SONOCO PRODUCTS CO
Form DEF 14A
March 14, 2014
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

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

EXCHANGE ACT OF 1934 (Amendment No.)

Filed by the Registrant 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.

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

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

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

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

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

(3) Filing Party:

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SONOCO PRODUCTS COMPANY

1 NORTH SECOND STREET

HARTSVILLE, SOUTH CAROLINA 29550 USA

March 7, 2014

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 16, 2014, at 11:00 a.m. (Eastern time).

We have enclosed a Notice of 2014 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 *2013 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 2014 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

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SONOCO PRODUCTS COMPANY

1 NORTH SECOND STREET

HARTSVILLE, SOUTH CAROLINA 29550 USA

NOTICE OF 2014 ANNUAL MEETING OF SHAREHOLDERS

TIME	11:00 a.m. (Eastern time) on Wednesday, April 16, 2014
PLACE	The Center Theater, 212 North Fifth Street, Hartsville, South Carolina
PURPOSES	(1) To elect five members of the Board of Directors;
	(2) To ratify the selection of independent registered public accounting firm;
	(3) To vote on an advisory (nonbinding) resolution to approve executive compensation;
	(4) To approve the 2014 Long-Term Incentive Plan; and
	(5) To transact any other business that properly comes before the meeting or any adjournment of the meeting.
RECORD DATE	You may vote only if you were a shareholder of record at the close of business on February 26, 2014.
ANNUAL REPORT	We have enclosed a copy of the *2013 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, 2014

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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 16, 2014, 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 14, 2014.

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 26, 2014. At the close of business on February 26, 2014, a total of 102,292,892 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. 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. 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 **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, 2014, **FOR** the advisory (non-binding) resolution to approve executive compensation, and **FOR** approval

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of the 2014 Long-Term Incentive Plan. 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, or approval of the 2014 Long-Term Incentive Plan 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.

Brokers do not have discretionary authority to vote on director elections, the advisory (non-binding) resolution to approve executive compensation, or to approve the 2014 Long-Term Incentive Plan. Therefore, if you hold 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.

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If a quorum is present at the Annual Meeting, 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 are 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 vote on the advisory resolution to approve executive compensation is 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.

Approval of the proposal to adopt the 2014 Long-Term Incentive Plan requires the affirmative vote of a majority of the total votes cast on the proposal. With respect to shares that are present and entitled to vote, any votes that are withheld or any shares that are not voted for adoption of the plan, including broker non-votes, will have the effect of votes against the plan.

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 matter exceed the votes cast against the matter. 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. 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.

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ELECTION OF DIRECTORS

The Board of Directors has fixed the number of directors of the Company at thirteen. At our Annual Meeting, five directors will be elected. B.J. McGarvie, H.A. Cockrell, J.M. Micali, L.W. Newton, and M.D. Oken have been nominated to hold office for the next three years, their terms expiring at the Annual Shareholders Meeting in 2017, or when their successors are duly elected and qualify to serve. Mr. Cockrell, elected by the Board of Directors in July 2013, and Ms. McGarvie, elected by the Baord of Directors in February 2014, have not been previously elected by shareholders. Mr. Cockrell and Ms. McGarvie were recommended for election to the Board by our Executive Chairman and Lead Director, respectively. The proxy agents intend to vote **FOR** the election of the five 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, Principal Occupation, and Directorships in Public Corporations during the Last Five Years	Director Since
HARRY A. COCKRELL (64). 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.	2013
BLYTHE J. MCGARVIE (57). Ms. McGarvie has been a senior lecturer in the accounting and management unit at Harvard Business School since July 2012. She served as chief executive officer and founder of Leadership for International Finance, LLC, an advisory firm offering tailor-made consulting services and leadership seminars from 2003 to 2012. She is currently a director of Accenture plc, Viacom, Inc., and LKQ Corporation. She was previously a director of Pepsi Bottling Group from 2002 to 2010 and The Travelers Companies, Inc. from 2003 to 2011.	2014
JAMES M. MICALI (66). Mr. Micali has been Senior Advisor to, and limited partner of, Azalea Fund III of Azalea Capital LLC (private equity firm), Greenville, SC, since 2008. 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 and American Tire Distributors Holding, Inc. He also serves on the boards of several Azalea owned companies and is an advisory board member of Humphrey Enterprises (an automotive supplier), of 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.	2003

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Name, Age, Principal Occupation, and Directorships in Public Corporations during the Last Five Years	Director Since
LLOYD W. NEWTON[(1)] (71). General Newton was Executive Vice President of the Pratt & Whitney Military Engines business unit (developer and manufacturer of engines for military and commercial aircraft), E. Hartford, CT (a part of United Technologies Corporation), from 2000 until his retirement in 2006. General Newton retired as a four-star general in the U.S. Air Force in 2000 after a distinguished 34-year military career. At the time of his retirement from the Air Force, General Newton was Commander, Air Education, and Training Command a 13-base, 57,000 personnel assignment. He is currently a director of Torchmark Corporation and L-3 Communications Holdings, Inc. He also serves as a director of Milliken & Company (a privately held innovative textile and chemical company), and is Chairman of the National Defense University, Board of Visitors. He was previously a director of Goodrich Corporation from 2006 to 2012.	2008
MARC D. OKEN (67). 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 of Marsh & McLennan Companies, Inc. and Capital Bank Financial Corp. He was previously a director of Star Scientific, Inc. from 2005 to 2009.	2006

(1) Although General Newton is being elected for a three year term to serve until 2017, our Bylaws provide that retirement of directors shall be automatic upon reaching the age of 72. Accordingly, General Newton will retire from the Board in December 2014.

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INFORMATION CONCERNING DIRECTORS WHOSE TERMS CONTINUE

Members of the Board of Directors whose terms of office will continue until our Annual Shareholders Meeting in 2015 are:

Name, Age, Principal Occupation, and Directorships in Public Corporations during the Last Five Years	Director Since
DR. PAMELA L. DAVIES (57). 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 Family Dollar Stores, Inc. and YMCA, USA. She was previously a director of Charming Shoppes from 1998 to 2009 and C&D Technologies, Inc. from 1998 to 2010.	2004
HARRIS E. DeLOACH, JR. (69). 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, President from 2000 to 2010, Chief Operating Officer from April 2000 to July 2000, Senior Executive Vice President from 1999 to 2000, Executive Vice President from 1996 to 1999, Group Vice President from 1993 to 1996, Vice President Film, Plastics and Special Products from February 1993 to October 1993, Vice President High Density Film Products division from 1990 to 1993, and Vice President Administration and General Counsel from 1986 to 1990. 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.	1998
EDGAR H. LAWTON, III (53). 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.	2001
JOHN E. LINVILLE (68). 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.	2004

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Members of the Board of Directors whose terms of office will continue until our Annual Shareholders Meeting in 2016 are:

Name, Age, Principal Occupation and Directorships in Public Corporations during the Last Five Years	Director Since
JOHN R. HALEY (52). 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 and the Gosiger Foundation. Mr. Haley is the brother-in-law of R.H. Coker, who is an executive officer of the Company.	2011
PHILIPPE R. ROLLIER[1] (71). Mr. Rollier retired as President and Chief Executive Officer of Lafarge North America (construction materials group), Herndon, VA, in December, 2006, having served in that position since 2001. He spent his entire career with Lafarge Group progressing through numerous positions before assuming the above-mentioned responsibilities. He is currently a director of Mersen (formerly Carbone Lorraine, a global expert in electrical specialties and graphite-based materials), a member of the supervisory board of Group Gregoire (a manufacturer of windows and doors), and President Director General of STAN SA (an institution of higher learning). He was previously a director of Monier, S.A. from 2007 to 2008, Sperian Protection from 2007 to 2010, and Moria, S.A. from 1992 to 2011.	2007
M. JACK SANDERS (60). 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.	2012
THOMAS E. WHIDDON (61). Mr. Whiddon was an Advisory Director of Berkshire Partners, LLC (a Boston -based private equity firm), from October 2005 until December 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. and Dollar Tree Stores, Inc.	2001

[1] Although Mr. Rollier was elected for a three year term to serve until 2016, our Bylaws provide that retirement of directors shall be automatic upon reaching the age of 72. Accordingly, Mr. Rollier will retire from the Board in February 2015.

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ADDITIONAL INFORMATION ABOUT EXPERIENCE AND QUALIFICATIONS

OF DIRECTORS AND NOMINEES

Our current directors have a wide range of specific employment and other leadership experiences, knowledge, and skills that qualify them for service on our Board and its Committees. Many of our directors also serve on the boards of other public companies, which provides them experience with governance, legal, and regulatory issues facing public companies in general, and with alternative approaches to those issues. Most of our directors are also active on the boards of non-profit organizations.

In addition to the background information described in their biographies, their individual qualifications are highlighted below:

Mr. Harry A. Cockrell, as managing director of Pacific Tiger Group Limited, brings a wealth of business, financial, and investment experience, especially in the important and growing Asia/Pacific region. He has hands on management experience in a number of industries and markets relevant to the Company s products and services. He also has other public board experience.

Dr. Pamela L. Davies, as President of Queens University of Charlotte and the former Dean of the McColl School of Business, brings financial and strategic planning expertise, broad leadership ability, a global perspective, and a strong business academic viewpoint, as well as relevant experience on other public boards.

Mr. Harris E. DeLoach, Jr., as our Executive Chairman and former President and Chief Executive Officer, has 28 years of significant leadership experience with our Company and 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 board governance experience.

Mr. John R. Haley s current position as Chief Executive Officer of Gosiger, Inc., as well as his previous management roles in that organization, have provided him extensive leadership experience in the manufacturing sector. His related experience in corporate finance also provides a valuable resource for our Board.

Mr. Edgar H. Lawton, III, as President of Hartsville Oil Mill, brings knowledge of global commodity markets and customers, as well as financial acumen. His operations knowledge includes expertise in managing environmental issues, and he is very helpful to us as a local business owner in the same geographic area as our global headquarters.

Mr. John E. Linville is a retired attorney and has been a partner in two New York City law firms. He has also served as General Counsel and Acting President of the New York City Health & Hospitals Corporation, the organization that operates New York City s public hospitals. This experience provided him with legal and financial expertise as well as leadership skills from the perspective of a large organization. As Chair of the Employee and Public Responsibility Committee, his background provides our Board with useful insights on a range of policy issues.

Ms. Blythe J. McGarvie, currently a senior lecturer at the Harvard Business School and previously chief executive officer of a firm she founded that focused on finance and leadership, brings significant financial and corporate governance expertise to our Board. She also serves on the boards of three other public companies.

