Contents

SONOCO PRODUCTS COMPANY

1 NORTH SECOND STREET

HARTSVILLE, SOUTH CAROLINA 29550 USA

PROXY STATEMENT

INFORMATION CONCERNING THE SOLICITATION

We are sending you these proxy materials in connection with the solicitation by the Board of Directors of Sonoco Products Company of proxies to be used at the Annual Meeting of Shareholders (Annual Meeting) to be held on Wednesday, April 20, 2016, at 11:00 a.m. (Eastern time) at The Center Theater, 212 North Fifth Street, Hartsville, SC, and at any adjournment or postponement of the meeting. The terms we, our, us, Sonoco, and the Company all refer to Sonoco Products Company. The proxy materials are first being mailed on or about March 18, 2016.

Who May Vote

You will only be entitled to vote at the Annual Meeting if our records show that you were a record shareholder on February 24, 2016. At the close of business on February 24, 2016, a total of 101,000,244 shares of our common stock were outstanding and entitled to vote. Each share of common stock has one vote.

How to Vote Shares Held Directly

If you hold your shares in your own name as a record shareholder, you may vote by proxy or in person at the meeting. To vote by proxy you may select one of the following options: telephone, Internet, or mail.

Vote by Telephone:

You may vote by telephone (if you live in the United States) using the toll-free number shown on your proxy card. You must have a touch-tone telephone to use this option. Telephone voting is available 24 hours a day, seven days a week. Votes must be received by 7pm (Eastern time) on April 19, 2016. Clear and simple voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded. If you vote by telephone, please **DO NOT** return your proxy card.

Vote through the Internet:

You may vote through the Internet. The Web site for Internet voting is shown on your proxy card. Internet voting is available 24 hours a day, seven days a week. Votes must be received by 7pm (Eastern time) on April 19, 2016. When you vote through the Internet, you will be given the opportunity to confirm that your instructions have been properly recorded. If you vote through the Internet, please **DO NOT** return your proxy card.

Vote by Mail:

If you choose to vote by mail, please mark the enclosed proxy card, sign and date it, and return it in the enclosed postage-paid envelope.

Actions of the Proxy Agents

If you are a record shareholder and you indicate your voting choices, your shares will be voted according to your instructions. If you fail to give voting instructions, the proxy agents will vote your shares according to the board of director s recommendations:

FOR each person named in this Proxy Statement as a nominee for election to the Board of Directors,

FOR ratification of the selection of PricewaterhouseCoopers, LLP (PwC) as our independent registered public accounting firm for the fiscal year ending December 31, 2016,

Table of Contents

- **FOR** the advisory (non-binding) resolution to approve executive compensation,
- **AGAINST** the Board of Directors Proposal relating to an amendment to the Articles of Incorporation to declassify the Board of Directors and elect all directors annually, and
- **AGAINST** the advisory (nonbinding) shareholder proposal regarding shareholder proxy access.

The proxy agents will vote according to their best judgment on any other matter that properly comes before the Annual Meeting. At present, the Board of Directors does not know of any other such matters.

How to Vote Shares Held in Street Name by a Broker, Bank, or Other Nominee

If your shares are held in street name by a broker, bank, or other nominee, you may direct your vote by submitting your voting instructions to your broker, bank, or other nominee. Please refer to the voting instructions provided by your account manager. Your broker or other nominee is not permitted to vote your shares on election of directors, the advisory (non-binding) resolution to approve executive compensation, the proposal regarding declassification of the board of directors, or consideration of the advisory (non-binding) shareholder proposal unless you provide voting instructions. Therefore, to be sure your shares are voted, please instruct your broker or other nominee as to how you wish it to vote.

Voting at the Annual Meeting

The method by which you vote will not limit your right to vote at the Annual Meeting if you decide to attend in person. However, if you wish to vote at the meeting and your shares are held in street name by a bank, broker, or other nominee, you must obtain a proxy executed in your favor from the holder of record prior to the meeting and present it to the Secretary of the Company at the meeting.

If you wish to attend the meeting in person, you may obtain directions to our office at our Web site: www.sonoco.com. The site of the Annual Meeting is only a short distance from the Sonoco office, and directions from the office to the annual meeting site may be obtained at the reception desk.

How to Revoke Your Proxy

You may revoke your proxy at any time before it is voted. If you hold your shares in your own name as a record shareholder, you may revoke your proxy in any of the following ways:

- by giving notice of revocation at the Annual Meeting;
- by delivering to the Secretary of the Company, 1 North Second Street, Hartsville, SC 29550 USA, written instructions revoking your proxy; or
- by delivering to the Secretary an executed proxy bearing a later date.

Subsequent voting by telephone or via the Internet cancels your previous vote. If you are a shareholder of record, you may also attend the meeting and vote in person, in which case your proxy vote will not be used.

If your shares are held in street name by a broker, bank, or other nominee, you may revoke your voting instructions by submitting new voting instructions to the broker or other nominee who holds your shares.

How Votes Will Be Counted

The Annual Meeting will be held if a majority of the outstanding shares of common stock entitled to vote (a quorum) is represented at the meeting. If you have submitted valid proxy instructions or are a record shareholder and attend the meeting in person, your shares will be counted for the purpose of determining whether there is a quorum, even if you wish to abstain from voting on some or all matters introduced. Broker non-votes also count in determining whether a quorum is present. A broker non-vote occurs when a broker, bank, or nominee who holds shares in street name for a beneficial owner attends the meeting in person or by proxy but chooses not to vote on a particular proposal, or does not have discretionary voting power for that proposal, and has not received voting instructions from the beneficial owner.

Table of Contents

Brokers do not have discretionary authority to vote on election of directors, the advisory (non-binding) resolution to approve executive compensation, the proposal regarding declassification of the board of directors, or the advisory (non-binding) shareholder proposal on proxy access. Therefore, if you hold your shares in street name and do not return a broker voting instruction form, or if you return a broker voting instruction form but do not indicate how you want your broker to vote on any of these matters, a broker non-vote will occur with respect to these matters. Brokers do, however, continue to have discretionary authority to vote on ratification of independent auditors, and may do so when you have not provided instructions on that matter.

If a quorum is present at the Annual Meeting, subject to the Board s Majority Withheld Vote policy, directors will be elected by a plurality of the votes cast by shares present and entitled to vote at the Annual Meeting. Plurality means that, if there were more nominees than positions to be filled, the persons who received the largest number of votes would be elected. Because there is the same number of nominees as positions to be filled, we expect all nominees to be elected. Votes that are withheld or that are not voted in the election of directors (including broker non-votes) will have no effect on the outcome of the election. Cumulative voting is not permitted.

The advisory resolution to approve executive compensation and the shareholder proposal will be approved if the votes cast in favor of each matter exceed the votes cast against the matter. However, both of these votes are non-binding on us and our Board of Directors. Marking the proxy card or your broker voting instructions FOR indicates support for the resolution; marking the proxy card or your broker voting instructions AGAINST indicates lack of support for the resolution. You may abstain by marking the ABSTAIN box on the proxy card or your broker voting instructions. Abstentions or shares that are not voted (including broker non-votes) will have no effect on the outcome of these matters.

The vote on the proposal regarding declassification of the board of directors requires the affirmative vote of two-thirds of total shares entitled to vote. Broker non-votes and abstentions will count as votes against the proposal.

Any other matter, including ratification of the selection of PwC as our independent registered public accounting firm, that may be brought before the meeting will be approved if the votes cast in favor of the matters exceed the votes cast against the matters. Abstentions or shares that are not voted will have no effect on the outcome of such matters.

Cost of this Proxy Solicitation

We will pay the cost of this proxy solicitation. Morrow & Co., LLC, will assist in obtaining proxies by mail, facsimile or email from brokerage firms, banks, broker-dealers or other similar organizations representing beneficial owners of shares. We have agreed to a fee of approximately $6,500 plus out-of-pocket expenses. Morrow & Company may be contacted at Morrow & Co., LLC, 470 West Ave, Stamford, CT 06902.

In addition to soliciting proxies by mail, we expect that some of our officers and regular employees will solicit proxies by telephone, fax, email, or personal contact. None of these officers or employees will receive any additional or special compensation for doing this.

Table of Contents

PROPOSAL 1: ELECTION OF DIRECTORS

The Board of Directors has fixed the number of directors of the Company at thirteen. At our Annual Meeting, four directors will be elected. J.R. Haley, R.G. Kyle, M.J. Sanders and T.E. Whiddon have been nominated to hold office for the next three years, their terms expiring at the Annual Shareholders Meeting in 2019, or when their successors are duly elected and qualify to serve. The proxy agents intend to vote **FOR** the election of the four persons named above unless you withhold authority to vote for any or all of the nominees. The Board of Directors recommends that you vote **FOR** each nominee.

Name, Age, Tenure, Principal Occupation, and Directorships in Public Corporations during the Last Five Years

JOHN R. HALEY (54), Board member since 2011. Mr. Haley has served as Chief Executive Officer of Gosiger, Inc., (a privately owned distributor of computer-controlled machine tools and factory automation systems), Dayton, OH, since 2010. He served as a Gosiger managing partner from 2001 to 2010, and as a Division Vice President from 1992 to 2001. Mr. Haley is currently a director of Ultra-met Carbide Technologies (privately owned) and the Gosiger Foundation (nonprofit organization). Mr. Haley is the brother-in-law of R.H. Coker, who is an executive officer of the Company.

Sonoco s Board believes Mr. Haley is qualified to serve as a director based on the experience described above, which has provided him extensive executive leadership experience in the manufacturing sector. His related experience in corporate finance also provides a valuable resource for our Board.

RICHARD G. KYLE (50), Board member since 2015. Mr. Kyle has been President and Chief Executive Officer of The Timken Company (a manufacturer of bearings, transmissions, gearboxes, motors, lubrication systems, and chain), North Canton, OH, since 2014. He was Chief Operating Officer, Bearings and Power Transmissions Group from 2013 to 2014, Group President, Aerospace and Steel from 2012 to 2013, and President, Aerospace and Mobile Industries from 2008 to 2012. Mr. Kyle joined Timken in 2006, and was elected to its board of directors in 2013. Prior to joining Timken, he held management positions with Cooper Industries and Hubbell, Inc.

Sonoco s Board believes Mr. Kyle is qualified to serve as a director based on the experience described above, and his broad operational leadership expertise gained in global manufacturing organizations. As a member of the board of The Timken Company, he also brings a valuable understanding of regulatory and corporate governance issues.

M. JACK SANDERS (62), Board member since 2012. Mr. Sanders has been our Chief Executive Officer since April 2013 and our President since 2010. He was our Chief Operating Officer from 2010 to 2013, Executive Vice President, Consumer from January to December 2010, Executive Vice President, Industrial from 2008 to 2010, Senior Vice President, Global Industrial Products from 2006 to 2008, Vice President, Global Industrial Products from January to October 2006, and Vice President, Industrial Products, N.A. from 2001 to 2006.

Sonoco s Board believes Mr. Sanders is qualified to serve as a director based on his successful leadership experience within the Company over the past 28 years, including senior executive roles with each of our operating business segments. Mr. Sanders day-to-day leadership as our Chief Executive Officer also provides our Board with intimate knowledge of our operations, challenges and opportunities.

Table of Contents

Name, Age, Tenure, Principal Occupation, and Directorships in Public Corporations during the Last Five Years

THOMAS E. WHIDDON (63), Board member since 2001. Mr. Whiddon was an Advisory Director of Berkshire Partners, LLC (a Boston-based private equity firm), from 2005 to 2013, and served various Berkshire portfolio companies in an executive capacity on an interim basis. He was Executive Vice President Logistics and Technology of Lowe s Companies, Inc. from 2000 until he retired in 2003 and was previously their Executive Vice President and Chief Financial Officer from 1996 to 2000. Mr. Whiddon is currently a director of Carter s Inc., Dollar Tree Stores, Inc., and Chairman of the Board of BayCare Health System (nonprofit organization).

Sonoco s Board believes Mr. Whiddon is qualified to serve as a director based on the experience described above, including his general management, information technology and logistics expertise, strong financial acumen, and experience with retail end markets. Mr. Whiddon is Chair of the Audit Committee, as well as Audit Committee Financial Expert. Mr. Whiddon serves on the boards and audit committees of two other public companies, which provides him with valuable regulatory and corporate governance experience.

INFORMATION CONCERNING DIRECTORS WHOSE TERMS CONTINUE

Members of the Board of Directors whose terms of office will continue until our Annual Shareholders Meeting in 2017 are:

Name, Age, Tenure, Principal Occupation, and Directorships in

Public Corporations during the Last Five Years

HARRY A. COCKRELL (66), Board member since 2013. Mr. Cockrell has been managing director of Pacific Tiger Group Limited, a Hong Kong-based privately held investment enterprise with a wide range of businesses and assets across the Asia/Pacific region, since 2005. He is a director of Pathfinder Investment Holdings Corporation, a Philippines real estate management group. He is a former director of Hanesbrands, Inc., and former investment committee member of Asian Infrastructure Fund. Earlier in his career, he was director of corporate banking for the National Commercial Bank of Saudi Arabia and was a banking advisor for Middle Eastern and Asian interests.

Sonoco s Board believes Mr. Cockrell is qualified to serve as a director based on the experience described above, as well as his wealth of business, financial, and investment experience, especially in the important and growing Asia/Pacific region. He also has hands on management experience in a number of industries and markets relevant to our products and services. His experience on the boards of other public companies and as a former officer of an international bank provides him with valuable regulatory and banking experience and an understanding of corporate governance issues.

BLYTHE J. MCGARVIE (59), Board member since 2014. Ms. McGarvie taught accounting at Harvard Business School in the full-time MBA program from 2012 to 2014. She was chief executive officer of Leadership for International Finance, LLC, (an advisory firm offering consulting services and providing leadership seminars) from 2003 to 2012. She is currently a director of Accenture plc, Viacom, Inc., LKQ Corporation, and Wawa, Inc. (privately held). She was previously a director of Pepsi Bottling Group from 2002 to 2010 and The Travelers Companies, Inc. from 2003 to 2011.

Sonoco s Board believes Ms. McGarvie is qualified to serve as a director based on the experience described above, which has provided her significant financial and general leadership expertise. Her service on the boards other public companies also provides her with valuable regulatory experience and an understanding of corporate governance issues.

Table of Contents

Name, Age, Tenure, Principal Occupation, and Directorships in

Public Corporations during the Last Five Years

JAMES M. MICALI (68), Board member since 2003. Mr. Micali is a member, consultant, and limited partner of, Azalea Fund III (since 2008) and Azalea Fund IV (since 2014) of Azalea Capital LLC (private equity firm), Greenville, SC. He served as Of Counsel with Ogletree Deakins LLC (law firm), Greenville, SC, from 2008 to 2011. He retired as Chairman and President of Michelin North America, Inc., Greenville, SC, in August 2008. Following his retirement, Mr. Micali served as a consultant to Michelin through September, 2009. Mr. Micali is currently a director of SCANA Corporation, American Tire Distributors Holding, Inc., and GVD Corporation (privately held). He also serves on the board of Humphrey Enterprises (privately held, which owns Corvac Composites and Hadley Products, automotive suppliers), Boston, MA. Mr. Micali was a trustee of the French Cultural Center, a nonprofit Boston charitable organization from 2009 to 2013. He also was a director of Lafarge North America from 2003 to 2007 and Ritchie Bros. Auctioneers, Incorporated, from 2008 to 2012.

Sonoco s Board believes Mr. Micali is qualified to serve as a director based on the experience described above, including the leadership and operating experience derived from his executive service within a large manufacturing company with global reach. His international perspective, corporate governance experience as a director of other public companies, financial experience as advisor to a private equity firm, and legal expertise are also very valuable to us as a Board member, and in his role as Lead Director and Chair of the Corporate Governance and Nominating Committee.

SUNDARAM NAGARAJAN (53), Board member since 2015. Mr. Nagarajan is Executive Vice President of Automotive OEM of Illinois Tool Works, Inc. (ITW) (a Fortune 200 global diversified industrial manufacturer of value-added consumables and specialty equipment with related service businesses), Glenview, IL. He was Executive Vice President of Welding from 2010 to December 2014, Group President, Welding International from 2008 to 2010, and Group Vice President Welding Group from 2006 to 2008. Mr. Nagarajan joined ITW in 1991.

Sonoco s Board believes Mr. Nagarajan is qualified to serve as a director based on the experience described above, including broad operational leadership expertise gained in a global manufacturing organization.

MARC D. OKEN (69), Board member since 2006. Mr. Oken has been Managing Partner of Falfurrias Capital Partners (a private equity firm), Charlotte, NC, since 2006. He held executive officer positions (most recently as Chief Financial Officer) at Bank of America Corporation from 1989 until he retired in January 2006. Prior to joining Bank of America, he was a partner at Price Waterhouse LLP, serving there for 13 years. From 1981 to 1983, Mr. Oken was a Fellow with the Securities and Exchange Commission. He is currently a director, and chair of the audit committee, of Marsh & McLennan Companies, Inc. and Capital Bank Financial Corp.

Sonoco s Board believes Mr. Oken is qualified to serve as a director based on the experience described above, which has provided him in-depth financial and regulatory experience, banking perspective, and a mergers and acquisitions background, as well as senior leadership experience. Because of his accounting and banking background, Mr. Oken has previously served as Chair of the Audit Committee, as well as being an Audit Committee Financial Expert.

Table of Contents

Members of the Board of Directors whose terms of office will continue until our Annual Shareholders Meeting in 2018 are:

Name, Age, Tenure, Principal Occupation, and Directorships in

Public Corporations during the Last Five Years

DR. PAMELA L. DAVIES (59), Board member since 2004. Dr. Davies has been President of Queens University of Charlotte (institution of higher learning), Charlotte, NC, since 2002. Prior to that, she was Dean of the McColl School of Business at Queens University of Charlotte from 2000 to 2002. She is currently a director of YMCA, USA (a nonprofit organization). She was previously a director of Charming Shoppes from 1998 to 2009, C&D Technologies, Inc. from 1998 to 2010, and Family Dollar Stores, Inc. from 2009 to 2015.

Sonoco s Board believes Dr. Davies is qualified to serve as a director based on the experience described above, as well as the financial and strategic planning expertise, broad leadership ability, global perspective, and strong business academic viewpoint derived from her service as president of a university and former dean of its business school. Her past experience on the boards of other public companies also provides her with valuable regulatory experience and an understanding of corporate governance issues.

HARRIS E. DeLOACH, JR. [1] (71), Board member since 1998. Mr. DeLoach has been our Executive Chairman since March, 2013, prior to which he had been our Chairman since 2005. He was our Chief Executive Officer from 2000 until his retirement in 2013, and President from 2000 to 2010. Mr. DeLoach is currently a director of Duke Energy and Milliken & Company (a privately held innovative textile and chemical company). He was previously a director of Progress Energy, Inc. from 2006 to 2012 and Goodrich Corporation from 2003 to 2012.

Sonoco s Board believes Mr. DeLoach is qualified to serve as a director based on his successful leadership of the Company over the past 30 years, including his 13 years of service as our Chief Executive Officer. Mr. DeLoach has extensive knowledge and understanding of our business, our people, our customers, and our shareholders. As a former practicing attorney and a board member of other public and privately held companies, he also brings in-depth legal and corporate governance experience.

EDGAR H. LAWTON, III (55), Board member since 2001. Mr. Lawton has been President and Treasurer of Hartsville Oil Mill (vegetable oil processor), Darlington, SC, since 2000, and he has been a director of Hartsville Oil Mill since 1991. Mr. Lawton was Vice President of Hartsville Oil Mill from 1991 to 2000.

Sonoco s Board believes Mr. Lawton is qualified to serve as a director based on the experience described above, including his knowledge of global commodity markets and customers, as well as his financial acumen. His operational knowledge also includes expertise in managing environmental issues, and he is also very helpful to us as a local business owner in the same geographic area as our global headquarters.

(1) Although Mr. DeLoach was elected for a three-year term to serve until April 2018, our Bylaws provide that retirement of directors shall be automatic upon reaching the age of 72 unless the majority of the Board agrees that, due to special attributes, his term could continue until reaching the age of 75. Accordingly, Mr. DeLoach will retire from the Board in August 2016 unless his age limit is extended.

Table of Contents

Name, Age, Tenure, Principal Occupation, and Directorships in

Public Corporations during the Last Five Years

JOHN E. LINVILLE [2] (70), Board member since 2004. Mr. Linville served as an attorney in private practice in New York, NY, from 2004 until his retirement in 2012. Prior to that he had been Counsel with Manatt, Phelps & Phillips, LLP from 2003 to 2004. He joined the firm through its merger with his prior firm Kalkines, Arky, Zall & Bernstein, LLP (KAZB). Mr. Linville joined KAZB in 1990 after having been General Counsel and then Acting President of the New York City Health & Hospitals Corporation.

Sonoco s Board believes Mr. Linville is qualified to serve as a director based on the experience described above, including legal skills derived from his service as a practicing attorney, and financial expertise and leadership skills from the perspective of a large organization derived from his service as General Counsel and Acting President of a major municipal healthcare authority. As Chair of the Employee and Public Responsibility Committee, his background provides our Board with useful insights on a range of policy issues.

(2) Although Mr. Linville was elected for a three-year term to serve until April 2018, our Bylaws provide that retirement of directors shall be automatic upon reaching the age of 72 unless the majority of the Board agrees that, due to special attributes, his term should continue until reaching the age of 75. Accordingly, Mr. Linville will retire from the Board in February 2018 unless his age limit is extended.

CORPORATE GOVERNANCE

Corporate Governance Guidelines and Code of Business Conduct and Ethics

We have adopted Corporate Governance Guidelines and a Code of Business Conduct and Ethics for our directors, officers, and employees. Copies of these Governance Guidelines and the Code of Business Conduct are available through our Web site at www.sonoco.com. Printed versions are available to our shareholders on request to the Corporate Secretary, Sonoco Products Company, 1 North Second Street, Hartsville, SC 29550 USA, or through email to the CorporateSecretary@sonoco.com.

Director Independence Policies

Our listing agreement with the New York Stock Exchange requires that at least a majority of the members of our Board of Directors be independent. Under the Exchange s standards, independent means that a director has been determined by the Board to have no material relationship with us (either directly, or indirectly through an immediate family member or as a partner, shareholder or officer of an organization that has a relationship with us). To assist us in making these determinations we have adopted the following guidelines, which are also the guidelines set forth in the New York Stock Exchange Listing Standards. These guidelines are set forth in our Corporate Governance Guidelines, which are available on our Web site at www.sonoco.com.

A director will not be considered independent if:

- The director is, or in the past three years has been, our employee, or has an immediate family member who is, or in the past three years has been, one of our executive officers;

- The director has received, or has an immediate family member (other than an immediate family member who is a non-executive employee) who has received, during any twelve-month period within the past three years, more than $120,000 in direct compensation from us (other than director fees and pension or other forms of deferred compensation for prior service that is not contingent in any way on continued service);

The director or an immediate family member is a current partner of a firm that is our internal or external auditor or the director is a current employee of such a firm;

The director has an immediate family member who is a current employee of a firm that is our internal or external auditor and who personally works on our audit;

11

Table of Contents

The director or an immediate family member was within the last three years a partner or employee of our internal or external audit firm and personally worked on our audit within that time;

The director or an immediate family member is, or in the past three years has been, an executive officer of another company where any of our present executive officers at the same time serves or served on that company s compensation committee; or

The director is a current employee of, or has an immediate family member who is a current executive officer of, another company that has made payments to, or received payments from, us for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of $1 million or 2% of such other company s consolidated gross revenues.

The following relationships will not be considered to be material relationships that would impair a director s independence:

Being a current employee of, or having an immediate family member who is a current executive officer of, another company that has made payments to, or received payments from, us for property or services in an amount which, in any of the last three fiscal years, is less than the greater of $1 million or 2% of such other company s consolidated gross revenues.

Based on these criteria, our Board of Directors has determined that the following directors, who constitute a majority of the Board, are independent: H.A. Cockrell, P.L. Davies, R.G. Kyle, E.H. Lawton, III, J.E. Linville, B.J. McGarvie, J.M. Micali, M.D. Oken, S. Nagarajan and T.E. Whiddon. P.R. Rollier, who retired from the Board of Directors on February 19, 2015, was also independent.

Majority Voting for Directors

The Board of Directors has adopted a Majority Withheld Vote policy that, in an uncontested election, requires any nominee for Director who receives a greater number of votes withheld from his or her election than votes for to promptly offer to resign following certification of the shareholder vote. This policy is detailed in the Company s Corporate Governance Guidelines available on the Company s Web site at www.sonoco.com.

Board Leadership Structure, Executive Sessions of Non-Management Directors and Lead Director

The Board has a case-by-case philosophy on the separation of the offices of Chairman and Chief Executive Officer. The Board believes that this issue is part of the succession planning process and recognizes that there are various circumstances that weigh in favor of or against both combination and separation of these offices. In fact, within the last decade we have employed both structures combined offices and separate offices. The Board believes it is in the best interests of Sonoco for the Board to make such a determination in light of current circumstances when it considers the selection of a new Chief Executive Officer or at such other time as is appropriate.

Our Executive Chairman, Harris E. DeLoach, Jr., served in the dual roles of Chief Executive Officer and Chairman from 2000 until his retirement as Chief Executive Officer on April 1, 2013. At that time, M. Jack Sanders became our Chief Executive Officer and Mr. DeLoach became our Executive Chairman, once again separating the two offices.