Mr. James M. Micali, formerly Of Counsel to Ogletree Deakins LLC law firm and formerly Chairman and President of Michelin North America, Inc., has highly relevant leadership and operating experience in a large manufacturing company with global reach. His international perspective, corporate governance experience as a director of other public companies, 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.

General Lloyd W. Newton, formerly an Executive Vice President with Pratt & Whitney Military Engines (a business unit of United Technologies Corporation) and a retired four-star general in the U.S. Air Force, brings a wealth of leadership and management experience, human resource skills, and knowledge of technology, as well as a global perspective. He also serves on the boards of two other public companies.

Mr. Marc D. Oken, currently Managing Partner of Falfurrias Capital Partners and retired Chief Financial Officer of Bank of America Corporation, and a former partner with Price Waterhouse LLP, has in-depth financial experience, banking perspective, and mergers and acquisitions background, as well as senior leadership experience. Because of his

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accounting and banking background, Mr. Oken has previously served as Chair of the Audit Committee, as well as being an Audit Committee Financial Expert. Mr. Oken also serves as Chair of the Audit Committee for the Marsh & McLennan Companies, Inc.

Mr. Philippe R. Rollier, as retired President and Chief Executive Officer of Lafarge North America, a global building products company, brings knowledge of global markets, experience as a public company chief executive officer, broad leadership capability, and strong operational background and expertise. His perceptions on international business issues are particularly valuable to our Board. Mr. Rollier has served on the boards of other public companies with involvement on audit, compensation, governance, and strategic planning committees.

Mr. M. Jack Sanders, as our current Chief Executive Officer and President, has 26 years of leadership experience with our Company, including senior executive roles with each of our operating business segments.

Mr. Thomas E. Whiddon, as a former Advisory Director of Berkshire Partners, LLC, and as retired Executive Vice President Logistics and Technology and Chief Financial Officer of Lowe s Companies Inc., brings general management, information technology and logistics expertise, and strong financial acumen, as well as experience with retail end markets. Mr. Whiddon is Chair of the Audit Committee and also serves on the boards and audit committees of two other public companies, which provides him with corporate governance experience and background.

CORPORATE GOVERNANCE

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;

- 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.

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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, E.H. Lawton, III, J.E. Linville, B.J. McGarvie, J.M. Micali, L.W. Newton, M.D. Oken, P.R. Rollier, and T.E. Whiddon. J.H. Mullin, III who retired from the Board of Directors on June 15, 2013, was also independent.

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.

On February 13, 2013, the Board of Directors adopted a Majority Withheld Vote policy that, in an uncontested election, any nominee for Director who receives a greater number of votes withheld from his or her election than votes for shall promptly offer to resign following certification of the shareholder vote. This new policy is detailed in the Company s Corporate Governance Guidelines available on the Company s Web site.

Leadership Structure

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., also served as our Chief Executive Officer from 2000 until his retirement April 1, 2013. At that time, M. Jack Sanders became our Chief Executive Officer, once again separating the two offices.

As of December 31, 2013, the Board consisted of twelve directors, at least nine 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 2013.

Our by-laws were amended in February 2012 to 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;

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.

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

The Board decided to adopt a lead independent director structure to allay concerns, expressed in the corporate governance arena by various groups, that having a single individual at times serve as the chairman of the board and the principal executive officer of a public company might result in a diminution of the ability of the independent directors to meaningfully participate in the board s oversight of management of that company. Although the independent directors of Sonoco do not believe that their ability to actively participate has, in fact, been diminished, they determined that the lead independent director structure could provide a worthwhile mechanism to reduce the possibility of any such diminution in the future.

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 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, shareholders have the right to nominate 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.

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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 2013, our Board of Directors held four regularly scheduled meetings to review significant developments affecting the Company and to act on matters requiring the Board of Directors approval. All directors 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 2013, eleven of our directors attended the Annual Meeting.

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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 2013. 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	
E.H. Lawton, III	X			X		
J.E. Linville	X			Chair		
J.M. Micali	X	X	Chair			X
L.W. Newton		X			X	
M.D. Oken	X	Chair	X			
P.R. Rollier	X			X		
M.J. Sanders						X
T.E. Whiddon	Chair		X		X	
Number of 2013 Meetings	8	6	4	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 for 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 36.

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.

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 2013.

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.
Financial Policy Committee	Risks and exposures associated with liquidity, interest rates, currency, pension funding and investment performance, insurance coverage, and significant capital transactions.

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Board / Committee	Primary Areas of Risk Oversight
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, 2013 were P.L. Davies, J.M. Micali, L.W. Newton, M.D. Oken and J.H. Mullin, III until his retirement on June 15, 2013. 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 and Plastics, and received total 2013 compensation of $1,437,000.

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 officers 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 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

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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, 2013, 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	Amount and Nature of Beneficial Ownership	Percent of Class
No Par Value Common	BlackRock Inc. (1) 40 East 52nd Street New York, NY 10022	9,071,204	8.9%
	The Vanguard Group (2) 100 Vanguard Blvd. Malvern, PA 19355	5,726,864	5.61%

(1) In its most recently filed Schedule 13G, BlackRock, Inc. reported sole voting power with respect to 8,626,555 shares and sole dispositive power with respect to all 9,071,204 shares.

(2) In its most recently filed Schedule 13G, The Vanguard Group reported sole voting power with respect to 64,256 shares, sole dispositive power with respect to 5,670,008 shares, and shared dispositive power with respect to 56,856 shares.

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SECURITY OWNERSHIP OF MANAGEMENT

The following table shows the number of shares of our common stock beneficially owned as of February 10, 2014, directly or indirectly, by each director and by each executive officer named in the Summary Compensation Table.

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				571	
P.L. Davies Director				21,408	
H.E. DeLoach, Jr. Executive Chairman	672,036			4,053	
J.R. Haley Director	15,115			6,465	
E.H. Lawton, III Director	348,450 (6)			21,408	
J.E. Linville Director	565,087			21,408	
J.M. Micali Director	4,828			31,662	
L.W. Newton Director				14,842	
M.D. Oken Director	5,350			21,341	
P.R. Rollier Director	4,000			17,438	
T.E. Whiddon Director	15,590			21,408	
M.J. Sanders President, Chief Executive Officer, and Director	74,486		10,326		123,358
B.L. Saunders Vice President and Chief Financial Officer	34,390		11,911		
J.M. Colyer Vice President	55,245				
R.C. Tiede Vice President	37,637		13,837		
R.H. Coker Vice President	156,547		11,465		
All Executive Officers and Directors as a group (26 persons)	2,197,443	2.1%	107,915	182,004	200,147

(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. The number includes shares subject to currently exercisable options and SSARs and those exercisable within 60 days granted under the 1991 Key Employee Stock Option Plan (1991 Plan), the 1996 Non-Employee Directors Stock Plan (1996 Plan), the 2008 Long-Term Incentive Plan (2008 Plan), and the 2012 Long-Term Incentive Plan (2012 Plan) for the following

directors and named executive officers: H.E. DeLoach, Jr. - 188,845 (includes 108,845 shares which would be issuable upon exercise of 458,600 SSARs); T.E. Whiddon - 5,000 shares; M.J. Sanders - 42,703 shares which would be issuable upon exercise of 213,800 SSARs; B.L. Saunders - 21,876 shares which would be issuable upon exercise of 102,500 SSARs; J.M. Colyer - 26,076 shares which would be issuable upon exercise of 118,000

SSARs; R.C. Tiede - 15,418 shares which would be issuable upon exercise of 74,000 SSARs; R.H. Coker - 14,173 shares which would be issuable upon exercise of 67,200 SSARs; and for all executive officers and directors as a group - 404,154 (includes 319,154 shares which would be issuable upon exercise of 1,419,460 SSARs). SSAR amounts represent the approximate number of shares issuable upon exercise of SSARs within 60 days after February 10, 2014, assuming that the closing price of Sonoco common stock used to determine the number of shares to be issued was $41.49 per share.

Also included are shares held in our Dividend Reinvestment Plan (13,135) and shares held in our Savings Plan (18,849).

Shareholdings in this column do not include restricted stock units granted under the 1991 Plan, 1996 Plan, 2008 Plan, or 2012 Plan (issuance of which has been deferred until retirement), compensation that has been deferred into Sonoco stock equivalent units, performance contingent restricted stock units granted under the 1991 Plan, 1996 Plan, 2008 Plan, or 2012 Plan or restoration units credited under the Omnibus Benefit Restoration 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 retirement; 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. Prior to 2009, Sonoco stock restoration units in the Omnibus Benefit Restoration Plan were credited to employees who had reached the Internal Revenue Code limits under the Sonoco Savings Plan to restore the Company match that would otherwise be lost because of these limits. Effective January 1, 2009, the Restoration Plan was amended to convert existing restoration units to investments unrelated to Sonoco stock.

(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, 2013. Issuance of these shares has been deferred until retirement and no present dispositive or voting rights are associated with them.

(6) Includes 283,574 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 these and disclaims beneficial ownership of these shares.

On April 15, 2003, the Board of Directors adopted a resolution establishing stock ownership guidelines for outside directors. The guidelines establish a target level of ownership of our common stock based on years of service as a director from the date the guidelines were established. 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 are included in determining whether these guidelines have been met. All of our directors have met 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 with 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 information, in 2013 all of the required filings were made on a timely basis.

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EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY

Our compensation decisions in 2013 were a result of a combination of 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 that there would be modest demand improvement in our global consumer and industrial served markets; that productivity improvements would more than offset higher labor, energy, freight and other operating expenses; and that higher pension costs would have negative impact on base earnings.

Overall, we delivered on many of our financial, operational and strategic commitments in 2013, while launching an effort to re-envision Sonoco to achieve future accelerated growth. We delivered record sales, gross profits and cash flow from operations in 2013, while free cash flow more than doubled. Despite an economic recession in Europe, slowing emerging markets and higher operating and pension costs, Sonoco s base earnings grew nearly 5 percent and we were able to significantly improve our balance sheet by reducing debt along with pension and other postretirement liabilities. Also, during the year, we began to strategically align our diversified organization to facilitate the design and delivery of 360-degree Customized Solutions to our customers.

Specific financial and operating performance milestones included the following:

Net sales increased to a record $4.85 billion, up 1.3%, as volume growth in the Company s Display and Packaging, Protective Solutions and Paper and Industrial Converted Products segments and higher sales price, were partially offset by the closure of the Company s European recycling operations, the sale of a box plant and lower volume in Consumer Packaging.