As of December 31, 2015, the Board consisted of thirteen directors, at least ten of whom were independent directors (as defined by New York Stock Exchange standards). To promote open discussion among our independent/non-management directors, those directors meet at regularly scheduled executive sessions without management present. Four such meetings were held during 2015.

Our by-laws provide that the Chairman of the Corporate Governance and Nominating Committee, who is always an independent director, will simultaneously serve as Lead Director. The Lead Director is authorized to call meetings of the independent directors, and has duties that include:

Presiding at any meeting of the Board at which the Chairman is not present;

Presiding at executive sessions of the independent directors;

Serving as a liaison between the Chairman and the independent directors when requested to do so;

Table of Contents

Conferring with the Chairman regarding (i) the information sent to the Board, (ii) the agenda for meetings of the Board, and (iii) the schedules for meetings of the Board to assure that there will be sufficient time to discuss agenda items; and

Being available for consultation and direct communication with major shareholders.

J.M. Micali currently serves as the Chairman of the Corporate Governance and Nominating Committee, and as Lead Director.

Shareholders and other interested parties may communicate with the non-management (or independent) directors by writing to Non-Management (or Independent) Directors, c/o Corporate Secretary, Sonoco Products Company, 1 North Second Street, Hartsville, SC 29550 USA, or by email to CorporateSecretary@sonoco.com.

Director Nomination Process

Our Corporate Governance and Nominating Committee recommends to our Board of Directors nominees to fill vacancies on the Board of Directors as they occur, and recommends candidates for election as directors at Annual Meetings of Shareholders. Such candidates are routinely identified through personal and business relationships and contacts of the directors and executive officers.

In recommending candidates, the Corporate Governance and Nominating Committee evaluates such factors as leadership experience, experience with business and with other organizations of comparable size and scope, knowledge or skills that would be valuable to us such as financial acumen, understanding of relevant technologies, knowledge of our markets or our customers, interpersonal skills, decision-making skills, and the ability to devote the necessary time to board service. In addition, candidates for director should possess the highest personal and professional ethics, and they should be committed to the long-term interests of the shareholders.

The Committee strives to have a diverse board in terms of types of experience, background, age, skills, gender, race and nationality, although it does not have a specific policy or guideline related to board diversity. Candidates are considered for nomination based on their individual qualifications as well as in consideration of how their capabilities complement other current Board members experience and business background. The Board believes a diverse board has greater depth and capability than the sum of its individual directors qualifications.

The Corporate Governance and Nominating Committee will consider director candidates recommended by shareholders, if the shareholders comply with the following requirements. If you wish to recommend a director candidate to the Corporate Governance and Nominating Committee for consideration as a Board of Directors nominee, you must submit in writing to the Corporate Governance and Nominating Committee your recommended candidate s name, a brief resume setting forth the recommended candidate s business and educational background and qualifications for service, and a notarized consent signed by the recommended candidate stating the recommended candidate s willingness to be nominated and to serve. This information must be delivered to the Chair of the Corporate Governance and Nominating Committee at the Company s address and must be received no later than January 5 in any year to be considered by the Committee as a potential Board of Directors nominee. The Corporate Governance and Nominating Committee may request further information if it determines a potential candidate may be an appropriate nominee. Director candidates recommended by shareholders that comply with these requirements will receive the same consideration that the Committee s other candidates receive.

Director candidates recommended by shareholders will not be considered by the Corporate Governance and Nominating Committee for election as Board of Directors nominees at an annual meeting unless the shareholder recommendations are received no later than January 5 of the year of the meeting. In addition to making such recommendations, however, shareholders have the right to nominate their own candidates for election as directors at an annual meeting if they make a written nomination at least 60 days prior to the meeting. Any such nomination should be submitted to our Corporate Secretary at 1 North Second Street, Hartsville, SC 29550 USA. No such nominations have been made for this Annual Meeting.

Table of Contents

Shareholder Proxy Access

At its February, 2016 meeting, the Board of Directors adopted an amendment to the Company s By-laws to provide eligible shareholders with new proxy access rights for nominating director candidates. Under the amendment, a shareholder, or a group of up to 20 shareholders, owning at least three percent of the Company s outstanding common stock continuously for at least three years may submit eligible director nominees for up to the greater of one director or 20 percent of the number of directors to be elected at the meeting if the board is classified, and the greater of two directors or 20 percent of the number of directors in office if the Board is not classified, all subject to the procedures, terms and conditions specified in the By-laws. Nominees that satisfy the requirements of Article III Section 15 of the Company s By-laws will be included in the Company s proxy statement and on the Company s proxy card. The deadline for giving the required Shareholder s Notice of a nomination for the 2017 Annual Meeting of Shareholders is November 18, 2016. For further information about the Board of Directors consideration of the terms of the proxy access by-law, please see Shareholder Proposal Regarding Proxy Access Board of Directors Statement in Opposition beginning on page 65.

Communications with the Board of Directors

Any shareholder or other interested party who wishes to send communications to any member of the Board of Directors should mail such communications addressed to the intended recipient by name or position in care of: Corporate Secretary, Sonoco Products Company, 1 North Second Street, Hartsville, SC 29550 USA or by email to CorporateSecretary@sonoco.com. Upon receipt of any such communications, the Corporate Secretary will determine the identity of the intended recipient and whether the communication is an appropriate shareholder communication. The Corporate Secretary will send all appropriate shareholder communications to the intended recipient. An appropriate shareholder communication is a communication from a person claiming to be a shareholder in the communication, the subject of which relates solely to the sender s interest as a shareholder and not to any other personal or business interest.

In the case of communications addressed to the Board of Directors or, if specified, to the independent or non-management directors, the Corporate Secretary will send appropriate shareholder communications to the Lead Director, who is also the Chair of the Corporate Governance and Nominating Committee. In the case of communications addressed to committees of the Board, the Corporate Secretary will send appropriate shareholder communications to the Chair of such committee.

The Corporate Secretary is required to maintain a record of all communications received that were addressed to one or more directors, including those determined not to be appropriate shareholder communications. Such record will include the name of the addressee, the disposition by the Corporate Secretary and, in the case of communications determined not to be appropriate, a brief description of the nature of the communication. The Corporate Secretary is required to provide a copy of any additions to the record to the Chair of the Corporate Governance and Nominating Committee quarterly.

Board Meetings and Committees of the Board

During 2015, our Board of Directors held four regularly scheduled meetings and one special meeting to review significant developments affecting the Company and to act on matters requiring the Board of Directors approval. All directors, with the exception of B.J. McGarvie, attended 75% or more of the aggregate number of meetings of the Board of Directors and committees of which they were members.

We encourage, but do not require, our directors to attend the Annual Meeting of Shareholders. In 2015, all of our directors attended the Annual Meeting.

To assist it in performing its duties, our Board of Directors has established an Audit Committee, an Executive Compensation Committee, a Corporate Governance and Nominating Committee, an Employee and Public Responsibility Committee, a Financial Policy Committee, and an Executive Committee. The table below outlines the membership and the number of meetings held by each committee in 2015. A brief description of the primary duties of each committee follows the table. Complete charters for all committees are available through the Investor Relations section of our Web site at www.sonoco.com. These charters are also available in print to any shareholder upon request to the Corporate Secretary, Sonoco Products Company, 1 North Second Street, Hartsville, SC 29550 USA or through email to CorporateSecretary@sonoco.com. The Board of Directors has determined that each member of the Audit, Executive Compensation, and Corporate Governance and Nominating Committees is independent as defined in the New York Stock Exchange s Listing Standards.

	Audit Committee	**Executive Compensation Committee**	**Corporate Governance and Nominating Committee**	**Employee and Public Responsibility Committee**	**Financial Policy Committee**	**Executive Committee**
H.A. Cockrell		X			X	
P.L. Davies		X	X			
H.E. DeLoach, Jr.						X
J.R. Haley				X	Chair	
R.G. Kyle	X				X	
E.H. Lawton, III	X			X		
J.E. Linville	X			Chair		
B.J. McGarvie				X	X	
J.M. Micali		X	Chair		X	X
S. Nagarajan	X			X		
M.D. Oken	X	Chair	X			X
M.J. Sanders						X
T.E. Whiddon	Chair	X	X		X	
Number of 2015 Meetings	14	6	5	2	4	0

The Audit Committee, which was established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, assists the Board of Directors with oversight of the integrity of the Company s financial statements, the adequacy of the Company s internal controls and its means of assessing and managing exposure to risk, the Company s compliance with legal and regulatory requirements, the independent auditor s qualifications and independence, and the performance of the Company s internal audit function. The committee is directly responsible for the appointment, compensation, and retention of the independent auditor, and for overseeing the performance of attest services provided to the Company.

The Executive Compensation Committee establishes the Company s general compensation philosophy and oversees the development and implementation of compensation programs. The committee directly oversees the administration of the Company s executive officer compensation programs, reviews and approves corporate goals and objectives, evaluates actual performance against those goals and objectives, and sets compensation for the Chief Executive Officer, Chief Financial Officer, and other executive officers. The committee does not delegate its decision-making authority relating to executive compensation. Further information about the committee s processes and procedures relating to the consideration of executive compensation is set forth under the captions Executive Compensation Compensation Discussion and Analysis Role of Executive Officers in Determining Executive Compensation on page 37 and Role of Independent Compensation Consultant on page 37.

The Corporate Governance and Nominating Committee is responsible for developing and implementing corporate governance guidelines addressing the structure, mission, practices, and policies of the Board of Directors. The committee identifies, evaluates, and recommends individuals to the Board for nomination as members of the Board. The committee annually reviews the skills and characteristics of current Board members, and ensures that processes are in place for an annual appraisal of Chief Executive Officer performance, succession planning, and management development.

The Employee and Public Responsibility Committee provides oversight and guidance on social and public policy issues, including compliance with governmental or other regulatory requirements, which may affect business performance and public perception of the Company. The committee oversees the Company s obligations to its employees and major public constituencies, including shareholders, customers, and the communities in which it operates.

The Financial Policy Committee provides oversight and monitoring of the Company s financial planning and financial structure so as to provide congruence with the Company s objectives of growth and sound operation. The committee reviews and evaluates the Company s capital structure, significant financing transactions, financial risk management policies and practices, and investment funding and management of the Company s defined benefit and postretirement benefit plans.

The Executive Committee is empowered to exercise all of the authority of the Board of Directors between regularly scheduled meetings, except as limited by South Carolina law.

Annual Performance Evaluation of the Board

Annually, the Corporate Governance and Nominating Committee administrates a comprehensive self evaluation of the Board and its committees to evaluate the Board s effectiveness, to seek ways to improve its effectiveness and to identify matters that would benefit from extra attention. Each director completes a detailed questionnaire that is returned directly to the Lead Director who summarizes the responses for review and discussion by the Corporate Governance and Nominating Committee, and ultimately by the full Board.

The Board s Role in the Risk Management Process

The Company oversees management of enterprise risk through its Risk Management Committee (RMC). The RMC is administrated by the Company s Treasurer and its membership includes, among others, the most senior members of operating management and the Chief Financial Officer. The RMC holds three regularly scheduled meetings each year and may hold additional special meetings as needed. No such special meetings were held during 2015.

The RMC is guided in its activities and responsibilities by a risk management framework originally developed and implemented in 2006. As part of that development process, the most significant risks faced by the Company were identified, as well as where in the operating organization those risks are routinely monitored and managed. The RMC further identified certain specific risk areas that are sufficiently material or broad in nature to merit its direct ongoing oversight. Those risk areas are reviewed by the RMC on a rotational basis at its regularly scheduled meetings. Additionally, the RMC reviews other risk areas as needed, or to ensure that organizational risk management is functioning as identified in the framework.

While management, through the RMC, is responsible for managing enterprise risk, the Board provides oversight. The Board has delegated oversight of the Company s risk management process and structure to the Audit Committee, which receives updates regarding the RMC s activities and findings. As described in the table below, other Board committees are responsible for oversight of risk management for categories of risks relevant to their functions. The Board as a whole also reviews risk management practices in the course of its reviews of corporate strategy, business plans, Board committee reports, and other presentations.

Board / Committee	**Primary Areas of Risk Oversight**
Full Board	Strategic and operational risks associated with the Company s products, markets, geographic diversification, acquisitions and divestitures, major litigation, and succession planning.
Audit Committee	Oversight of risk management process and structure; risks and exposures associated with financial reporting, internal controls, regulatory and other compliance, and litigation.

Table of Contents

Board / Committee	Primary Areas of Risk Oversight
Financial Policy Committee	Risks and exposures associated with liquidity, interest rates, currency, pension funding and investment performance, insurance coverage, and significant capital transactions.
Executive Compensation Committee	Risks and exposures associated with executive development, succession policies and programs, and compensation policies and practices including incentive compensation.
Employee & Public Responsibility Committee	Risks and exposures associated with the environment, safety in the workplace, equal opportunity employment, litigation, public policy, and other matters involving the Company s reputation.
Corporate Governance & Nominating Committee	Risks and exposures related to corporate governance, leadership structure, effectiveness of the Board and its committees, new director candidates, conflicts of interest, and director independence.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Members of the Executive Compensation Committee during the year ended December 31, 2015 were H.A. Cockrell, P.L. Davies, J.M. Micali, M.D. Oken, and T.E. Whiddon. None of the members of the Committee had any relationship required to be disclosed by Section 407(e)(4) of Regulation S-K.