Base earnings for 2013 were the third highest in the Company s history, growing approximately 5 percent to $237.5 million, or $2.30 per diluted share. This improvement stemmed from productivity gains, modest volume growth and a positive price/cost relationship, partially offset by higher labor, maintenance, pension and other expenses. (See definition of base earnings and a reconciliation to its most closely applicable GAAP financial measures the Company s Form 10-k for the year ended December 31, 2013 as filed with the Securities and Exchange Commission)

Gross profit increased nearly 4 percent to a record $874 million, with gross profit as a percent of sales expanding to 18.0%, up 40-basis points from 2012, and reaching the highest level since 2010.

Cash generated from operations was a record $538 million, up 33%, from 2012. This significant increase was due to higher GAAP earnings, lower cash taxes, working capital changes and lower pension and postretirement benefit plan contributions. Free cash flow (operating cash flow minus net capital expenditures and dividends) more than doubled in 2013 to $245 million.

Sonoco substantially improved its capital structure in 2013 as total debt was reduced by $392 million, to $981 million, which gave the Company a debt-to-total capital ratio of 36.3%, compared to 47.7% in 2012. Sonoco has one of the strongest credit ratings in the packaging industry with an investment grade ranking of BBB+ by Standard and Poor s.

As a result of its performance in 2013, Sonoco provided its shareholders with a total return of 45.2%, approximately 30% higher than the S&P 500 s 2013 return. The Company s market capitalization increased by approximately $1.25 billion to approximately $4.25 billion.

For the 31st consecutive year, the Company increased cash dividends and paid out a record $125 million in dividends to shareholders, up 4% from the dividends paid in 2012. Sonoco has paid dividends to shareholders for more than 88 consecutive years and the yield is approximately 50% higher than the S&P 500.

Sonoco began a process in 2013 to strategically align its diversified offerings to provide customized solutions that have an unequalled range of packaging products and services, combined with a broad spectrum of technical capabilities and a unique, formalized process for innovation we call i6 . We believe this business model is

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unparalleled in the industries in which we compete and allows us to provide our customers with innovative packaging solutions that enhance their business and their brand while accelerating our future organic growth.

In addition to achieving these strong financial milestones, we were recognized as one of the best managed companies when handling economic, environmental and social developments. Some of these achievements include the following:

- For the fifth year in a row, Sonoco was listed on the **Dow Jones Sustainability World Index** for 2013/2014 (DJSI). Only 333 component companies were selected to the DJSI World Index for 2013/2014 following RobecoSAM s Corporate Sustainability Assessment of nearly 3,000 invited companies. Including Sonoco, only three U.S. packaging companies made the listing. From the assessment, Sonoco received industry-leading scores in supply chain management, operational eco-efficiency and corporate citizenship and philanthropy.

- Sonoco was also named a SAM Gold Class member for a third consecutive year in RobecoSAM s Sustainability Yearbook 2013, and was also named RobecoSAM s Sector Leader in the Containers and Packaging sector.

- The Southeastern Corporate Sustainability Rankings, which recognizes the top 50 sustainable companies in their state and region of the U.S. for 2013, listed Sonoco as the most sustainable company in South Carolina and the 6th best company in the eight-state Southeast U.S. region for 2013. Of nearly 500 public companies surveyed, only UPS (Georgia), Coca-Cola (Georgia), Bank of America (North Carolina), Vulcan Materials (Alabama) and FedEx (Tennessee) ranked ahead of Sonoco.

- Fortune Magazine listed Sonoco as one of only five packaging companies listed in its World s Most Admired Corporations in 2013. This was the third consecutive year the Company was listed in this prestigious reputation ranking and we have shown improvement in each year of the ranking.

- Finally, Sonoco was listed as the top ranked packaging company in the 2013 100 Best Corporate Citizens by Corporate Responsibility Magazine.

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 2013, the Committee noted strong management team performance in several areas when compared with the performance of our packaging peers.

While the Company met many of our financial, operational and strategic commitments, we did not fully meet all targets. As a result, consistent with the Company s philosophy to pay for performance and to pay within reason, executive compensation reached just above target levels. Specifically, the Performance-based Annual Cash Incentive payout was approximately 112% of Target, as described in detail under 2013 Committee Actions Performance Based Annual Cash Incentive on page 28. The 2011-2013 Long-Term Incentive Plan did not vest due to below-threshold results in the prior two years for BEPS (Base Earnings Per Share) and RONAE (Return on Net Assets Employed), as described in more detail under Results of 2011-2013 PCSU Performance Cycle on page 31. 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 2013 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, 84% of our CEO s target total direct compensation and 76% of our other NEOs target total direct compensation is tied to Company performance, which we believe is a significant driver of shareholder value.

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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. The Board 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 which provides directional 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 February 2014, 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. Backdating, re-pricing, or retroactively granting awards are not permitted under our equity compensation plans. Payment of dividend equivalents on unearned performance shares or stock options is not authorized under our equity compensation plans.

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).

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 establishes alignment with the interest of other shareholders.

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 16 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.

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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

Executive benefit elements, consisting of

- Supplemental executive retirement benefits
- Executive life insurance

Minimal perquisites

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, 84% of the CEO s target total direct compensation and 76% 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. For the weighting between annual and long-term incentives, the CEO has the greatest weighting on the long-term to provide the strongest alignment with long-term shareholder interests.

The following charts illustrate these allocations and are based on 2013 direct compensation components 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 29. The method used to value shares is consistent with the information presented in the Summary Compensation Table on page 39.

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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 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 consultant 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 more specific Peer Group Company data. In most cases the data from both sources are comparable.

DESCRIPTION OF COMPENSATION ELEMENTS AND 2013 COMMITTEE ACTIONS

This section describes the compensation elements for the Company s current Chief Executive Officer (CEO), the former Chief Executive Officer, 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). Mr. DeLoach retired as Chief Executive Officer effective April 1, 2013, and was concurrently named Executive Chairman of the Board.

Named Executive Officers (NEOs) for 2013

Officer	Title
M. Jack Sanders	President and Chief Executive Officer (CEO)
Barry L. Saunders	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	Group Vice President, Global Rigid Paper & Plastics
Harris E. DeLoach, Jr.	Executive Chairman of the Board and Former Chief Executive Officer (CEO)

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 his or her current salary to his or her position s base salary midpoint. 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.

2013 Committee Actions Base Salary

On April 1, 2013, Mr. Sanders was promoted to President and Chief Executive Officer and received a 20% increase in base pay, which at the time resulted in his salary being 75% of his salary midpoint (based on National Survey Data).

At its July 2013 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 current CEO and other NEOs, with the exception of the former CEO, each received a merit increase of 3%. In addition to the merit increases, market adjustment increases were made ranging from 6.5% to 15% for Messrs Sanders, Saunders, Colyer, and Tiede, effective June 1, 2013. This brought each executive closer to market pay, but below salary midpoint (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 a percentage of base salary. Each level represents a different performance expectation 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 and corresponds to what is considered to represent a national survey compensation level, 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 is equal to 40% of target . Maximum is equal to two times target.

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 well above budget, which is believed to be superior performance for the year.

For 2013, the Committee considered base earnings per share to be the most critical element for determining share price and, in turn, shareholder value. Therefore, the Committee weighted this element for all NEOs at 60%. Base

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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.

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

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.

Working capital improvement was included as an element to encourage efforts to increase cash flow through the reduction in our working capital requirements. Working capital improvement is based on a year-over-year 12-month comparison, and is stated in terms of working capital or cash gap days (days of accounts receivable and inventory less days of accounts payable).

All of the NEOs were assigned the following financial measures and weightings for the 2013 OIP.

Incentive Plan Elements	
Base Earnings per Share	60%
Sales Volume Growth	20%
Working Capital Improvement	20%

The Committee has limited 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.

2013 Committee Actions Performance-Based Annual Cash Incentive

Under the PBAI Plan for 2013, the maximum incentive pool for all NEOs except the CFO was $9,058,088 of which no more than 30% ($2,717,426) 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.

For 2013, the Committee established an annual incentive compensation threshold, target, and maximum payout under the OIP expressed as a percentage of base salary for each NEO, as follows:

	Annual Incentive Compensation at Threshold	**Annual Incentive Compensation at Target**	**Annual Incentive Compensation at Maximum**
M.J. Sanders[1]	35%	87.5%	175%
M.J. Sanders[2]	44%	110%	220%
B.L. Saunders	28%	70%	140%
J.M. Colyer, Jr.	30%	75%	150%
R.C. Tiede	30%	75%	150%
R.H. Coker	28%	70%	140%
H.E. DeLoach, Jr.[3]	40%	100%	200%

(1) Annual incentive rate based on three months as President and Chief Operating Officer.
(2) Annual incentive rate based on nine months as President and Chief Executive Officer.
(3) Annual incentive rate for the three months Mr. DeLoach served as Chief Executive Officer. Payout is calculated on base salary paid for this three month period.

Financial goals established under the OIP at the beginning of the plan year and the actual 2013 performance were as follows:

	Threshold	Target	Maximum	Actual 2013 Performance
Base Earnings per Share Amount	$ 2.21	$ 2.31	$ 2.36	$ 2.30
Sales Volume Growth (millions)	$ 0	$ 85	$ 120	$ 68
Working Capital Cash Gap Days	46.2	45.5	44.5	44.6

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Our base earnings per share were $2.30, which resulted in incentive payments under the OIP being earned at 94% of target. Information about how base earnings per share was calculated is provided in the Company s Annual Report on Form 10-K for the year ended December 31, 2013, as filed with the Securities and Exchange Commission.

Sales volume growth for 2013 was $68 million, which resulted in incentive payments under the OIP being earned at 88% of target.

Working capital cash gap days were 44.6 days, which was just below the maximum performance level and resulted in incentive payments under the OIP being earned at 190% of target.

Based on the 60% weighting on base earnings per share, 20% weighting on sales volume growth, and 20% weighting on working capital cash gap days, the cumulative payout for the NEOs was 112% of target.

The following table shows the dollar amount of annual incentive compensation awarded to each of the NEOs for 2013, the percentage of maximum, the actual percentage of each NEO s base salary and the percentage of change from the prior year.

Officer	Annual Incentive Compensation For 2013	Percentage of Target	Percentage of Base Salary	Percent Change from Prior Year
M.J. Sanders	$ 938,609	112%	118%	219%
B.L. Saunders	349,620	112%	78%	150%
J.M. Colyer, Jr.	417,749	112%	84%	176%
R.C. Tiede	411,192	112%	84%	165%
R.H. Coker	337,448	112%	78%	142%
H.E. DeLoach, Jr.	323,931	112%	112%	-46%

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 promoting retention. In 2013, long-term equity incentives were awarded under our share-holder approved 2012 Long-Term Incentive Plan (the 2012 Plan). The 2012 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, we determine the types of awards that will be granted under our long-term plan then in effect, and establish performance measures and performance periods for performance-based awards, and vesting schedules. The awards we granted in 2013 under the 2012 Plan were comprised of stock-settled stock appreciation rights (SSARs) and performance contingent restricted stock units (PCSUs). Using competitive survey data as previously described, the Committee determines the 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 average performance and corresponds to above average total direct compensation. Using this survey total direct compensation value, the amount of long-term equity award is established for each position by subtracting the sum of the market rate or actual base salary (whichever is higher) and the annual cash incentive compensation target from this amount.