RELATED PARTY TRANSACTIONS

R.H. Coker, an employee of the Company since 1985, is the brother-in-law of J.R. Haley who is a member of the Board of Directors. Mr. Coker is currently Group Vice President, Global Rigid Paper & Closures & Paper & Industrial Converted Products, Europe, Middle East, Africa, Asia, Australia and New Zealand, and received total 2015 compensation of $1,667,000.

J.W. DeLoach, an employee of the Company since 1998, is the son of H.E. DeLoach, Jr. who is Executive Chairman of the Board of Directors. Mr. DeLoach is currently Regional Manufacturing Manager Paper Stock Dealers, and received total 2015 compensation of $166,000.

S. Nagarajan, a member of the Board of Directors of Sonoco, is Executive Vice President of Automotive OEM of Illinois Tool Works, Inc. (ITW). Sonoco sold $4,475,000 in products to and purchased $307,000 in products from ITW during 2015. All transactions were handled on a competitive basis. Our management believes the prices and terms of the transactions reported above were comparable to those we could have obtained from other sources. We anticipate engaging in similar business transactions in 2016. The Board of Directors considered these relationships when making its determination of Mr. Nagarajan s independence.

Related Party Transaction Approval Policy

The Board has adopted a written policy that any transaction or series of transactions in which Sonoco is a participant, for which the amount involved exceeds $120,000, and in which any related person will have a direct or indirect material interest must be approved by the Corporate Governance and Nominating Committee. The Board recognizes that such transactions may or may not be in the best interest of Sonoco and, as a result, empowers the Corporate Governance and Nominating Committee to evaluate all such related party transactions or series of transactions. The Committee is to approve only those transactions that it determines provide net economic value to us or where it is demonstrated to the satisfaction of the Committee that price, quality, service and other terms have been negotiated on an arms-length basis and are comparable to those available from unrelated third parties.

Our executive officers and directors are required to notify the Committee of the proposed and ongoing related party transactions prior to each meeting of the Committee and provide the Committee with all relevant information necessary for the Committee s consideration, including any information requested by the Committee.

For purposes of this policy, a related party is (i) any executive officer or director, (ii) any nominee for director, (iii) a beneficial owner of more than 5% of our voting securities, or (iv) any immediate family member of an executive officer, director, nominee for director or greater than 5% beneficial owner. An immediate family member means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, or any person (other than a tenant or employee) sharing the household of an executive officer, director, nominee, or greater than 5% beneficial owner.

We also require that each executive officer, director, and director nominee complete an annual questionnaire and report all transactions with us in which such persons (or their immediate family members) had or will have a direct or indirect material interest (except for salaries, directors fees and dividends on our stock). Management reviews responses to the questionnaires and, if any such transactions are disclosed, they are reviewed by the Corporate Governance and Nominating Committee as to directors and director nominees, or by the Audit Committee as to executive officers. Directors responses to the questionnaires are also reviewed annually by the Corporate Governance and Nominating Committee for the purpose of assessing independence under our Corporate Governance Guidelines and the New York Stock Exchange Listing Standards.

The types of transactions that have been reviewed in the past include the purchase and sale of goods and services from companies for which our directors serve as executive officers or directors, the purchase of financial services and access to lines of credit from banks for which our directors serve as executive officers or directors, and the employment of family members of executive officers or directors.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table shows information as of December 31, 2015, about persons known to us to be the beneficial owners of more than 5% of our common shares. This information was obtained from Schedules 13G filed with the Securities and Exchange Commission by the entities named below, and we have not independently verified it.

Title of Class	Name and Address of Beneficial Owner	Number of Shares	Percent of Class
No Par Value Common	BlackRock Inc. (1) 55 East 52nd Street New York, NY 10055	9,641,341	9.6%
	The Vanguard Group (2) 100 Vanguard Blvd. Malvern, PA 19355	6,938,282	6.87%
	State Street Corporation (3) One Lincoln Street Boston, MA 02111	6,495,469	6.4%

(1) In its most recently filed Schedule 13G, BlackRock, Inc. reported sole voting power with respect to 9,264,715 shares and sole dispositive power with respect to all 9,641,341 shares.

(2) In its most recently filed Schedule 13G, The Vanguard Group reported sole voting power with respect to 72,477 shares, shared voting power with respect to 5,500 shares, sole dispositive power with respect to 6,866,305 shares, and shared dispositive power with respect to 71,977 shares.

(3) In its most recently filed Schedule 13G, State Street Corporation reported shared voting power and shared dispositive power with respect to 6,495,469 shares.

Table of Contents

SECURITY OWNERSHIP OF MANAGEMENT

The following table shows the number of shares of our common stock beneficially owned as of February 4, 2016, directly or indirectly, by each director and by each executive officer named in the Summary Compensation Table and by all executive officers and directors as a group.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)	Percent Of Class (2)	Vested Restricted Stock Units (3)	Deferred Compensation Units (4)	Performance-Contingent Restricted Stock Units (5)
H.A. Cockrell Director				5,895	
P.L. Davies Director				28,065	
H.E. DeLoach, Jr. Executive Chairman	562,655		31,519	30,349	
J.R. Haley Director	15,115			12,167	
R.G. Kyle Director				683	
E.H. Lawton, III Director	328,879 (6)			28,065	
J.E. Linville Director	553,213			28,065	
B.J. McGarvie Director				3,296	
J.M. Micali Director				40,782	
S. Nagarajan Director				683	
M.D. Oken Director	7,350			27,994	
T.E. Whiddon Director	15,590			28,065	
M.J. Sanders President, Chief Executive Officer, and Director	28,396		10,986		160,032
B.L. Saunders Senior Vice President and Chief Financial Officer	21,494		15,906		
J.M. Colyer Senior Vice President	35,039				
R.C. Tiede Senior Vice President	38,398		15,914	6,313	
R.H. Coker Group Vice President	144,380 (7)		12,198		
All Executive Officers and Directors as a group (28 persons)	1,912,472	1.9%	176,055	240,422	248,024

(1) The directors and named executive officers have sole voting and dispositive power over the shares unless otherwise indicated in the footnotes. The number does not include shares owned by family members or entities unless the named individual shares voting or dispositive power with respect to such shares.

Included are shares that would be issuable upon exercise of only those Stock Settled Appreciation Rights (SSARs) that have vested, or will vest within 60 days of February 4, 2016, as to which our stock price on February 4, 2016 of $40.62 exceeded the exercise price (SSARs with appreciation). The exercise prices of the SSARs held by Messrs Sanders, Colyer and Tiede were higher than our stock price on February 4, 2016. Therefore, although these

Table of Contents

SSARs were vested, they were not exercisable on that date. These SSARs were granted under the 1991 Key Employee Stock Option Plan (1991 Plan), the 2008 Long-Term Incentive Plan (2008 Plan), the 2012 Long-Term Incentive Plan (2012 Plan) and the 2014 Long-Term Incentive Plan (2014 Plan) for the following director and named executive officers:

	Total Vested / Exercisable SSARs	SSARs with Appreciation as of February 4, 2016	Net Shares Issuable Upon Exercise of SSARs with Appreciation that are included in the above table
M.J. Sanders	205,064		
B.L. Saunders	82,327	7,500	839
J.M. Colyer	94,622		
R.C. Tiede	96,288		
R.H. Coker	70,776	28,900	4,846
All Executive Officers and Directors as a group	845,910	148,060	27,686

Also included are shares held in our Dividend Reinvestment Plan (12,167) and shares held in our Savings Plan (15,342).

Shareholdings in this column do not include deferred restricted stock units, compensation that has been deferred into Sonoco stock equivalent units, or performance contingent restricted stock units granted under the 1991 Plan, 1996 Plan, 2008 Plan, 2012 Plan or 2014 Plan. Please see the columns to the right and footnotes 3, 4, and 5 below.

(2) Percentages not shown are less than 1%.

(3) Issuance of these shares has been deferred until after separation of service; accordingly, no present dispositive or voting rights are associated with them.

(4) Compensation deferred into Sonoco stock equivalent units. No dispositive or voting rights are associated with these units.

(5) Performance-contingent restricted stock unit payouts which vested under the Long-term Incentive Compensation Program for the three year performance periods ended December 31, 2005 through December 31, 2014. Issuance of these shares has been deferred until after separation of service and no present dispositive or voting rights are associated with them.

(6) Includes 263,574 shares owned by an educational trust of which Mr. Lawton is a trustee. Mr. Lawton shares voting and investment power over these shares with six other trustees, but he has no pecuniary interest in, and disclaims beneficial ownership of, these shares.

(7) Includes 124,626 shares pledged as a security.

Director Stock Ownership Guidelines

The Board of Directors has adopted stock ownership guidelines for outside directors, which establish a target level of ownership of our common stock based on years of service as a director. The guidelines are as follows: 3,000 shares, 5,000 shares and 8,000 shares after two, four, and six years of service, respectively. Compensation deferred into Sonoco stock equivalent units and Deferred Stock Equivalent Units is included in determining whether these guidelines have been met. All of our directors are in compliance with these guidelines.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Our directors and executive officers are required to file reports with the Securities and Exchange Commission and the New York Stock Exchange showing the number of shares of any class of our equity securities they owned when they became a director or executive officer, and, after that, any changes in their ownership of our securities. These reports are required by Section 16(a) of the Securities Exchange Act of 1934.

As is the practice of many companies, we file the required reports for our directors and executive officers based on the records we have and information furnished to us by our directors and executive officers. Based on such

Table of Contents

information and written representations made to us, in 2015 all of the required filings were made on a timely basis with the following exceptions, which resulted from administrative errors: 1) one Form 4 for R.C. Tiede representing one issuance of phantom stock resulting from the deferral of salary, 2) one Form 4 for J.A. Harrell representing the granting of equity awards, and 3) one Form 4 filing for each director representing one issuance of phantom stock resulting from the deferral of retainer fees. These reports were filed immediately upon discovery of the errors.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY

Our compensation decisions in 2015 were a result of a combination internal and external factors with the overarching goal of linking pay with performance and creating long-term shareholder value. Our decisions involving goal setting and other actions influencing executive compensation were based on our expectations for modest volume growth in our global consumer and industrial served markets; lower commodity costs which would lead to a favorable price/cost relationship; a negative impact of foreign exchange due to a strengthening U.S. dollar; productivity improvements which would more than offset higher labor, energy, freight and other operating expenses; and results from acquisitions which would essentially offset higher expenses for pension and post-retirement benefits and higher depreciation.

In July 2015, the Company discovered the operating results for a packaging center in Irapuato, Mexico, part of the Company s Display and Packaging segment, had been overstated since 2012. Working with outside accounting and legal consultants, a thorough review of financial results was conducted. We determined that reported consolidated revenue and the cost of sales had been misstated from 2012 through the first quarter of 2015, resulting in a cumulative overstatement of income before income taxes of $32.4 million and net income of approximately $23.3 million, or $0.23 per diluted share. The Company concluded the misstatements warranted a restatement of the Company s financial statements for 2012 through the first quarter of 2015. Although independent review found no involvement from any current or former executive officer, certain executive officers in the line of command were required to pay back certain incentives pursuant to the Company s clawback policy as described later in this document.

Our efforts to Grow and Optimize Sonoco in 2015 focused on putting all the pieces in place to Grow through new products, new markets, new services and new ways of thinking, as illustrated by the opening of our new $12 million consumer packaging innovation center, the iPS Studio in Hartsville, S.C. At the same time, we worked to harness the power of our portfolio and our people to further optimize business performance. Despite diverging global economic conditions and headwinds stemming from the strength of the U.S. dollar, we achieved solid year-over-year improvement in gross profits, base earnings, cash flow from operations and free cash flow. Our targeted growth segments, Consumer Packaging and Protective Solutions, achieved record sales and base earnings, while we focused on optimizing our more cyclical Industrial businesses which faced difficult conditions in some of our global served markets due to slowing manufacturing activity.

Financial, operating and strategic performance milestones in 2015 included the following:

- Net sales declined 1% to $4.96 billion as the negative impact of foreign exchange reduced sales by approximately $276 million, offsetting $236 million in sales coming from net acquisitions. Volume growth and a positive mix of business were essentially offset by lower selling prices stemming from falling recovered paper and resin costs.

- Gross profit increased 2.4% to a record $929 million with gross profit as a percent of sales expanding to 18.7%, up 60 basis points, to the highest level since 2007.

- Base earnings grew 3% to $256.7 million, or $2.51 per diluted share. This improvement stemmed from a positive price/cost relationship, manufacturing productivity improvements and acquisitions, partially offset by higher labor, pension, maintenance and other operating costs and unfavorable changes in exchange rates. Improved volume in our Consumer Packaging and Protective Solutions segments was essentially offset by lower volume from the Paper and Industrial Converted Products segment and negative changes in the mix of products sold in most businesses. (See definition of base earnings and a reconciliation to its most closely applicable GAAP financial measures on page 17 of the Company s Annual Report on Form 10-K for the year ended December 31, 2015, as filed with the Securities and Exchange Commission.)

Table of Contents

The Company successfully integrated the acquisition of Weidenhammer Packaging Group, a German-based composite can packaging company, and achieved $0.14 per share in earnings accretion, exceeding our projected pro forma results. The Company s portfolio was also favorably impacted by the sale of two metal closure operations in Ohio and the acquisition of a majority interest in Graffo, a Brazilian flexible packaging business.

In 2015, cash generated from operations increased 8.4% to $453 million due to higher GAAP net income that reflected higher impairment, depreciation and other non-cash charges. 2015 pension and post-retirement plan contributions, net of expenses, were $47 million less than the previous year. Net capital expenditures and cash dividends were $189 million and $138 million, respectively, during 2015, compared with $169 million and $129 million, respectively, in 2014. Free cash flow grew 17.7% to $293 million. The Company used available cash to pay $138 million in dividends to shareholders and reduce debt, net of proceeds, by approximately $112 million. In addition, we made acquisitions totaling $17 million, including the purchase of a majority interest in a flexible packaging business in Brazil for $16 million.

We raised the common stock dividend to shareholders by 9.4% to $1.40 per share on an annualized basis in 2015. This was the 90th consecutive year, dating back to 1925, we paid cash dividends to shareholders and the 33rd consecutive year we raised common stock dividends. Our dividend is one of the highest payouts in the packaging sector and is approximately 50% higher than the S&P 500. We are part of an exclusive club of companies named to Top 25 S.A.F.E. Dividend Stocks, by *Dividend Channel*. S.A.F.E. stands for Solid Return, Accelerating Amount, Flawless History and Enduring Payments.

Our capital structure remains one of the strongest in the packaging sector with a net debt-to-total capital ratio of 38.3%, down from 42.1% at the end of 2014. Standard and Poor s rates our debt with a solid investment grade of BBB+.

In addition to achieving these strong financial, operating and strategic milestones, we were recognized as one of the best managed companies in economic, environmental and social dimensions. Some of these achievements include:

For the seventh year in a row, we were listed on the **Dow Jones Sustainability World Index** for 2015/2016. Only 317 companies were selected to the DJSI World Index following RobecoSAM s Corporate Sustainability Assessment of 2,126 companies. Including Sonoco, only three global (2 U.S.) packaging companies made the listing. From the assessment, we received industry-leading scores for corporate citizenship and philanthropy; talent attraction and retention; corporate governance; code of conduct compliance; and anti-trust and bribery policy and practices. In addition, we were also named a RobecoSAM Bronze Class member in its Sustainability Yearbook 2015 in the containers and packaging sector.

We achieved our five-year global sustainability targets, including significant reductions in global greenhouse gas emissions (GHG), water usage and development of landfill-free operations. In our annual **Corporate Responsibility Report**, we reported normalized carbon dioxide (CO_2) emissions reductions of nearly 24% over the past five years, due primarily to the installation of a new biomass cogeneration system at our largest manufacturing complex in Hartsville. We previously set a goal of reducing CO_2 emissions by 15% over the five-year period ending in 2014. In addition, normalized water usage decreased 40% over the five-year period due to our investment in a new water cooling and treatment system at the Hartsville complex. Nearly 10% of our global operating facilities also achieved Sonoco Sustainability Star Awards by reaching landfill-free status of 95% waste diversion or higher. In addition, our Sonoco Recycling subsidiary implemented programs for 17 of its customers facilities to also reach landfill diversion goals.

We ranked second in the packaging and container sector of *Fortune Magazine s* 2016 **World s Most Admired Companies**, receiving the top score for financial soundness and second best scores for innovation, social responsibility and talent management. This corporate reputation ranking of the top 350 global companies is based on nearly 4,000 stakeholder assessment surveys.

We were listed as one of the 2015 **100 Best Corporate Citizens** by *Corporate Responsibility Magazine* for the seventh year in a row for the transparent way we conducted our business in the areas of climate change, employee relations, environment, finance, corporate governance, human rights, philanthropy and community support.

22

Table of Contents

The Executive Compensation Committee of our Board of Directors (the Committee) is responsible for the oversight of all executive compensation. In reviewing the foregoing achievements in 2015, the Committee noted strong management team performance in several areas when compared with the performance of our packaging peers. The Committee also reviewed the impact of the above mentioned restatements on performance-based incentive plans as described in the Incentive Compensation Clawback Policy and Application to Restatement of Financial Results section and the Summary Compensation Table and 2015 Option Exercises and Stock Vested table and footnotes.

Despite the restatement and global economic challenges, the Company nearly met its financial targets in 2015. As a result and consistent with the Company s philosophy to pay for performance and to pay within reason, executive compensation paid out below target level. Specific results for the Performance-based Annual Cash Incentive payout are described in detail under 2015 Committee Actions Performance Based Annual Cash Incentive on page 28, and results for the 2013-2015 Long-Term Incentive Plan are described in more detail under Results of 2013-2015 PCSU Performance Cycle on page 32. The specific drivers and results of these two plans, as well as all other components of executive compensation, are covered in detail in later sections.

Highlighted below is an overview of Sonoco s goals regarding executive compensation followed by the compensation objectives and elements of our executive compensation programs. The rationale of the key actions and decisions made with respect to our executive compensation programs in 2015 is also provided throughout several sections of the Compensation Discussion and Analysis.

Sonoco s Goals Regarding Executive Compensation

Pay for performance. Compensation should provide incentive for and reward the creation of value for the Company s stakeholders. As such, we believe that a substantial portion of executive compensation should be tied to relevant financial and/or operational outcomes that (a) reflect the decisions and efforts of those being compensated, and (b) contribute to the creation of value over the long term. While compensation should ultimately reward long-term performance, incentives for short-term (i.e. annual) performance objectives are also appropriate to the extent the incentive supports sustainable value creation. As illustrated on page 25, 83% of our CEO s target total direct compensation and 74% of our other NEOs target total direct compensation is tied to Company performance, which we believe is a significant driver of shareholder value.

Pay within reason. Compensation levels and performance targets should be sensible within the context of a company s peer group, taking into account differences in company size and complexity, as well as performance. The Committee retains an independent consultant that provides advice relating to executive officer and director compensation, but does not provide any other services to the Company. The Board reviews comparative pay data, proxy data for packaging peer companies and tally sheets as input into compensation decisions and selects peer companies based on relevant business metrics. We provide only minimal perquisites.

Listen. Sonoco intends to regularly seek input from shareholders regarding compensation. To that end, annual advisory votes on Say on Pay provide shareholders with a consistent communication channel to provide input on compensation decisions.

Comply and Communicate. Sonoco seeks to clearly articulate a compensation philosophy that serves as the foundation for all of its pay programs and decisions, and to clearly disclose the Board s decision-making process, from the selection of peer groups and performance targets, through performance assessment and award determination.

Encourage stock ownership. Sonoco values stock ownership and retention by its executives because we believe that it reinforces a shareholder mindset. Executives are expected to maintain a substantial ownership interest for the duration of their employment. We have a No-Hedging policy that prohibits our directors, executive officers or other employees from entering into speculative transactions in our stock that would cause personal interests to conflict with the best interests of the Company and its shareholders. In addition, the Board of Directors adopted an anti-pledging policy that prohibits Directors and executive officers who are subject to target Sonoco common stock ownership guidelines from pledging any of the shares they are required to own under such guidelines to secure any indebtedness. Our equity compensation plans do not permit backdating, re-pricing, or retroactively granting equity awards, or payment of dividend equivalents on unearned performance shares or stock options.

Minimize guarantees. Sonoco believes that senior executives should be engaged without employment contracts that guarantee salary or incentive payments or that provide substantial severance payments upon termination (absent a change in control). In addition, Sonoco provides limited executive benefits and perquisites and does not provide tax gross-ups to our NEOs.

Lead by example. Director compensation should be reasonably structured to reward the efforts of directors without compromising the independence necessary to protect shareholders long-term interests. We believe that payment of a significant portion of directors fees in stock that must be held for the duration of the director s service helps align directors interests with the interests of other shareholders.

SAY ON PAY SHAREHOLDER FEEDBACK

At the April, 2015 Annual Meeting 97.6% of the stockholders who cast a vote for or against the proposal, voted in favor of the Company s Say on Pay proposal on executive compensation. Further, throughout the year, management engaged in dialogue with our largest investors to solicit their feedback and gather information on their views and opinions on various operations and governance issues, including executive compensation practices. The high shareholder vote in favor of the Say on Pay proposal and management s dialogue with investors did not raise any issues indicating that changes were necessary to our executive compensation design for 2015.

The Committee carefully considers feedback from our stockholders regarding our executive compensation program. In addition to the annual Say on Pay advisory vote on NEO compensation, stockholders are invited to express their views to the Committee as described under the heading Corporate Governance Communications with the Board of Directors.

COMPENSATION OBJECTIVES

The Committee is comprised of all independent directors. The Committee establishes the Company s overall compensation philosophy, oversees the development and implementation of various compensation programs and determines the executive compensation provided to all our executive officers, including our NEOs. Information about the purposes of the Committee and its processes and procedures for consideration and determination of executive officer compensation is outlined under the caption Board Meetings and Committees of the Board Executive Compensation Committee on page 15 of this Proxy Statement and a copy of the Committee s charter is also available in the Investor Relations section of our website at www.sonoco.com. The Executive Compensation Committee does not delegate its decision-making authority relating to executive compensation.

Our compensation program is designed to meet three principal objectives;

- Attract, retain and reward executives whose contributions support the Company s long-term success;
- Encourage achievement of both short and long-term financial and strategic goals by directly linking executive compensation to Company performance; and
- Maintain consistent and continuing alignment of management actions and shareholders interests.

Each aspect of our overall compensation program is designed to support these objectives to various degrees, with the overarching goal of maximizing long-term shareholder value.

PAY MIX AND PAY PHILOSOPHY

The executive compensation program consists of several components:

Direct compensation elements, consisting of

- Base salary

Performance-based annual cash incentive

Long-term equity incentive

Table of Contents

Executive benefit elements, consisting of

Supplemental executive retirement benefits

Executive life insurance

Minimal perquisites

WEIGHTINGS OF DIRECT COMPENSATION ELEMENTS

Base salary, performance-based annual cash incentive and long-term equity incentives comprise total direct compensation for each executive. With the exception of base salary, all elements of direct compensation are variable and intended to fluctuate based on performance as measured by both operating results and changes in shareholder value. This pay mix supports our pay-for-performance compensation objective and places a significant amount of compensation at risk. As illustrated below, 83% of the CEO s target total direct compensation and 74% of the other NEOs target total direct compensation are at risk.

Compensation for all the NEOs, including the CEO, places more weight on long-term incentives than annual incentives to reflect the importance of making strategic decisions that focus on long-term results. The CEO s long-term incentives have the greatest weighting to provide the strongest alignment of his compensation with long-term shareholder interests.

The following charts illustrate the allocations of direct compensation elements and are based on 2015 direct compensation elements at target. For annual performance-based cash incentives, target incentive is used as described in the Performance-Based Annual Cash Incentive section on page 27. For long-term equity incentives, target is equal to the grant date value of the share allocation and is described in the Long-Term Equity Incentives section on page 30. The method used to value shares is consistent with the information presented in the Summary Compensation Table on page 39.

USE OF NATIONAL MARKET SURVEYS AND PEER COMPANY DATA

The Committee relies on two sources of data to set specific compensation levels. The first source of data is derived from national compensation surveys conducted by three independent consulting firms, Hay Group, Aon Hewitt, and Towers Watson. These surveys cover a large number of similar corporate officer positions nationally. We refer to

Table of Contents

this as our National Survey Data . We match our corporate officer positions to the survey positions using the aggregate data from participants with sales in the $1 billion to $5 billion range, which helps to ensure that the data reflects the national market for talent among companies comparable in size to Sonoco. Likewise, we match division officer positions to similar positions in the survey data for comparable division revenue ranges. In addition to the National Survey Data, at least annually, the Committee s consultant prepares customized compensation studies with respect to our NEOs in comparison to the NEOs of a 14-company group of packaging companies approved by the Committee that we refer to as our Peer Group . The Peer Group companies have revenues, assets and market capitalization similar to those of Sonoco.