The amount of long-term equity awards is then converted to SSARs and PCSUs and each officer receives a target mix of 75% PCSUs and 25% SSARs. However, actual PCSU shares earned are still subject to the degree to which three-year Company financial goals are met and can vary between 50% and 150% of the target shares. SSARs will only have value if the stock price increases above the grant price during the grant s seven year term, and may only be exercised after the one year vesting period. Both elements are key components of our well-balanced compensation system, but 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. The actual target number of PCSUs or SSARs 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 SSARs, PCSUs, or other equity awards on the date of the first regular Board of Directors meeting in the calendar year. The SSAR exercise price is based on the closing price of our stock on that date.

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The recipients and the corresponding number of shares of equity awards, including stock options or SSARs and PCSUs, are approved by the Committee at its regular meeting on the day prior to the Board of Directors meeting. 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. 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 restricted stock units 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.

Three-Year Long-term Incentive Plan (PCSUs)

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 which 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. To encourage continued employment and to recognize the inherent difficulty in setting three-year goals, the award grants provide that if less than 50% of target shares are earned at the end of the three-year performance period, the difference between the shares earned and 50% will time-vest in equal-share amounts at the end of the fourth and fifth years, subject to the participant s continued employment for that period. Discretionary adjustments are not permitted.

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.

Restricted Stock Units

We have a practice of making a special grant of time vesting restricted stock units (RSUs) to individuals when they are first elected an executive officer in recognition of this event and the individual s increased responsibility. The number of RSUs granted is based on position. The RSUs are credited with dividend equivalents, which are not paid out until receipt of the shares. The 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 RSUs do not have voting rights.

2013 *Committee Actions Three-year Long-term Incentive Plan (PCSUs)*

On February 12, 2013, the Committee approved PCSU grants to our executives, including the NEOs. The FASB ASC Topic 718 grant date fair values of PCSUs granted to the NEOs and the number of shares available at threshold, target, and maximum are shown in the 2013 Grants of Plan-based Awards table on page 42. The Committee granted Mr. Sanders PCSUs, which when combined with his SSAR grant discussed below under the caption 2013 Committee Actions SSARs, equates to approximately 66% of his target total direct compensation. The PCSU awards for the other NEOs, combined with their SSAR grants discussed below under the caption 2013 Committee Actions SSARs, equates to approximately 58% of their target total direct compensation, which is consistent with our pay for performance objective. In order to retain Mr. DeLoach s services as Executive Chairman, the Committee decided to forego any forfeiture of PCSUs from the 2011 and 2012 grants.

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Consistent with prior years, the Committee established goals for vesting of the 2013 PCSU shares based on two key financial measures: cumulative increases in Base Earnings Per Share (BEPS) and average return on net assets employed (RONAE) over the three-year performance period. The goals established are as follows:

	Threshold Vesting	Target Vesting	Maximum Vesting
Three-Year Compound Growth in BEPS	9.1%	19.0%	25.8%
Average Three-Year RONAE*	9.5%	10.0%	10.3%

* 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.

The Committee believes that both elements are critical factors in determining long-term shareholder returns and has weighted them equally in the three-year long-term plan.

Results of 2011-2013 PCSU Performance Cycle

On February 8, 2011, the Committee granted PCSUs to our executives, including the NEOs. The vesting of these shares was dependent on achieving pre-determined levels of cumulative BEPS and average RONAE for the three-year performance period from January 1, 2011 through December 31, 2013.

Target performance over the three-year period was set at $7.90 cumulative BEPS, which equated to a compound growth rate of 19.2% from 2011 to 2013, and at 11.3% average three-year RONAE. Actual performance was $6.68 cumulative BEPS which was less than threshold performance under the plan. Average RONAE was 9.5% which was below threshold performance under the plan. As a result, no PCSUs were earned based on performance.

However, to encourage continued employment and to recognize the inherent difficulty in setting three-year goals, the award grants provide that if less than 50% of target shares are earned at the end of the three-year performance period, the difference between the shares earned and 50% will time-vest in equal-share amounts at the end of the fourth, December 31, 2014, and fifth, December 31, 2015, award years. The NEOs, or any participants who received grants under the plan, must be employed on those dates to qualify for shares, unless termination of employment was a result of death, disability or retirement. The PCSUs for the 2011-2013 performance period that have not yet vested are shown in the Outstanding Equity Awards at 2013 Fiscal Year End table on page 43.

2013 *Committee Actions Stock-Settled Stock Appreciation Rights*

On February 12, 2013 the Committee also approved SSAR grants to our executives, including the NEOs. The SSARs have a one-year vesting period and the grant price was set at $32.03 per share, the closing market price of our common stock on February 13, 2013, the date of grant. These SSARs will be valuable to the recipients only if the market price of our stock exceeds $32.03 during the term of the award. The grant date fair values and the number of SSARs granted to each of the NEOs are included in the 2013 Grants of Plan-Based Awards table on page 42. Target grants were calculated as described under Long-term Equity Incentives on page 29.

The Committee awarded Mr. Sanders SSARs, which when combined with his PCSU grant discussed above under the caption 2013 Committee Actions Three-year Long-term Incentive Plan, equates to approximately 66% of his target total direct compensation. The SSAR awards for the other NEOs, combined with their PCSU grants discussed above under the caption 2013 Committee Actions Three-year Long-term Incentive Plan, equates to approximately 58% of their target total direct compensation, which is consistent with our pay for performance objective. Mr. DeLoach did not receive an award in 2013, due to his announced retirement, which was effective April 1, 2013.

2013 Committee Actions Restricted Stock Units

In March, 2013, in recognition of his promotion to President and Chief Executive Officer of the Company, and to provide both an incentive and reward for his anticipated future contributions as Chief Executive Officer, the Committee awarded Mr. Sanders a special retention grant of 57,821 time vesting RSUs, which at a price of $34.59 has a value of $2,000,028. Each RSU is the equivalent of one share of our common stock. The RSUs will vest on the fifth anniversary of grant as long as Mr. Sanders is actively employed by the Company on that date, and will be settled in shares six

months following his separation from service. The RSUs will be credited with dividend equivalents that will be distributed in shares at the same time as distribution of the underlying award. If Mr. Sanders leaves the Company as a result of disability or death before the fifth anniversary of the grant, upon approval of the Committee, he will receive a pro-rata distribution of the shares based on the time he was employed and the number of years required for the RSUs to vest. If Mr. Sanders leaves the Company for any other reason prior to vesting of the RSUs, the RSUs will be forfeited. Upon consummation of a change of control that qualifies under Internal Revenue Code (IRC) Section 409A, all of the unvested RSUs will vest on a pro rata basis, and may be distributed in shares or in cash within 30 days following the change of control, unless a six-month delay in settlement would be required under IRC Sections 409A or 162(m).

Also in March, 2013, the Committee awarded Mr. DeLoach a grant to retain his services as Executive Chairman. The grant consisted of 28,911 time vesting RSUs; at a price of $34.59 this award has a value of $1,000,031. Each RSU is the equivalent of one share of our common stock. The RSUs will vest on the second anniversary of grant as long as Mr. DeLoach is still an active member of the Board on that date, and will be distributed in shares six months following his separation from the Board. The other terms of the RSUs are the same as those granted to Mr. Sanders as discussed above.

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 retirement, death, or disability, and in certain cases, change in control. SSAR grants provide that if 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 will immediately vest upon the date of termination. RSU grants provide that unvested stock units will vest on a prorata basis upon a change in control. 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 54. These provisions apply similarly to all plan participants, including those below the executive officer level.

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 SSARs outstanding and the option price, unvested PCSUs (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 uses tally sheets to assess 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. From this assessment, the Committee 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.

At the April, 2013 Committee meeting, the Committee was pleased to note that a preliminary total of 96.4% of the shares that voted on our non-binding shareholder advisory vote on executive compensation voted in favor of the proposal to approve the compensation paid to our executive officers, and concluded that no material changes were necessary in 2013 with respect to our executive compensation programs. The final tally in favor of the proposal was 97.5% of the shares that voted at the 2013 shareholders meeting.

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, and the exception described in the next paragraph, we do not provide income tax gross-ups to our executive officers, and our Compensation Committee has adopted a resolution that prohibits such payments.

The only other exception is for a tax gross-up related to pre-2004 contractual commitments to officers covered by executive life insurance at that time. Mr. DeLoach is eligible for a gross-up under this exception and retired effective April 1, 2013. Mr. Sanders gross-up was eliminated as part of his compensation package when he was named CEO effective April 1, 2013. There were no other NEOs who received tax gross-ups for executive life insurance as of April 1, 2013.

Nonqualified Deferred Compensation Plans

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, 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 plans and accumulated balances are described in more detail under the 2013 Nonqualified Deferred Compensation table on page 50 and the Description of Nonqualified Deferred Compensation Plans 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.

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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). 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 the CEO, 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, who participates in the Pension Restoration and DB SERP component of the Restoration Plan.

Mr. DeLoach retired effective April 1, 2013, and commenced benefits under the DB SERP and Pension Restoration components 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.

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

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

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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. We can deduct all of the compensation shown in the Summary Compensation Table for 2013, excluding the value of equity-based awards which are either subject to taxation in a later period or not subject to the deduction limitation rules prescribed under 162(m) as they are performance-based. 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.

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 restricted stock units, and any other beneficially owned shares of common stock are included in determining compliance with the guidelines. Unvested restricted stock units and shares that may be acquired through the exercise of stock options or stock-settled stock appreciation rights are not included in the calculation of stock ownership for guideline purposes.

Anti-Hedging Policy

In 2010, the Board of Directors 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. 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

In February 2014, the Board of Directors 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, 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

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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.

Directors and executive officers will have until April 1, 2015 to comply with this policy.

Incentive Compensation Clawback Policy

In February 2014, the Board of Directors adopted a clawback policy covering payments of incentive based compensation to current and former executive officers. The policy provides that, if Sonoco is required to restate its financial results because of its material noncompliance with any financial reporting requirement under the securities laws, Sonoco s Executive Compensation Committee will review all awards or payments of any form of bonus or incentive-based compensation made to current and former executive officers of Sonoco within the three-year period immediately preceding the date on which Sonoco 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 Sonoco 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 of Sonoco include all persons designated by the Board of Directors as Section 16 reporting officers.

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 16 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 2013, 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. The independent consultant meets in private session 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 2013, 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 Securities and Exchange Commission rules and concluded that neither Frederick W. Cook & Co. s nor Aon Hewitt s work for the Compensation Committee raises any conflict of interest.

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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.

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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 recommended to our Board of Directors that the Compensation Discussion and Analysis be included in our Annual Report on Form 10-K for the year ended December 31, 2013, and in this Proxy Statement.

M.D. Oken (Chair) P.L. Davies J.M. Micali L.W. Newton

COMPENSATION RISK REVIEW

With the assistance of the Committee s independent compensation consultant, the Committee reviewed our compensation policies and practices applicable to our employees and concluded that they do not create risks that are reasonably likely to have a material adverse effect on our Company. The key features of the executive compensation program that support this conclusion are the following:

- Appropriate pay philosophy, peer group and market positioning
- Effective balance between cash and equity compensation, and short- and long-term performance focus
- Performance objectives with an appropriate level of difficulty that reflects the Board-approved annual budget and long-term strategic planning objectives
- Multiple performance metrics in the annual and longer-term incentive programs that are intended to create a balanced focus on growth, profitability and asset efficiency, as well as absolute stock price appreciation
- Committee s ability to use its discretion to reduce earned incentive compensation based on a subjective evaluation of the quality of earnings, individual performance and other factors
- Meaningful risk mitigators such as substantial stock ownership guidelines, Committee oversight and use of an independent external consultant
- Incentive plans do not reward individuals for behaviors that can place the Company at risk (for example, incentives based on financial hedging transactions or incentives based on customer transactions that have significant financial risk)

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SUMMARY COMPENSATION TABLE

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Stock Awards (1) ($) (e)	Option Awards (2) ($) (f)	Non-Equity Incentive Plan Compensation (3) ($) (g)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (4) ($) (h)	All Other Compen-sation (5) ($) (i)	Total ($) (j)
M. Jack Sanders	2013	$ 795,096	-0-	$ 3,606,035	$ 499,320	$ 938,609	$ 772,879	$ 84,469	$ 6,696,408
President and	2012	640,827	-0-	1,186,400	356,751	294,076	1,135,203	74,428	3,687,685
Chief Executive Officer	2011	621,948	-0-	1,334,800	338,000	371,863	1,366,193	82,484	4,115,288
Barry L. Saunders	2013	445,944	-0-	874,911	268,128	349,620	48,012	73,506	2,060,121
VP and	2012	380,685	-0-	762,107	237,834	139,749	323,827	51,632	1,895,834
Chief Financial Officer	2011	325,319	-0-	180,383	63,375	143,036	376,386	49,171	1,137,670
John M. Colyer, Jr.	2013	497,320	-0-	876,864	273,600	417,749	(49,013)	86,226	2,102,746
Senior VP Global Industrial	2012	430,019	-0-	489,339	148,482	157,731	481,430	60,686	1,767,687
and Protective Solutions	2011	399,900	-0-	423,723	152,100	191,272	721,626	67,011	1,955,632
Robert C. Tiede	2013	489,514(6)	-0-	875,772	273,600	411,192	-0-	134,787	2,184,865
Senior VP Global Consumer	2012	405,969	-0-	415,005	131,400	148,909	-0-	104,638	1,205,921
Packaging and Services	2011	394,926	-0-	356,709	118,300	188,893	-0-	140,634	1,199,462
Robert H. Coker	2013	430,418	-0-	515,781	156,408	337,448	(74,985)	71,634	1,436,704
Group VP Global Rigid	2012 (7)								
Paper and Plastics	2011 (7)								
Harris E. DeLoach, Jr. (8)	2013	289,224	-0-	1,000,031	-0-	323,931	(488,684)	657,784	1,782,286
Chairman and	2012	1,140,606	-0-	2,719,822	861,984	598,134	874,568	321,151	6,516,265
Former Chief Executive Officer	2011	1,107,051	-0-	2,252,475	845,000	756,448	957,743	344,105	6,262,822

(1) Awards were made in the form of PCSUs. Three-year accelerated vesting of awards is tied to growth in base earnings per share (cumulative BEPS) and improved capital effectiveness (average RONAE) over a three-year period as described in the Compensation Discussion and Analysis (CD&A) on page 22. The amounts shown are the aggregate grant date fair values of the award(s) computed in accordance with FASB ASC Topic 718. The value of each individual award is based on the probable outcome of the performance conditions determined as of the grant date, which is the target number of PCSUs multiplied by the grant date fair value. Assumptions made in valuation of these awards are set forth in Note 11 to our financial statements for the year ended December 31, 2013, which are included in our *2013 Annual Report to Shareholders*. Assuming the maximum level of performance was achieved at the end of the 2013 -2015 three-year performance cycle, valued at the 2013 grant date fair value, the maximum award value for the 2013-2015 performance period would be $2,409,011 for Mr. Sanders, $1,292,850 for Mr. Saunders, $1,292,850 for Mr. Colyer, $1,292,850 for Mr. Tiede and $754,163 for Mr. Coker. The awards do not accumulate dividend equivalents unless vested and deferred, and are not subject to accelerated vesting, except upon a change in control in some cases.

As executive officers elected after January 1, 2008, Messrs Saunders, Colyer, Tiede, and Coker participate in the defined contribution Supplemental Executive Retirement Plan (the DC SERP). The contribution amount is equal to 10% of their salary and earned incentive and is further described on page 51. The benefit vests at age 55 with at least five years of service as an executive officer. Seventy-five percent of the contribution each year is invested in a fixed interest account based on 120% of the IRS applicable long-term rate. These amounts are reflected in column (i) and described under footnote (5). Twenty-five percent of the contribution is invested in deferred restricted stock units. The amounts invested in deferred restricted stock units based on salary and earned incentive compensation for Messrs Saunders, Colyer, Tiede and Coker in 2012 and credited in 2013 were $13,011, $14,694, $13,872 and $13,006 respectively and are reflected in column (e). The amounts earned in 2013 and awarded in 2014 in deferred restricted stock units were $19,889, $22,877, $22,518 and $19,197 for Messrs Saunders, Colyer, Tiede and Coker respectively and will be reflected in the 2014 summary compensation table if each remains an NEO.

Upon being named Chief Executive Officer on April 1, 2013, Mr. Sanders was awarded a one-time grant of 57,821 RSUs in addition to the annual PCSU grant. These shares will vest when the time-based restriction lapses on the fifth anniversary of the grant, April 1, 2018, if Mr. Sanders is actively employed by the Company on that date. At a grant

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date stock price of $34.59 per share, the award is valued at $2,000,028. This award is further described on page 31, under the caption 2013 Committee Actions Restricted Stock Units.

To ensure an effective transition of CEO responsibilities and for his continued future contributions as the Executive Chairman of the Board of Directors, a retention grant was awarded to Mr. DeLoach of 28,911 RSUs. These shares will vest on the second anniversary of the grant, April 1, 2015, if Mr. DeLoach is still an active member of the Board. At a grant date stock price of $34.59 per share, the award is valued at $1,000,031. This award is further described on page 31, under the caption 2013 Committee Actions Restricted Stock Units.

(2) Awards were made in the form of SSARs. The amounts shown are the aggregate grant date fair values computed in accordance with FASB ASC Topic 718. All 2013 SSARs have a grant price of the closing market price of our common stock on the date of grant. They become exercisable one year from the date of grant and have a term of seven years.

The grant date present values were estimated using a binomial option-pricing model in accordance with the rules and regulations of the SEC and are not intended to forecast appreciation of our stock price. The 2013 SSARs had an estimated grant date present value of $4.56. The assumptions used in the binomial model are discussed in Note 11 to our financial statements for the year ended December 31, 2013, which are included in our 2013 Annual *Report to Shareholders*. The SSARs are not transferable, except by will, inheritance, qualified domestic relations order or gift to or for the benefit of family, and will not confer an actual dollar benefit on the holder unless they are exercised at a time when the market value of the stock exceeds the exercise price of the SSARs. The amount of any such benefit which may be obtained by exercise of the SSARs is not in any way predicated on or controlled by the estimate presented.

(3) These amounts are awards pursuant to our annual Officer Incentive Plan as discussed on page 27 of the CD&A. The amounts shown were paid to the NEOs in February of the following year. Mr. Tiede elected to defer $41,119 of this amount into a market rate interest account under the Deferred Compensation Plan for Corporate Officers in compliance with IRC Section 409A. The value of this account will not be payable until at least six months after his separation of service from the Company. The Deferred Compensation Plan for Corporate Officers is described under the caption Description of Nonqualified Deferred Compensation Plans on page 51.

(4) For all NEOs except Mr. Tiede, the amounts shown in this column are the aggregate change in the actuarial present value of accumulated benefits under our defined benefit pension plans shown in the 2013 Pension Benefits table on page 47, from the pension plan measurement date used for our audited financial statements for the prior completed fiscal year to the measurement date used for the audited financial statements for the covered year shown in the table. In addition, for Mr. DeLoach, for 2013, 2012 and 2011, $117,466 , $117,809 and $107,937, respectively of this amount represents the above market portion of interest credits on previously earned compensation for which payment has been deferred and amounts credited to the Company s deferred compensation plan. (See page 51 for a description of this benefit.) These amounts are determined using interest rate and mortality rate assumptions consistent with those used in our financial statements.

(5) All other compensation for 2013 consisted of the following components for each NEO:

Name	Perquisites (a)	Executive Life Insurance (b)	Company Contributions and Accruals to Defined Contribution Plans (c)	Company Contributions to the Defined Contribution SERP (d)	Tax Gross-Ups (e)	Non-Employee Board of Directors Compensation (f)
M.J. Sanders	$ 23,824	$38,862	$ 21,783			
B.L. Saunders		2,125	11,714	$ 59,667		
J.M. Colyer, Jr.		4,495	13,101	68,630		
R.C. Tiede		7,940	59,294	67,553		
R.H. Coker		2,643	11,401	57,590		

H.E. DeLoach, Jr.	134,328	19,972	$ 123,984	$ 379,500

(a) Mr. Sanders perquisites consisted of $23,824 for personal use of the corporate aircraft, computed at the aggregate incremental cost to the Company. The aggregate incremental cost to us for corporate aircraft

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usage was $2,463 per hour in 2013, based on the cost of fuel, maintenance, parts, hourly rental rate for engines under maintenance service plan, and landing and crew expenses. The Company does not provide a tax gross-up for the imputed income relating to the personal use of the Company plane.

(b) Includes our contributions under the Executive Life Insurance program (including the Executive Term Life policies and the frozen Executive Permanent Life policies described on page 33) and the economic value of frozen split-dollar life insurance arrangements entered into before 1996.