The 14 Peer Group companies, each of which has revenues that generally range between 50% and 200% of Sonoco s revenue are:

Aptar Group Incorporated	Greif Incorporated
Avery Dennison Corporation	MeadWestvaco Corporation
Ball Corporation	Owens-Illinois Incorporated
Bemis Company Incorporated	Packaging Corporation of America
Crown Holdings Incorporated	RockTenn Company
Domtar	Sealed Air Corporation
Graphic Packaging	Silgan Holdings

The Committee uses the aggregate compensation data from the broader National Survey Data to set specific compensation levels, but cross checks these levels against the Peer Group company data. In most cases the data from both sources are comparable.

COMMITTEE REVIEW OF OVERALL COMPENSATION COMPONENTS AND AGGREGATE AWARDS

To evaluate the overall competitiveness of the executive compensation program, each year at its April meeting, the Committee reviews the total compensation package for each executive officer. This includes review of a tally sheet showing a history of base salary adjustments, annual incentive awards and total cash compensation for the last ten years (or term as an executive officer, if less), stock options or stock-settled stock appreciation rights outstanding and the option price, unvested performance contingent restricted stock units (projected at threshold, target, and maximum), unvested restricted stock units, the value of accrued retirement benefits, and the amount of executive life insurance coverage. The Committee also reviews each element of the total amount of compensation awarded and realized during the prior year.

The Committee assesses total executive compensation, to determine where total executive compensation falls in relation to peer companies, and to assess how the Company s overall compensation programs operate. The Committee reviews tally sheets for each NEO and may make changes in overall plans or individual elements if it determines they are appropriate to meet overall compensation objectives.

The Committee does not have a practice of adjusting the size of current and future compensation awards or compensation program components to reflect amounts realized or unrealized by an individual from prior equity grants. In other words, awards are not increased to compensate for prior performance below target, nor are they decreased because of prior performance above target. Likewise, since earnings on equity compensation are not included in any pension calculation formula, any gains, or lack thereof, from prior awards are not considered in setting or earning retirement benefits.

DESCRIPTION OF DIRECT COMPENSATION ELEMENTS AND 2015 COMMITTEE ACTIONS

This section describes the direct compensation elements for the Company s Chief Executive Officer (CEO), the Chief Financial Officer (CFO), and the three other most highly compensated executive officers. We refer to these five executive officers as our Named Executive Officers (NEOs).

Table of Contents

Named Executive Officers (NEOs) for 2015

Officer	Title
M. Jack Sanders	President and Chief Executive Officer (CEO)
Barry L. Saunders	Senior Vice President and Chief Financial Officer (CFO)
John M. Colyer, Jr.	Senior Vice President, Global Industrial Products & Protective Solutions
Robert C. Tiede	Senior Vice President, Global Consumer Packaging & Services
Robert H. Coker	Vice President, Global Rigid Paper & Plastics

At the April 2015 meeting, the Compensation Committee Board of Directors approved the promotion of Barry Saunders from Vice President & Chief Financial Officer to Senior Vice President & Chief Financial Officer, effective May 1, 2015.

Base Salary

The Committee uses base salary to attract, retain and reward executives based on demonstrated experience, skills and competencies relative to the salary midpoint of the job. To accomplish this, the Committee establishes a salary midpoint for each executive officer position based on a structured job evaluation system used for broad based compensation in the Company as well as a comparison to the National Survey Data at median as outlined above. Each year, the Committee reviews the base salary of all executives including the CEO and other NEOs. The decision on whether to award merit increases for the executive officer group as a whole takes into consideration the salary and wage increases being awarded to other levels of employees in the Company, the current economic environment, and the operating results of the Company. The decisions relative to the amount of individual merit increase awards are based primarily on each executive s performance in the past year, readiness for promotion to a higher level, experience and skill set relative to peer counterparts, and criticality to the Company, as well as the relationship of the executive s current salary to the base salary midpoint for the position. Generally, executives who are newly promoted are positioned below the salary midpoint (50th percentile), whereas those who are highly experienced and performing at superior levels are compensated above the midpoint.

Base salary increases are also considered and awarded upon promotions or appointment to positions of greater responsibility.

2015 Committee Actions Base Salary

At its April 2015 meeting, the Committee approved merit increases for the executive officer group. In making the increases the Committee considered the executives overall performance, contribution to the Company s results, experience and market competitiveness. The CEO and other NEOs each received a merit increase of 3%. In addition to the merit increases, market adjustment increases of 2% and 4% were made for Messrs Sanders and Saunders, respectively, effective June 1, 2015. This brought each executive closer to median pay (based on National Survey Data).

Performance-Based Annual Cash Incentive

The Committee uses performance-based annual cash incentives designed to align executives interests with those of our shareholders by focusing on strong annual financial and operating results. In 2000, the Board of Directors adopted, and the shareholders approved, the Performance-Based Annual Incentive Plan for Executive Officers (PBAI Plan). Under the terms of this plan, an annual maximum of 2.75% of income from operations, as defined in the plan, was established as an incentive pool for the NEOs other than the CFO. The total amount of annual incentive awards paid to these individuals cannot exceed this maximum and any individual participant award cannot exceed 30% of the pool. The amounts of actual incentive awards made by the Committee to the NEOs have historically been substantially lower than the maximum plan award levels allocated by the PBAI Plan. The Committee uses negative discretion under the PBAI Plan to reduce the maximum awards using such factors as it deems appropriate with the primary factor being the performance against the goals in the Officers Incentive Plan (OIP) as described in the paragraphs below.

To determine the actual awards each year, the Committee establishes under the OIP a threshold a target and a maximum incentive amount for each NEO, including the CFO who is not covered under the PBAI Plan. These represent

Table of Contents

a percentage of base salary. Each level (threshold, target and maximum) represents different Company performance and year over year growth expectations considering factors such as the Company s annual operating budget for the year, the Company s prior year s performance, and the historical performance levels of our packaging peer group. Target is established at a performance level considered to be above average performance, and the corresponding compensation level equates to what is considered competitive as compared to National Survey Data. Threshold goal is set at what is considered minimally acceptable performance, while maximum goal equates to what is believed to represent superior performance for the year and correspondingly an above national survey median compensation opportunity. Threshold level of payout is equal to 40% of target payout. Maximum payout is equal to two times target payout.

The Committee has authority to adjust payouts under the OIP to individual participants based upon consideration of individual performance and/or other factors that the Committee determines warrant an adjustment, such as external market challenges or global economic events. Under no circumstance would the payout exceed the maximum potential under the shareholder approved PBAI Plan.

The Committee also determines each year the types of financial measures that will be used under the OIP. Normally, performance at budget will earn a target award since budget is set to reflect what the Board believes will represent above average performance for the year versus our Peer Group. However, the Committee may choose to set target incentive for performance above or below budget depending on the degree of difficulty in achieving budget in any one year. Similarly, the Committee establishes financial objectives for maximum incentive that are above budget, which is believed to be superior performance for the year.

2015 Committee Actions Performance-Based Annual Cash Incentive

Under the PBAI Plan for 2015, the maximum incentive pool available for all NEOs except the CFO was $9,824,155 of which no more than 30% ($2,947,247) could be allocated to any one participant. The actual awards paid were determined by the Committee in its exercise of negative discretion, primarily on the basis of performance under the OIP as described below.

The Committee relies on national market surveys and peer company data to determine target incentive levels. For 2015, the Committee established an annual incentive compensation threshold, target, and maximum payout under the OIP for each NEO, as follows:

	Annual Incentive Compensation at Threshold*	**Annual Incentive Compensation at Target***	**Annual Incentive Compensation at Maximum***
M.J. Sanders	44%	110%	220%
B.L. Saunders	29%	73%	146%
J.M. Colyer, Jr.	30%	75%	150%
R.C. Tiede	30%	75%	150%
R.H. Coker	28%	70%	140%

* as a percentage of base salary

Financial performance measures are established each year and for 2015, the Committee considered year over year growth in base earnings per share to be the most critical performance measure for determining share price and, in turn, shareholder value. Therefore, the Committee applied the heaviest weight to this performance measure for all NEOs. Base earnings per share is defined as earnings per share excluding the impact of restructuring charges and certain non-recurring, infrequent or unusual items, and is used to place primary focus on year-over-year operating results. For 2015, given the financial restatements and associated legal fees, the Committee determined to reduce the results of the base earnings per share performance measure by the negative impact of legal fees associated with the restatement.

In addition to the base earnings per share performance measure the Committee selected sales volume growth, acquisition integration and working capital as key performance variables essential to maximizing shareholder value.

Table of Contents

Sales volume growth is the year over year increase in revenue attributable to changes in volume and mix, excluding the impacts of prices, exchange rates, acquisitions, divestitures and discontinued operations.

The successful integration of Weidenhammer Packaging Group, Sonoco s second largest acquisition in company history, was also an important performance measure for 2015. For NEOs responsible for the integration of Sonoco and Weidenhammer businesses, a weighting of 20% was applied to the base earnings per share impact resulting from the Weidenhammer acquisition. This performance measure is specific to 2015 and will not carry forward into 2016.

A working capital metric was included as a performance measure to encourage efforts to increase cash flow through the reduction in our working capital requirements. For 2015, working capital results, expressed as cash gap days (days of accounts receivable and inventory less days of accounts payable), would serve as a potential reduction from the incentive payout percentage calculated from all other performance elements (base earnings per share, sales/volume growth, integration). No reduction would occur if cash gap days met a threshold level. Up to a maximum reduction of 20% could be applied depending on the degree to which the number of cash gap days exceeded threshold.

Messrs. Sanders, Saunders, Tiede and Coker were assigned the following financial measures and weightings for the 2015 OIP.

Incentive Plan Financial Measures	Messrs. Sanders, Saunders, Tiede and Coker
Base Earnings per Share	50%
Sales Volume Growth	20%
Weidenhammer Integrations (BEPS)	30%
Working Capital Deduction	0%-20%

Mr. Colyer was assigned the following financial measures and weightings for the 2015 OIP.

Incentive Plan Financial Measures	Mr. Colyer
Base Earnings per Share	70%
Sales Volume Growth	30%
Working Capital Deduction	0%-20%

Payouts would be scaled within the ranges above based on the extent to which the financial measure goals set forth below were met.

	Threshold	Target	Maximum	Actual 2015 Performance
Base Earnings per Share Growth*	0%	4.3%	7.1%	2.3%
Weidenhammer Integration (BEPS impact)	$ 0.08	$ 0.11	$ 0.13	$ 0.14
Sales Volume Growth	0%	2.2%	3.2%	1.09%
Working Capital Deduction	44.5	46.0	47.0	44.5

* Growth requirements above are measured against the 2014 base earnings per share after taking into consideration the restatements. Accordingly, the Company would have to attain $2.41 (threshold), $2.51 (target) and $2.58 (maximum) levels of 2015 base earnings per share for NEOs to receive payouts based on the base earnings per share performance measure.

Our base earnings per share were $2.507 and the negative impact of legal fees associated with the restatements was $0.042 per share. Therefore, $2.465 was used to determine the base earnings per share performance measure under the OIP, resulting in this measure being earned at 73% of target. Information about how base earnings per share was calculated is provided on page 17 of the Company s Annual Report on Form 10-K for the year ended December 31, 2015, as filed with the Securities and Exchange Commission.

The base earnings per share impact of the Weidenhammer acquisition was $0.14, which resulted in the integration performance measure under the OIP being earned at 200% of target.

Table of Contents

Sales volume growth for 2015 was $52,830 million (1.09%), which resulted in the sales volume growth performance measure under the OIP being earned at 69.9% of target.

Working capital cash gap days were 44.5 days, which resulted in no deduction of incentive payments under the OIP.

The following table shows the dollar amount of annual incentive compensation awarded to each of the NEOs for 2015 after applying the results of the performance measures and weightings mentioned above. The table also includes the percentage of target, the actual percentage of each NEO s base salary and the percentage of change from the prior year.

Officer	Annual Incentive Compensation For 2015	Percentage of Target	Percentage of Base Salary	Percent Change from Prior Year
M.J. Sanders	$ 1,065,670	97.5%	107.3%	-34.3%
B.L. Saunders	378,743	97.5%	71.5%	-32.5%
J.M. Colyer, Jr.	298,455	72.1%	54.1%	-53.5%
R.C. Tiede	403,066	97.5%	73.1%	-37.1%
R.H. Coker	311,658	97.5%	68.3%	-37.6%

Long-Term Equity Incentives

The Committee uses long-term equity incentives to align executives interests with long-term shareholder interests and to provide opportunities for increased stock ownership, which we believe enables us to attract and motivate our executives as well as promote retention. In 2015, long-term equity incentives were awarded under our 2014 Long-Term Incentive Plan, which was approved by our shareholders in 2014 (the 2014 Plan). The 2014 Plan provides for various types of equity awards, including restricted stock, restricted stock units, stock appreciation rights, options, performance shares, and performance units. Each year, the Committee determines the types of awards that will be granted under our long-term plan then in effect, and establishes performance measures and performance periods for performance-based awards, and vesting schedules. The awards the Committee granted in 2015 under the 2014 Plan were comprised of performance contingent restricted stock units (PCSUs), stock-settled stock appreciation rights (SSARs) and restricted stock units (RSUs).