(c) Comprised of Company contributions to the tax qualified Sonoco Retirement and Savings Plan, and the related non-qualified Defined Contribution Restoration component of the Omnibus Benefit Restoration Plan (Restoration Plan), which keeps employees whole with respect to our contributions that were limited by tax law. Effective December 15, 2012, the Sonoco Savings Plan and the Sonoco Investment and Retirement Plan (the SIRP) were combined into one tax qualified defined contribution plan with separate participation rules for both the Company Matching and the Retirement Contribution benefits under this plan. Mr. Tiede is the only NEO eligible for the Retirement Contribution benefit. Similar to the combining of these tax qualified defined contribution plans, the 401(k) Restoration and the SIRP Restoration components of the non-qualified Omnibus Benefit Restoration Plan have also been combined into the Defined Contribution Restoration component of the Omnibus Benefit Restoration Plan.

(d) As executive officers elected after January 1, 2008, Messrs Saunders, Colyer, Tiede and Coker participate in the defined contribution Supplemental Executive Retirement Plan (the DC SERP). The contribution amount is equal to 10% of their 2013 salary and earned incentive and is further described on page 51. Seventy-five percent of the annual contribution will be invested in a fixed interest account based on 120% of the IRS applicable long-term rate and represents the amounts shown in column (d) to this footnote 5. Twenty-five percent of the contribution will be issued in Sonoco deferred restricted stock units and is further described under footnote (1) and disclosed in column (e) of the Summary Compensation Table. The benefit vests at age 55 with at least five years of service as an executive officer.

(e) These amounts represent reimbursement during 2013 for the payment of taxes on company-provided replacement executive life insurance premiums paid pursuant to the frozen executive permanent life insurance program (described on page 33) and are made because of pre-2004 contractual commitments. This benefit will not be extended to additional executives and will no longer be provided once the Company s contractual obligation to covered executives is satisfied. This benefit was eliminated for Mr. Sanders when he was named CEO effective April 1, 2013.

(6) Mr. Tiede elected to defer $48,954 of this amount into a market rate interest account under the Deferred Compensation Plan for Corporate Officers in compliance with IRC Section 409A. The value of this account will not be payable until at least six months after his separation from service from the Company. The Deferred Compensation Plan for Corporate Officers is described under the caption Description of Nonqualified Deferred Compensation Plans on page 51.

(7) Mr. Coker was not an NEO in 2011 or 2012.

(8) Mr. DeLoach received a cumulative base salary of $289,224 prior to his retirement on April 1, 2013. He also received cash payments of $379,500 in Director s fees from April 1, 2013 through December 31, 2013 which are included in Column (i).

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2013 GRANTS OF PLAN-BASED AWARDS

			Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)						
Name (a)	**Grant Date (b1)**	**Committee Action Date (b2)**	**Threshold ($) (c)**	**Target ($) (d)**	**Maximum ($) (e)**	**Threshold (#) (f)**	**Target (#) (g)**	**Maximum (#) (h)**	**All Other Stock Awards: Number of Shares of Stock or Units (#) (i)(3)**	**All Other Option Awards: Number of Securities Underlying Options (#) (4) (j)**	**Exercise or Base Price of Option Awards ($/Share) (k)**	**Grant Date Fair Value of Stock and Option Awards ($) (5) (l)**
M.J. Sanders												
Annual Cash Incentive	NA	02-12-13	$ 349,842	$ 874,606	$ 1,749,211							
SSARs	02-13-13	02-12-13								109,500	$ 32.03	$ 499,320
PCSUs	02-13-13	02-12-13				27,950	55,900	83,850				1,606,007
RSUs	04-01-13	04-01-13							57,821			2,000,028
B.L. Saunders												
Annual Cash Incentive	NA	02-12-13	124,864	312,161	624,322							
SSARs	02-13-13	02-12-13								58,800	32.03	268,128
PCSUs	02-13-13	02-12-13				15,000	30,000	45,000				861,900
J.M. Colyer, Jr.												
Annual Cash Incentive	NA	02-12-13	149,196	372,990	745,980							
SSARs	02-13-13	02-12-13								60,000	32.03	273,600
PCSUs	02-13-13	02-12-13				15,000	30,000	45,000				861,900
R.C. Tiede												
Annual Cash Incentive	NA	02-12-13	146,854	367,136	734,271							
SSARs	02-13-13	02-12-13								60,000	32.03	273,600
PCSUs	02-13-13	02-12-13				15,000	30,000	45,000				861,900
R.H. Coker												
Annual Cash Incentive	NA	02-12-13	120,517	301,293	602,585							
SSARs	02-13-13	02-12-13								34,300	32.03	156,408
PCSUs	02-13-13	02-12-13				8,750	17,500	26,250				502,775
H.E. DeLoach, Jr.												
Annual Cash Incentive	NA	02-12-13	115,690	289,224	578,448							
SSARs	02-13-13	02-12-13									-0- (6)	
PCSUs	02-13-13	02-12-13					-0- (6)					
RSUs	04-01-13	04-01-13							28,911			1,000,031

(1) The amounts in columns (c), (d) and (e) represent the threshold, target and maximum awards established for the 2013 Officer Incentive Plan, as discussed on page 27 of the Compensation Discussion and Analysis and reflected in column (g) of the Summary Compensation Table.

(2) PCSUs awarded in 2013. Information about determining the number of award shares, the performance-based conditions and vesting of these awards is provided on page 30 of the Compensation Discussion and Analysis section.

(3) Mr. Sanders was awarded these RSUs in recognition of his election as Chief Executive Officer. The shares are credited with dividend equivalents, which are not paid out until receipt of the shares. The shares will vest when the time-based restriction lapses on the fifth anniversary of the grant, if Mr. Sanders is actively employed by the Company on that date. This award is further described on page 31, under the caption 2013 Committee Actions Restricted Stock

Units.

Mr. DeLoach received this retention award to ensure an effective transition of CEO responsibilities and for his continued contributions as Executive Chairman of the Board of Directors. The shares will vest on the second anniversary of the grant, if Mr. DeLoach is still an active member of the Board. This award is further described on page 31, under the caption 2013 Committee Actions Restricted Stock Units.

(4) SSARs awarded in 2013. These awards have a one-year vesting period. Information about determining the number of award shares is provided on page 31 of the Compensation Discussion and Analysis.

(5) The value for PCSUs is based on the probable outcome of the performance conditions determined as of grant date, which is the target number of PCSUs multiplied by the grant date fair value. The value of the option awards (SSARs) is based on a binomial model calculation of $4.56 per share on the date of grant.

(6) Mr. DeLoach did not receive a grant in 2013 due to his announced retirement effective April 1, 2013.

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OUTSTANDING EQUITY AWARDS AT 2013 FISCAL YEAR-END

			Option or SSAR Awards					Stock Awards			
Name (a)	Option Grant Date	Option Vest Date	Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#) (d)	Option Exercise Price ($) (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (1) (#) (g)	Market Value of Shares or Units of Stock That Have Not Vested (2) ($) (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Other Rights That Have Not Vested (1) (#) (i)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights That Have Not Vested (2) ($) (j)
M.J. Sanders	04/01/2013							57,821 (3)	$ 2,412,292		
	02/13/2013	02/13/2014		109,500		$ 32.0300	02/13/2020				
	02/13/2013									27,950 (4)	$ 1,166,074
	02/08/2012	02/08/2013	54,300			32.8500	02/08/2019				
	02/08/2012									20,000 (5)	834,400
	02/09/2011	02/09/2012	40,000			36.3400	02/09/2018				
	02/09/2011							20,000 (6)	834,400		
	10/16/2006	10/16/2007	10,000			35.4200	10/16/2016				
B.L. Saunders	02/13/2013	02/13/2014		58,800		32.0300	02/13/2020				
	02/13/2013									15,000 (4)	625,800
	02/08/2012	02/08/2013	36,200			32.8500	02/08/2019				
	02/08/2012									12,650 (5)	527,758
	02/09/2011	02/09/2012	7,500			36.3400	02/09/2018				
	02/09/2011							2,500 (6)	104,300		
J.M. Colyer, Jr.	02/13/2013	02/13/2014		60,000		32.0300	02/13/2020				
	02/13/2013									15,000 (4)	625,800
	02/08/2012	02/08/2013	22,600			32.8500	02/08/2019				
	02/08/2012									8,000 (5)	333,760
	02/09/2011	02/09/2012	18,000			36.3400	02/09/2018				
	02/09/2011							6,000 (6)	250,320		
	02/10/2010	02/10/2011	17,400			28.4800	02/10/2017				
R.C. Tiede	02/13/2013	02/13/2014		60,000		32.0300	02/13/2020				
	02/13/2013									15,000 (4)	625,800
	02/08/2012									6,750 (5)	281,610
	02/09/2011	02/09/2012	14,000			36.3400	02/09/2018				
	02/09/2011							5,000 (6)	208,600		
	02/04/2009							4,007 (7)	167,172		
R.H. Coker	02/13/2013	02/13/2014		34,300		32.0300	02/13/2020				
	02/13/2013									8,750 (4)	365,050
	02/08/2012	02/08/2013	18,900			32.8500	02/08/2019				
	02/08/2012									6,600 (5)	275,352

02/09/2011	02/09/2012	10,000		36.3400	02/09/2018		
02/09/2011						3,000 (6)	125,160
02/06/2008	02/06/2009	4,000		29.3000	02/06/2015		
02/04/2009						4,007 (7)	167,172

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			Option or SSAR Awards					Stock Awards			
Name (a)	**Option Grant Date**	**Option Vest Date**	**Number of Securities Underlying Unexercised Options (#) Exercisable (b)**	**Number of Securities Underlying Unexercised Options (#) Unexercisable (c)**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#) (d)**	**Option Exercise Price ($) (e)**	**Option Expiration Date (f)**	**Number of Shares or Units of Stock That Have Not Vested (1) (#) (g)**	**Market Value of Shares or Units of Stock That Have Not Vested (2) ($) (h)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Other Rights That Have Not Vested (1) (#) (i)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights That Have Not Vested (2) ($) (j)**
H.E. DeLoach, Jr.	04/01/2013							28,911(8)	1,206,167		
	02/08/2012	02/08/2013	131,200			32.8500	02/08/2019				
	02/08/2012									45,850(5)	1,912,862
	02/09/2011	02/09/2012	100,000			36.3400	02/09/2018				
	02/09/2011							33,750(6)	1,408,050		
	02/10/2010	02/10/2011	116,400			28.4800	02/10/2017				
	02/06/2008	02/06/2009	111,000			29.3000	02/06/2015				
	02/02/2005	02/02/2005	80,000			27.3100	02/02/2015				

(1) Except in the event of termination of employment as a result of death, disability, or retirement, termination of a participant s employment prior to vesting will result in forfeiture of any unvested award. Upon consummation of a change in control that meets the criteria as specified under IRC Section 409A and related regulations, all unvested PCSUs will vest at target on a prorata basis if the change in control occurs during the three-year performance period or at threshold on a prorata basis if change in control occurs during the time-vesting period in year four or five. A lump sum payment equal to the aggregate fair market value of the PCSUs will be issued to the participant within 30 days following the change in control unless the PCSUs were subject to a deferral election or mandatory deferral under IRC Section 162(m).

(2) Values of PCSUs shown in column (h) and PCSUs/RSUs shown in column (j) are based on the December 31, 2013, closing price of $41.72.

(3) Represents RSUs awarded to Mr. Sanders upon his election as Chief Executive Officer. The shares will vest at the end of the five year time-based restriction if Mr. Sanders is still employed by the Company. Receipt of shares occurs six months following separation of service. The shares are credited with dividend equivalents, which are not paid out until receipt of the shares. If Mr. Sanders leaves the Company for any reason other than death or disability before the shares vest, the unvested shares are forfeited. The individual grant agreement provides for vesting on a prorata basis in the event of death or disability. Upon consummation of a change in control that meets the criteria of IRC Section 409A and the related regulations, all unvested RSUs will vest on a prorata basis. A lump sum payment equal to the aggregate fair market value of the vested RSUs will be issued to the participant within 30 days following the change in control unless the RSUs were subject to a deferral election or mandatory deferral under IRC Section 162(m). The restricted stock units do not have voting rights.

(4) Represents the number of threshold shares of PCSUs granted February 13, 2013 that will vest on December 31, 2015, if performance criteria are met. The actual number of shares that vest can vary from 0% to 300% of those threshold shares. In the event that threshold performance goals are not attained and vesting at the end of the three-year performance period is less than 50% of the target award opportunity, the difference between 50% of target and what actually vests is deferred and potentially payable in equal share installments at the end of the fourth and fifth year, subject to the participant s continued employment for that period.

(5) Represents the number of threshold shares of PCSUs granted February 8, 2012 that will vest on December 31, 2014, if performance criteria are met. The actual number of shares that vest can vary from 0% to 300% of those threshold shares. In the event that threshold performance goals are not attained and vesting at the end of the three-year performance period is less than 50% of the target award opportunity, the difference between

50% of target and what actually vests is deferred and potentially payable in equal share installments at the end of the fourth and fifth year, subject to the participant s continued employment for that period. In order to retain Mr. DeLoach s services as Executive Chairman, the Committee decided to forego any forfeiture of PCSUs from the 2011 and 2012 grants.

(6) Represents the number of threshold shares of PCSUs granted February 9, 2011. Performance criteria for the 2011-2013 performance cycle were not met, therefore performance awards were not earned. To encourage retention, if less than the number of threshold shares are earned at the end of the three-year performance period, then one-half of the remaining number of threshold shares will vest at the end of year four on December 31, 2014 and one-half at the end of year five on December 31, 2015. Except as provided below, no PCSU will vest if an individual is not employed by the Company on the last day of the fourth year after grant of the award (December 31, 2014), or on the last day of the fifth year after grant of the award (December 31, 2015). In the event of involuntary termination, for reasons other than death or disability, the participant will forfeit all unvested PCSUs. In the case of death, disability or retirement during the fourth and fifth award years, the PCSUs will vest on a prorata monthly basis and be settled at the end of the fourth or fifth award year. The PCSUs to be vested will be calculated on the date of such termination. Upon consummation of a change in control that meets the criteria specified under IRC Section 409A and related regulations, all unvested PCSUs will vest at threshold on a prorata basis if a change in control occurs during the time-vesting period in year four or five. A lump sum payment equal to the aggregate fair market value of the PCSUs will be issued to the participant within 30 days following the change in control unless the PCSUs were subject to a deferral election or mandatory deferral under IRC Section 162(m). In order to retain Mr. DeLoach s services as Executive Chairman, the Committee decided to forego any forfeiture of PCSUs from the 2011 and 2012 grants.

(7) Represents RSUs awarded to Mr. Tiede and Mr. Coker in recognition of their election as corporate officers. The shares are credited with dividend equivalents, which are not paid out until receipt of the shares. The shares vest in three equal increments on the third, fourth and fifth anniversary of the grant. Receipt of shares occurs six months following separation of service. If the executive officer leaves the Company for any reason other than death or disability before the shares vest, the unvested shares are forfeited. The individual grant agreement provides for vesting on a prorata basis in the event of death or disability. Upon consummation of a change in control that meets the criteria of IRC Section 409A and the related regulations, all unvested RSUs will vest on a prorata basis. A lump sum payment equal to the aggregate fair market value of the vested RSUs will be issued to the participant within 30 days following the change in control unless the RSUs were subject to a deferral election or mandatory deferral under IRC Section 162(m). The restricted stock units do not have voting rights.

(8) Represents RSUs awarded to Mr. DeLoach as a retention grant to ensure an effective transition of CEO responsibilities and for his continued and future contributions as the Executive Chairman of the Board of Directors. The shares will vest on the second anniversary of the grant, April 1, 2015, if Mr. DeLoach is still an active member of the Board of Directors. The RSUs are credited with dividend equivalents, which are not paid out until receipt of the shares. If Mr. DeLoach leaves the Board for any reason other than death or disability before the shares vest, the unvested shares are forfeited. The individual grant agreement provides for vesting on a prorata basis in the event of death or disability. Upon consummation of a change in control that meets the criteria of IRC Section 409A and the related regulations, all unvested RSUs will vest on a prorata basis. A lump sum payment equal to the aggregate fair market value of the vested RSUs will be issued to Mr. DeLoach within 30 days following the change in control unless the RSUs were subject to a deferral election or mandatory deferral under IRC Section 162(m). The restricted stock units do not have voting rights.

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2013 OPTION EXERCISES AND STOCK VESTED

The following table provides information about options exercised by our NEOs in 2013 and about RSUs that vested in 2013. No PCSUs vested in 2013.

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise**	**Value Realized on Exercise (1)**	**Number of Shares Acquired on Vesting**	**Value Realized on Vesting (4)**
	(#)	**($)**	**(#)**	**($)**
(a)	**(b)**	**(c)**	**(d)**	**(c)**
M.J. Sanders	104,500	$ 645,765	-0-	-0-
B.L. Saunders	13,900	75,679	3,725 (2)	$ 155,407
J.M. Colyer, Jr.	40,700	501,669	4,023 (2)	167,840
R.C. Tiede	61,900	567,047	3,717 (3)	155,073
R.H. Coker	19,400	162,760	3,717 (3)	155,073
H.E. DeLoach, Jr.	348,000	4,355,770	-0-	-0-

(1) The difference between the market price of the common stock at exercise and the exercise price.

(2) These shares represent one third of the restricted stock units awarded to Mr. Saunders and Mr. Colyer upon their election as corporate officers. The initial grants of 10,000 shares were issued on February 6, 2008, and vest in three increments on the third, fourth and fifth anniversary of the grant. The shares were credited with dividend equivalents during the vesting period. These figures represent the shares and dividend equivalents that vested on the fifth anniversary of the grant in 2013. Mr. Saunders elected to defer receipt of all of these shares until six months following separation of service from the Company and elected a payout option of one, two or three annual installments. Deferred shares are also shown in Column (b) of the 2013 Nonqualified Deferred Compensation table on page 50.

(3) These shares represent one third of the restricted stock units awarded to Mr. Tiede and Mr. Coker upon their election as corporate officers. The initial grants of 10,000 shares were issued on February 4, 2009, and vests in three increments on the third, fourth and fifth anniversary of the grant. The shares were credited with dividend equivalents during the vesting period. These figures represent the shares and dividend equivalents that vested on the fourth anniversary of the grant in 2013. Mr. Tiede and Mr. Coker elected to defer receipt of all of these shares until six months following separation of service from the Company and elected a payout option of one, two or three annual installments. Deferred shares are also shown in Column (b) of the 2013 Nonqualified Deferred Compensation table on page 50.

(4) Based on the closing stock price on the date of vesting.

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2013 PENSION BENEFITS

Name (a)	Plan Name (b)	Number of Years Credited Service (4) (#) (c)	Present Value of Accumulated Benefit (5) ($) (d)	Payments During Last Fiscal Year (6) ($) (e)
M.J. Sanders (1)	Sonoco Pension Plan	25.00	$ 879,942	
	Omnibus Benefit Restoration Plan			
	Pension Restoration Benefit	25.00	3,842,569	
	DB SERP Benefit	26.00	3,106,179	
	Total		7,828,690	
B.L. Saunders (2)	Sonoco Pension Plan	23.50	621,000	
	Omnibus Benefit Restoration Plan			
	Pension Restoration Benefit	23.50	822,233	
	Total		1,443,233	
J.M. Colyer, Jr. (2)	Sonoco Pension Plan	29.00	697,733	
	Omnibus Benefit Restoration Plan			
	Pension Restoration Benefit	29.00	1,402,470	
	Total		2,100,203	
R.C. Tiede (3)				
R.H. Coker (2)	Sonoco Pension Plan	27.50	626,964	
	Omnibus Benefit Restoration Plan			
	Pension Restoration Benefit	27.50	1,155,044	
	Total		1,782,008	
H.E. DeLoach, Jr. (1)	Sonoco Pension Plan	26.25	1,004,778	$ 66,886
	Omnibus Benefit Restoration Plan			
	Pension Restoration Benefit	26.25	10,730,472	681,328
	DB SERP Benefit	27.25	7,393,339	3,821,242
	Total		19,128,589	4,569,456

(1) Messrs DeLoach and Sanders, participate in two Sonoco-sponsored defined benefit pension plans: the Sonoco Pension Plan (the Pension Plan), a tax-qualified plan, and the Restoration Plan of Sonoco Products Company (the Restoration Plan), a nonqualified supplemental retirement plan. The Restoration Plan has two separate defined benefit components: (i) the Pension Restoration component, which compensates our NEOs, as well as other employees, for any benefits lost under the Pension Plan because of pay and benefit limitations set by the IRC, and, (ii) the defined benefit Supplemental Executive Retirement Plan component (the DB SERP), which provides an additional benefit to certain of our executive officers elected before January 1, 2008. Further information about these plans is provided in the narrative discussion below. We adopted the DB SERP in 1979 and amended and restated the DB SERP in 1994 to include the Pension Restoration Benefit.

(2) Messrs Saunders, Colyer and Coker also participate in the Pension Plan and in the Pension Restoration Benefit component of the Restoration Plan. In addition, they participate in the defined contribution Supplemental Executive Retirement Plan (the DC SERP) which is described on page 51.