To determine the amount of equity awards to be granted to each executive officer position, the Committee uses competitive survey data as previously described, to first determine the target total direct compensation (base salary, performance-based annual cash incentives and long-term equity incentives) value to be provided for each executive officer position. Target performance is established at a performance level the Committee considers to be above median performance and corresponds to above median total direct compensation. To establish the amount of long-term equity award for each position, the Committee then subtracts the sum of the market rate or actual base salary (whichever is higher) and the annual cash incentive compensation target from the target total direct compensation amount derived from the competitive survey data. This amount of long-term equity award for each executive officer position is then denominated into a target mix of such types of awards permitted under the 2014 Plan as the Committee determines. For 2015, the target mix of awards for each officer was 50% PCSUs, 25% SSARs and 25% RSUs, which the Committee determined provides appropriate focus on financial goals and on long term value creation for the Company s shareholders. The actual target number of PCSUs, SSARs, or RSUs for each officer position may be adjusted up or down from the competitive benchmark based on the assessment of individual performance in the past year. The Committee believes that varying the initial target shares under the plan provides a strong motivator to achieve personal performance objectives.

It is our practice to grant PCSUs, SSARs, RSUs, or other equity awards on the date of the first regular Board of Directors meeting in the calendar year. During the February meeting, the Committee establishes the goals for the upcoming Performance-Based Annual Cash Incentive plan as well as the goals applicable to the performance shares. This allows the Committee to balance the elements of total direct compensation. It also allows granting of the equity awards close to the time of the annual performance reviews, which increases the impact of the awards by strengthening the link between pay and performance. The recipients and the corresponding number of shares of equity awards, including PCSUs, stock options or SSARs and RSUs, are approved by the Committee at its regular meeting on the day prior to the Board of Directors meeting. We occasionally make special stock option or SSAR awards to new employees. In such case, the exercise price is based on the closing price of our stock on the recipient s first day of regular employment. We also occasionally make stock option, SSAR awards or grants of RSUs to a corporate officer in recognition of a promotion or a change in position status. The effective date of these awards is the day following approval by the Committee or the date of approval by the Board in the case of a new officer election.

PCSUs

Grants of PCSUs are designed to reward participants for their contributions to the Company s long-term success. The Committee believes that the NEOs have the most direct influence on achieving Company financial goals and therefore the PCSUs are weighted significantly more than the SSARs and RSUs. Under the plan, actual PCSU shares earned are subject to the degree to which three-year Company financial goals are met and, beginning in 2015, can vary between 0% and 200% of the target shares, and must meet threshold performance in order to achieve a payout.

To establish the three-year performance targets for PCSUs, the Committee takes into consideration the year s budget for earnings per share, the longer term business outlook, and the Board s expectations regarding acceptable, superior and outstanding business results over the three-year time horizon. The Committee establishes vesting requirements for meeting threshold, target and maximum goals that, in the judgment of the Committee, represent achievement of acceptable, superior and outstanding performance in the context of the Company s stated objectives for total return to shareholders and returns on capital and equity.

We do not pay any current dividends or credit any dividend equivalents on unvested PCSUs. For any PCSUs that vest, but are deferred until six months after separation from service by an individual executive officer, dividend equivalents are accumulated and converted into additional PCSUs from the time of vesting until the issuance of actual shares.

SSARs

Grants of SSARs provide the participant with the ability to profit from the appreciation in value of the Company s stock. SSARs are only valuable to an executive if our stock price increases during the term of the award. The SSAR exercise price is based on the closing price of our stock on the day of the February Board meeting. SSAR awards vest over a period of three years and have a 10-year term from the date of grant. The first vesting date occurs on the one-year anniversary of the grant, and the SSAR will only have value if the award is both vested and the stock price increases above the grant price during the award s ten year term.

RSUs

Grants of RSUs are intended to foster executive officer retention. These awards vest in one-third increments starting on the one-year anniversary of the date of grant. All award recipients must be actively employed on the vesting date to receive their vested shares. RSUs do not have voting rights and do not provide payment of dividend equivalents on unvested RSUs. For any RSUs that vest, but receipt of which is deferred until six months after separation from service by an individual executive officer, dividend equivalents are accumulated and converted into additional RSUs from the time of vesting until the issuance of actual shares.

We have a practice of making a special grant of time vesting RSUs to individuals when they are first elected an executive officer in recognition of this event and the individual s increased responsibility. The value of RSUs granted is based on position. The special grant of officer RSUs are credited with dividend equivalents, which are not paid out until receipt of the shares. These RSUs vest in three equal increments on the third, fourth and fifth anniversary of the grant if RSUs are granted all in one year, or at the third anniversary of each grant if granted over three years. Receipt of RSUs occurs six months following separation from service. If the executive officer leaves the Company for any reason before the RSUs vest, the unvested RSUs are forfeited. Individual grant agreements may provide for vesting on a prorata basis in the event of termination of employment as a result of death or disability. The special grant of officer RSUs do not have voting rights.

2015 Committee Actions

Changes to Long-Term Incentive Plan Design effective 2015

In 2014, the Committee decided to modify future grants under the Long-Term Incentive Plan in an attempt to simplify the design, implementation, and more accurately link pay for performance. For grants made in 2015, the mix of total targeted long-term incentive compensation value was changed from 75% PCSUs and 25% SSARs to 50% PCSUs, 25% SSARs and 25% RSUs. PCSUs continue to be earned over three-year performance periods, but no longer have a provision for time-vesting in years four and five for below-threshold performance. Actual PCSU shares earned can vary between 0% and 200% of target instead of between 50% and 150% of target, based on the degree to which the three-year company financial goals are met. The vesting period for SSARs increased from one year to three years, with one-third vesting in each of the three years following grant, and the term of SSARs extended from seven years to ten years. To provide a more stable retention benefit, one-third of time-vesting RSUs vests in each of the three years following grant.

Under the prior plan, the maximum retention grant could be 37.5% of the total long-term incentive value. Under the new plan, the time-vested retention component is only 25% of the total long-term incentive value. This more closely aligns our pay-for-performance design with shareholder interests.

PCSUs

On February 10, 2015, the Committee approved PCSU grants to our executives, including the NEOs. As stated above, the value of the PCSU grants were weighted at 50% of the NEOs total long-term incentive compensation award. The FASB ASC Topic 718 grant date fair values of PCSUs granted to the NEOs and the number of PCSUs available at threshold, target, and maximum are shown in the 2015 Grants of Plan-based Awards table on page 42.

Consistent with prior years, the Committee established goals for vesting of the 2015 PCSUs based on two key financial measures: average return on net assets employed (RONAE) and cumulative growth in Base Earnings Per Share (BEPS) over the three-year performance period. These goals are as follows:

	Threshold Vesting	Target Vesting	Maximum Vesting
Average Three-Year RONAE*	10.1%	10.4%	10.7%
Three-Year Cumulative Growth in BEPS**	5.9%	17.3%	29.5%

* Actual performance level required within the range depends on capital invested in acquisitions over the three-year period. The RONAE goals will be adjusted down for every dollar of capital investment made in acquisitions at an effective rate of 0.1% for every $100 million of acquisition investment multiplied by the percent of time remaining in the three-year performance cycle as of the date of the acquisition.

** Similar to performance measures under the OIP and as a result of the financial restatements, the Committee applied the pre-determined growth assumptions against restated 2014 BEPS.

The Committee believes that both elements are critical factors in determining long-term shareholder value. For the 2015 awards, the average three-year RONAE is weighted 60% and the three-year cumulative growth in BEPS is weighted 40%.

Results of 2013-2015 PCSU Performance Cycle

On February 13, 2013, the Committee granted PCSUs to our executives, including the NEOs. The target performance for the average three year RONAE was 10.0% and the target performance for the three year cumulative growth in BEPS was 19.0%. The vesting of these PCSUs was dependent on achieving pre-determined growth levels of average RONAE and cumulative BEPS growth for the three-year performance period from January 1, 2013 through December 31, 2015.

The Company s actual performance for RONAE was a three-year average of 9.63% which was below target performance under the plan. Using restated earnings applicable to 2012-2015, the Company achieved growth in cumulative BEPS of 11.8% from 2013 to 2015, which was below target. As a result, 66.3% of target PCSUs vested at the end of 2015. The PCSUs that have been earned and have vested are shown in the 2015 Option Exercises and Stock Vested table on page 45.

32

Table of Contents

SSARs

On February 10, 2015 the Committee approved SSAR grants to our executives, including the NEOs. As stated above, the SSAR awards were weighted at 25% of the NEOs total long-term incentive compensation award. The SSARs vest in equal installments on the first, second and third anniversaries of the grant and the grant price was set at $46.16 per share, the closing market price of our common stock on February 11, 2015, the date of grant. These SSARs will be valuable to the recipients only if the award vests and the market price of our stock exceeds $46.16 during the ten-year term of the award. The grant date fair values and the number of SSARs granted to each of the NEOs are included in the 2015 Grants of Plan-Based Awards table on page 42. Target grants were calculated as described under Long-term Equity Incentives on page 30.

RSUs

On February 10, 2015 the Committee approved time-vested RSU grants to our executives, including the NEOs. The RSU awards were weighted at 25% of the NEOs total long-term incentive compensation award. The RSUs vest in equal installments on the first, second and third anniversaries of the grant. The grant date fair values and the number of RSUs granted to each of the NEOs are included in the 2015 Grants of Plan-Based Awards table on page 42. Target awards were calculated as described under Long-term Equity Incentives on page 30.

These RSU awards for each of the NEOs, combined with their PCSU and SSAR awards discussed above, equate~~s~~ to approximately 64% of the CEO s and 54% of the other NEOs target total direct compensation, which is consistent with our pay for performance objective.

Description of Other Executive Compensation and Benefit Elements

Employment Contracts and Potential Payments Upon Termination or Change in Control

The Company has not historically provided employment contracts, severance agreements, change in control agreements, or other such financial security arrangements to our executive officers. We may, however, from time to time, assume an existing employment contract in connection with an acquisition and/or negotiate individual severance compensation arrangements in exchange for a non-compete agreement at the time of separation as circumstances warrant.

Our long-term equity incentive plans do contain provisions for prorated or accelerated vesting of equity awards in the event of death or disability, and in certain cases retirement or change in control. SSAR grants and RSU grants provide that if involuntary (or good reason) termination of employment occurs within two years of a change in control that meets the criteria of IRC Section 409A and the regulations thereunder, unvested SSARs and RSUs will immediately vest upon the date of termination. The Committee believes these provisions are necessary so that the executive officers can focus on long-term Company growth and improving stock value without being concerned about risk of forfeiture. PCSU grants provide that unvested stock units will vest on a prorata basis at target upon a change in control. The Committee believes performance metrics can be disrupted and possibly become obsolete in determining the appropriate number of shares to vest during a change in control. See Potential Benefits Payable Immediately Upon Certain Separation Events on page 53. These provisions apply similarly to all plan participants, including those below the executive officer level.

Nonqualified Deferred Compensation Plan

We provide a Nonqualified Deferred Compensation Plan (NQDC) for our executive officers, including our NEOs, which is in line with general market practice, and the Committee believes it is an important part of an attractive rewards program necessary to recruit and retain qualified executive officers. Under the NQDC, our NEOs may voluntarily defer the receipt of a portion of base salary, annual incentive awards, restricted stock units and/or performance contingent restricted stock units. The NQDC is an unfunded and unsecured obligation of the Company, meaning that payments of participant balances in the plan are not guaranteed if the Company becomes insolvent or bankrupt. Details about the plan and accumulated balances are described in more detail under the 2015 Nonqualified Deferred Compensation table on page 50 and the Description of Nonqualified Deferred Compensation Plan on page 51.

Executive Benefit Elements

We have two benefit programs that apply only to executive officers: an Executive Life Insurance Program and a Supplemental Executive Retirement Plan benefit (SERP). The Committee has included these two elements in the overall compensation program to serve as a recruiting and retention vehicle. Attracting and retaining high caliber talent is challenging, and these two programs are designed to help ensure long-term retention of key senior talent.

Executive Life Insurance

We provide most of our active employees with company-paid life insurance that is currently limited to $100,000. For executive officers, we provide an alternative executive life insurance program. Executive officers elected on or after April 1, 2004, receive company-paid term life insurance coverage that is approximately equal to three times base salary until the later of retirement or age 65. Messrs. Saunders, Colyer, Tiede and Coker are covered under this plan. The Committee believes that this amount of coverage is in line with industry practice and provides life insurance coverage in line with the earnings level of an executive officer.

Mr. Sanders, who was elected as an officer prior to April 1, 2004, receives a benefit approximately equal to three times salary plus target incentive, using a combination of term life insurance coverage and permanent (cash value) insurance. The permanent life insurance provides coverage beyond age 65. This extended coverage uses the same multiple of pay, but that portion of the coverage is frozen based on salary and target incentive levels in effect at April 1, 2004.

Supplemental Executive Retirement Plan Benefits

Persons elected to an executive officer position after January 1, 2008, will continue to receive the basic Company retirement benefit provided to all employees (including the restoration benefit under the Omnibus Benefit Restoration Plan (the Restoration Plan) that is provided to employees whose wages or benefit accruals exceed the annual qualified retirement plan limits). In addition, officers participate in a defined contribution supplemental executive retirement plan (the DC SERP), under which they receive an annual nonqualified plan contribution (equal to 10% of the prior year s salary and earned incentive under the annual incentive plan). Seventy-five percent of the annual contribution is invested in a fixed interest account based on 120% of the IRS applicable long-term rate. Twenty-five percent is issued in Sonoco deferred restricted stock units. The benefit vests at age 55 for participants with at least five years of service as an executive officer.

After retirement, an officer s DC SERP account is paid in three installments, with the first installment payable six months after an officer s retirement date, the second installment payable in January of the next year following the first installment, and the third installment payable in January of the year following the second installment. A more detailed description of the DC SERP benefit and of other non-qualified defined contribution benefits is set forth under Description of Nonqualified Deferred Compensation Plans on page 51 of this Proxy Statement. Messrs. Saunders, Colyer, Tiede and Coker currently participate in these plans.

For executive officers elected before January 1, 2008, which includes Mr. Sanders, the retirement benefit includes the Company s basic defined benefit retirement plan and the Pension Restoration component under the Restoration Plan, which is provided to those employees whose wages or benefit accruals exceed the annual qualified retirement plan limits. In addition, a separate defined benefit SERP (the DB SERP) benefit is provided, which, when combined with the basic retirement benefit, the restoration benefit and full Social Security benefits, equals 60% of the executive officer s final average cash earnings, assuming age 65 retirement with at least fifteen years of Company service. The calculation excludes long-term compensation in any form. In line with amendments to the Company s basic defined benefit retirement plan and the Pension restoration benefit under the Restoration Plan, no additional benefits will accrue under the DB SERP after December 31, 2018. Officers whose DB SERP benefit accruals are frozen effective December 31, 2018 will begin participating in the DC SERP effective January 1, 2019. Mr. Sanders is the only NEO elected before January 1, 2008, and therefore participates in the DB SERP component of the Restoration Plan.

The DB SERP benefit will be paid in three equal installments after retirement, with the first installment payable six months after an officer s retirement date, the second installment payable six months after payment of the first installment, and the third installment payable 12 months after the payment of the second installment. The payment of the installments may be extended if needed to eliminate adverse accounting treatment to the Company.

Table of Contents

A more detailed description of the DB SERP benefit, Pension Restoration benefit and the qualified Pension Plan benefit is set forth under the Pension Restoration and DB SERP Components in the Restoration Plan on page 48 of this Proxy Statement.

Executive Perquisites

In support of our pay-for-performance philosophy, executive perquisites are minimal. Executive officers are permitted occasional use of the company aircraft for personal travel or family emergencies. The CEO also uses the company aircraft for regular business travel because we believe his use of the aircraft helps minimize time involved in commercial travel that could otherwise be directed to our business, and enhances his security. For other officers, personal use of the aircraft is reviewed on a case by case basis, and is permitted only under circumstances where there is direct benefit to us to minimize time spent on personal travel or in the case of family emergencies. The Company does not provide a tax gross-up for the imputed income relating to the personal use of the Company plane.

With the exception of gross-ups that might be paid pursuant to our broad-based employee relocation assistance plan, which covers all eligible salaried employees, we do not provide income tax gross-ups to our NEOs, and our Compensation Committee has adopted a resolution that prohibits such payments.

Executive Compensation Policies

Tax Deductibility of Compensation

IRC Section 162(m) limits the tax deductibility of compensation paid to our CEO and the three other most highly compensated named executive officers employed at the end of the year (other than our CFO) to $1 million per year unless such amounts are determined to be performance-based compensation. The Committee has taken, and it intends to continue to take, reasonable steps necessary to maximize our ability to deduct for federal tax purposes compensation provided to senior executives while maintaining compensation programs that support attraction and retention of key executives. However, such steps may not always be practical or consistent with the Committee s compensation objectives. Given that the earnings limit for deductibility has remained fixed since 1993, and the value of some compensation elements cannot be determined until year-end, there are circumstances in which some executive compensation may not meet tax deductibility requirements. Executive officers are required to defer receipt of any PCSUs that vest but would not be deductible under Code Section 162(m) until six months following separation of service, unless an earlier distribution is required to comply with provisions of IRC Section 409A.

Executive Officer Stock Ownership Guidelines

To emphasize the importance of linking executive and shareholder interests, the Board of Directors adopted stock ownership guidelines for executive officers. The target level of ownership of common stock (or Common Stock Equivalents) was established as a multiple of each executive officer s annual base salary as outlined below:

Chief Executive Officer	6.0 times annual base salary
Chief Operating Officer	4.0 times annual base salary
Executive Vice Presidents	3.0 times annual base salary
Senior Vice Presidents	2.0 times annual base salary
Other Officers	1.0 times annual base salary

Beginning on July 1, 2011, and until the executive attains the target ownership level, the executive is required to hold in shares at least one-half of the realized gains (less taxes) from the vesting or exercise of equity awards.

Common stock held in the Sonoco Savings Plan, stock equivalents earned through nonqualified deferred compensation programs, vested RSUs, and any other beneficially owned shares of common stock are included in determining compliance with the guidelines. Unvested RSUs and shares that may be acquired through the exercise of stock options or SSARs are not included in the calculation of stock ownership for guideline purposes.

Anti-Hedging Policy

The Board of Directors has adopted an anti-hedging policy for Company stock. Sonoco considers it inappropriate for any director, officer (including all NEOs), or other employee to enter into speculative transactions in Sonoco stock.

Table of Contents

Such activities may put personal interests and objectives in conflict with the best interests of the Company and its stockholders. Therefore, our policy prohibits the purchase or sale by any director, officer or employee of puts, calls, options, warrants, or other derivative securities based on the Company s stock. This prohibition also includes hedging or monetization transactions, such as forward sale contracts, in which the stockholder continues to own the underlying security without all the risks or rewards of ownership.

Anti-Pledging Policy

The Board of Directors has adopted an anti-pledging policy with respect to Company stock owned by Directors and executive officers. The policy provides that Directors and executive officers who are subject to target Sonoco common stock ownership guidelines may not pledge any of the shares they are required to own under such guidelines to secure any indebtedness.

As discussed above under Executive Officer Stock Ownership Guidelines and under Security Ownership of Management Director Stock Ownership Guidelines, the Board has established target stock ownership guidelines for Directors and executive officers because it believes that the interests of Directors and executive officers should be closely aligned with those of shareholders by sharing with other shareholders the risks and rewards of stock ownership. The Board recognizes that pledging of shares may be perceived as contrary to this goal because of the perception that doing so may allow a pledging shareholder to reduce the risks of stock ownership. Accordingly, the Board determined that it would be appropriate to adopt a policy prohibiting Directors and executive officers from pledging the shares of their Company stock they are required to own under the ownership guidelines.

In adopting the policy, however, the Board recognized that a complete prohibition on pledging Company stock could result in financial hardship for Directors and executive officers subject to the policy. The Board observed that, if Directors and executive officers were not permitted to pledge any of the shares owned by them, their only alternative to obtain liquidity from shares owned in excess of the target number would be to sell the shares, and thereby reduce the alignment between their interests and those of other shareholders. Therefore, the Board determined that it would be appropriate to restrict Directors and executive officers from pledging only the portion of their Company stock that is subject to target ownership guidelines in order to afford them greater access to liquidity to meet personal obligations, and to encourage continued ownership of Company shares.

All Directors and executive officers were in compliance with this policy as of December 31, 2015.

Incentive Compensation Clawback Policy and Application to Restatement of Financial Results

The Board of Directors has adopted a clawback policy covering payments of incentive based compensation to current and former executive officers. The policy provides that, if the Company is required to restate its financial results because of its material noncompliance with any financial reporting requirement under the securities laws, the Committee will review all awards or payments of any form of bonus or incentive-based compensation made to our current and former executive officers within the three-year period immediately preceding the date on which the Company is required to prepare the restatement. If the Committee determines that any such bonus and incentive awards or payments were based on erroneous data and would have been lower had they been calculated based on the restated results, the Committee will review the facts and circumstances and, to the extent permitted by applicable law, may seek to recover for the benefit of the Company the difference between the amounts awarded or paid and the amounts that would have been awarded or paid based on the restated results.

The Committee has sole discretion to determine whether, and the extent to which, to require any such repayment and to determine the form and timing of the repayment, which may include repayment by the executive officer or an adjustment to the payout of a future incentive. These remedies would be in addition to, and not in lieu of, any penalties imposed by law enforcement agencies, regulators or other authorities.

For purposes of this policy, executive officers include all persons designated by the Board of Directors as Section 16 reporting officers.

The Board of Directors adopted the clawback policy in 2014. As a result of the Company s previously mentioned restatements of financial results, the Committee held special sessions to address clawback decisions and to review previously determined plan performance goals relating to unpaid plans. While an independent review found that no current or former executive officers of the Company were involved in issues resulting in the restatement, the Committee determined it was appropriate to recover 2014 annual incentives paid to officers in the line of command, which equaled amounts paid back of $435,742 for Mr. Sanders, $150,882 for Mr. Saunders and $172,265 for Mr. Tiede. The 2014 clawback amounts are reflected in the 2014 amounts reported in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table on page 39. Recovery of these incentives was effected by a reduction in payout of performance-based incentives earned in 2015 and is reflected in Note 3 to the Summary Compensation Table and Note 4 to the 2015 Option Exercises and Stock Vested table on page 45.

ROLE OF INDEPENDENT COMPENSATION CONSULTANT

The Committee seeks input from Frederic W. Cook & Co., Inc., its independent compensation consultant, in its decision making process. The independent consultant reports directly to the Committee, and the Committee has the sole authority to retain or dismiss the consultant. The independent consultant does not provide services to the Company in any area other than executive and director compensation on behalf of the Committee.

The independent consultant is expected to assist the Committee and work on its behalf on matters related to the Committee s purposes and responsibilities as set forth in the Committee charter, which is summarized under the Corporate Governance Board Meetings and Committees of the Board Executive Compensation Committee on page 15 and is also available through the Investor Relations section of our website at www.sonoco.com. The independent consultant periodically advises the Committee as to trends in executive compensation and also provides specialized studies or expert advice as requested with respect to executive compensation issues. In 2015, the independent consultant conducted a competitive compensation review of our NEOs compared to our Peer Group s NEOs, provided an update of compensation trends and regulatory developments, analyzed the Company s use of share-based compensation compared to our peer group, and assisted in the preparation of the Company s public filings with regard to executive compensation, and provided advice on implementation of the clawback policy in connection with the financial restatements. The independent consultant meets with the Committee at least once a year and attends regular Committee meetings in person or by telephone as requested. The independent consultant also provides advice and performs competitive analysis with respect to director compensation, as requested, for the Corporate Governance and Nominating Committee.

From time to time, management engages the services of other compensation consultants to assist with matters relating to executive officer and employee compensation. In 2015, management engaged Aon Hewitt to provide compensation and benefit survey data, executive benefit calculations, FICA tax calculations and document drafting.

The Compensation Committee has assessed the independence of Frederick W. Cook & Co. and Aon Hewitt pursuant to rules of the Securities and Exchange Commission and the New York Stock Exchange and concluded that neither Frederick W. Cook & Co. s nor Aon Hewitt s work for the Compensation Committee and management respectively, raises any conflict of interest.

ROLE OF EXECUTIVE OFFICERS IN DETERMINING EXECUTIVE COMPENSATION

In order to evaluate performance and use it as a basis for making compensation decisions, the full Board of Directors participates in a formal performance review process that is used for determining the CEO s compensation. The CEO provides a written evaluation of his performance against objectives at year-end to each director. Each individual director completes a written evaluation of the CEO s performance. Results are compiled by the Chair of the Corporate Governance and Nominating Committee, who then provides a copy to each director prior to the first Board of Directors meeting for the year. The Committee uses this summary from the Board of Directors to make decisions relative to the CEO s compensation. The Committee also uses input from its independent compensation consultant in making decisions regarding the CEO s compensation. The CEO does not participate in decisions regarding the determination of his own compensation, other than to prepare the summary of his results versus objectives for the year as described above.

For the other NEOs and executives, the Committee receives input and recommendations from our CEO as well as its independent compensation consultant. The NEOs or other officers do not have a role in the determination of their own compensation except to provide and discuss their performance against objectives during their annual performance reviews.

Table of Contents

COMPENSATION COMMITTEE REPORT

The Executive Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis included in this Proxy Statement with management. Based on that review and discussion, the Executive Compensation Committee re