(3) Mr. Tiede does not participate in the Pension Plan or the Pension Restoration component of the Restoration Plan because he was hired after participation in these plans was frozen. Instead, he participates in the Retirement Contribution component of the broad-based defined contribution Sonoco Retirement and Savings Plan, for employees hired on or after January 1, 2004. In addition, he participates in the Defined Contribution Restoration and the DC SERP components of the Restoration Plan. These plans are described on page 51.

(4) Years of Credited Service under the Sonoco Pension Plan and the Pension Restoration component of the Restoration Plan begin on January 1 or July 1 coincident with or following one year of service. Years of Credited

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Service under the DB SERP component of the Restoration Plan begin on the date of hire. We do not provide extra years of credited service under the plans. Mr. DeLoach retired effective April 1, 2013, and his credited service under the Plans ended March 31, 2013.

(5) We calculate the present values shown in the table using: (i) the same discount rates we use for applicable financial reporting purposes (5.08% for the Pension Plan and 4.55% for the Pension Restoration and the DB SERP components of the Restoration Plan); and (ii) each plan s earliest unreduced retirement age (age 65 for the Pension Plan and the Pension Restoration and DB SERP components of the Restoration Plan as discussed below). The present values shown in the table reflect post-retirement mortality, based on the applicable financial reporting assumption (the RP2000 Combined Healthy mortality table generationally projected with Scale AA as of December 31, 2013), but do not include an assumption of pre-retirement termination, mortality or disability.

The elements of compensation considered in determining the DB SERP benefit payable to the NEOs are the compensation shown in the Salary and Non-Equity Incentive Plan Compensation columns of the Summary Compensation Table on page 39.

(6) Payments under the plans in connection with Mr. DeLoach s retirement effective April 1, 2013.

Sonoco Pension Plan

The Sonoco Pension Plan is a defined benefit retirement plan and covers the majority of employees in the United States, and certain U.S. expatriate employees hired prior to 2004. Effective December 31, 2003, the Company froze participation for newly hired salaried and non-union hourly U.S. employees in the pay-based formula. The Sonoco Pension Plan was further amended in 2009 to freeze benefit accruals for all participants, effective December 31, 2018. The Sonoco Pension Plan provides participants with a life annuity annual benefit at normal retirement equal to the sum of A plus B minus C plus D below.

A. $42 multiplied by years of benefit service (up to 30); plus

B. 1.67% of five-year final average earnings multiplied by years of benefit service (up to 30); minus

C. 1.67% of the Social Security Primary Insurance Amount multiplied by years of benefit service (up to 30); plus

D. 0.25% of five-year final average earnings multiplied by years of benefit service in excess of 30 years.

Final average earnings are the average of the five highest calendar years (which do not have to be consecutive) of compensation. For this purpose, the NEOs earnings reflect salary and annual incentives that are paid in the same year subject to the annual limit imposed by the IRC ($255,000 in 2013).

Benefit service begins at the date of commencement of participation, which is the January 1 or July 1 coincident with or following one year of service.

Participants become fully vested in their retirement benefit upon the earlier of completion of five years of service or attainment of age 55. The benefit is payable on an unreduced basis at age 65. Employees may choose to commence their benefits as early as age 55, with subsidized early retirement reductions of 3.6% per year from age 65.

If the participant is disabled prior to retirement, the participant s benefit is determined as if he or she terminated employment on the date of disability. Upon death prior to retirement, if the participant is fully vested and survived by his or her spouse, the spouse will receive a pre-retirement survivor annuity. The preretirement survivor annuity is equal to 50% of the accrued benefit in the Pension Plan, adjusted for the 50% joint and survivor form of payment and reduced for early commencement, and is payable at the later of the participant s death or the participant s earliest retirement age.

The Sonoco Pension Plan offers several optional forms of payment, including joint and survivor annuities, period certain annuities and level income annuities. The benefit paid under any of these options is actuarially equivalent to the life annuity benefit produced by the formula described above.

Pension Restoration and DB SERP Components in the Restoration Plan

The Pension Restoration component under the Restoration Plan is provided to Sonoco employees hired before 2004 (including the NEOs with the exception of Mr. Tiede) to compensate for any benefits lost under the Sonoco

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Pension Plan because of pay and benefit limitations set by the IRC. Generally, the terms and conditions of the Pension Restoration component (subject to the requirements of IRC Section 409A) are consistent with the provisions, terms and conditions of the Pension Plan, which are discussed above under the caption Sonoco Pension Plan. The Pension Restoration component of the Restoration Plan was amended in 2009 to freeze benefit accruals effective December 31, 2018.

The DB SERP component under the Restoration Plan is provided only to designated officers elected before January 1, 2008, including Mr. DeLoach and Mr. Sanders. With 15 years of service and retirement at age 65, it provides an annual payment equal to 60% replacement of final average earnings offset by the Sonoco Pension Plan benefit, the Pension Restoration benefit and full Social Security benefits. Officers elected before January 1, 2006, become fully vested in their DB SERP benefit upon the completion of five years service in the DB SERP. Officers elected after January 1, 2006, become fully vested in their DB SERP benefit upon completion of five years service in the DB SERP and attainment of age 55. The DB SERP benefit was amended to freeze benefit accruals effective December 31, 2018, to be consistent with the 2009 amendments to freeze accruals in the Sonoco Pension Plan and the Pension Restoration component of the Restoration Plan.

The annual DB SERP benefit payable to a participant who separates from service and retires at age 65 is calculated by multiplying 4.0% of three-year final average cash earnings, with the product further multiplied by years of benefit service to a maximum of 15 years. Benefit service under the DB SERP begins at the date of hire. If a participant retires prior to age 65, the retirement benefit is reduced by a fraction, the numerator of which is the participant s total benefit service to the participant s date of separation and the denominator of which is the participant s benefit service projected to age 65. The retirement benefit is further offset by the participant s Pension Plan benefit, the Pension Restoration benefit and full Social Security benefits. If a participant retires prior to age 62, the benefit is further reduced by subsidized early retirement reductions of 3% per year from age 62. (In this case, however, the Social Security benefit offset would not begin until the participant attains age 62.)

Final average cash earnings for the DB SERP benefit are the average of the three highest calendar years (which do not have to be consecutive) of compensation in the last seven years before retirement. For this purpose, the NEOs earnings include salary and the annual incentive earned with respect to each such calendar year.

The DB SERP benefit is calculated as a 75% joint and survivor annuity for a participant who has been married for at least one year, and a 10-year certain and life annuity for all other participants.

Mr. Sanders is eligible to retire under the DB SERP. Mr. Sanders has elected to receive the actuarially equivalent value of the DB SERP in three equal installments after retirement in lieu of the monthly 75% joint and survivor annuity or the 10-year certain and life annuity.

In the event of disability, the annual Restoration Plan disability benefit payable is equal to the early retirement DB SERP benefit, the combined family Social Security benefits, the Pension Restoration benefit and Sonoco Pension Plan benefit. If the early retirement DB SERP benefit (prior to the conversion to the actuarially equivalent value of the DB SERP benefit noted above), when added to the officer s combined family Social Security benefits and Pension Plan benefit, is less than 60% of current base salary, the difference will be payable from the Long-Term Disability Plan. When the benefit from the Long-Term Disability Plan ends, any unpaid DB SERP installments, and Pension Restoration and the Pension Plan benefits would continue.

Mr. Sanders is eligible for disability benefits under the Restoration Plan since he is at least 55 years of age and is eligible to retire.

Mr. DeLoach retired effective April 1, 2013 and commenced benefits under the terms of the Pension Plan and the Pension Restoration and DB SERP components of the Restoration Plan. Mr. DeLoach elected to receive the actuarially equivalent value of the DB SERP benefit, and received his initial installment in October, 2013.

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2013 NONQUALIFIED DEFERRED COMPENSATION

Name (a)	Executive Contributions in 2013 (1) (4) ($) (b)	Registrant Contributions in 2013 (4) ($) (c)	Aggregate Earnings in 2013 (2) (4) ($) (d)	Aggregate Withdrawals/ Distributions in 2013 ($) (e)	Aggregate Balance at End of 2013 (3) (4) ($) (f)
M.J. Sanders					
Defined Contribution Restoration Benefit (5)	-0-	$ 16,683	$ 35,586	-0-	$ 320,042
Deferred PCSUs/RSUs	$ 2,471,802	-0-	1,719,197	-0-	8,049,102
B.L. Saunders					
Defined Contribution Restoration Benefit (5)	-0-	6,614	8,068	-0-	74,674
Deferred PCSUs/RSUs	-0-	-0-	146,133	-0-	496,923
Defined Contribution Supplemental Executive Retirement Plan (Deferred Cash)	-0-	59,667	5,275	-0-	252,273
Defined Contribution Supplemental Executive Retirement Plan (Deferred Stock)	-0-	13,011	26,233	-0-	87,424
J.M. Colyer, Jr.					
Defined Contribution Restoration Benefit (5)	-0-	8,001	16,619	-0-	114,695
Defined Contribution Supplemental Executive Retirement Plan (Deferred Cash)	-0-	68,630	7,026	-0-	325,177
Defined Contribution Supplemental Executive Retirement Plan (Deferred Stock)	-0-	14,694	34,653	-0-	114,914
R.C. Tiede					
1991 Officer Deferred Compensation Plan	90,073	-0-	987	-0-	91,060
Defined Contribution Restoration Benefit (5)	-0-	38,342	45,191	-0-	481,478
Deferred PCSUs/RSUs	-0-	132,730	77,058	-0-	324,613
Defined Contribution Supplemental Executive Retirement Plan (Deferred Cash)	-0-	67,553	6,422	-0-	302,055
Defined Contribution Supplemental Executive Retirement Plan (Deferred Stock)	-0-	13,872	30,309	-0-	100,733
R.H. Coker					
Defined Contribution Restoration Benefit (5)	-0-	6,300	8,990	-0-	63,366
Deferred PCSUs/RSUs	-0-	132,605	77,053	-0-	324,484
Defined Contribution Supplemental Executive Retirement Plan (Deferred Cash)	-0-	57,590	5,680	-0-	265,006
Defined Contribution Supplemental Executive Retirement Plan (Deferred Stock)	-0-	13,006	26,817	-0-	89,297
H.E. DeLoach, Jr.					
1983 Officer Deferred Compensation Plan	-0-	-0-	389,336	$ 484,674	3,728,057
1991 Officer Deferred Compensation Plan	-0-	-0-	11,546	5,119	49,288
Defined Contribution Restoration Benefit (5)	-0-	14,872	58,114	874,980	441,820