



**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
OF CCL INDUSTRIES INC.  
MAY 9, 2017**

NOTICE is hereby given that the annual and special meeting (the "Meeting") of shareholders of **CCL INDUSTRIES INC.** (the "Company") will be held at the corporate offices of the Company at Suite 500, 105 Gordon Baker Road, Toronto, Ontario M2H 3P8, at 1:00 p.m. (Toronto time), on Tuesday, May 9, 2017, for the following purposes:

1. to receive the 2016 Annual Report of the Company containing the audited consolidated financial statements of the Company for the financial years ended December 31, 2016, and December 31, 2015, and the auditor's report thereon;
2. to elect eleven directors;
3. to re-appoint the auditor and authorize the directors to fix the auditor's remuneration;
4. to consider and if thought appropriate, to approve a special resolution, in the form set forth in Schedule A of this Management Proxy Circular, authorizing an amendment to the Articles of the Company to subdivide each of the issued and outstanding Class A voting shares and Class B non-voting shares of the Company on a five for one basis; and
5. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

By Order of the Board of Directors,

Lalitha Vaidyanathan  
Senior Vice President,  
Finance – IT – Human Resources

Toronto, Ontario  
March 20, 2017

**NOTES TO NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

1. Holders of Class B non-voting shares of the Company are not entitled to vote on any matters proposed for consideration at the Meeting.
2. Registered holders of Class A voting shares who are unable to be present at the Meeting in person are requested to specify on the accompanying form of proxy the manner in which the shares represented thereby are to be voted and to date, sign and return the same in the enclosed, return postage prepaid envelope provided for that purpose to CST Trust Company, Attention: Proxy Department, P.O. Box 721, Agincourt, ON M1S 0A1, for delivery by 1:00 p.m. EDT on the last business day before the Meeting or for deposit with the Chairman or the Secretary at the Meeting. Proxies may also be returned by personal delivery to CST Trust Company, 320 Bay Street, Basement Level (B1), Toronto, Ontario, or by fax to (416) 368-2502 (or toll free to 1 (866) 781-3111) or by email to [proxy@canstockta.com](mailto:proxy@canstockta.com).
3. If you are a non-registered holder of Class A voting shares and receive these materials through your broker or another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or intermediary.
4. As provided in the *Canada Business Corporations Act*, the directors have fixed a record date of March 24, 2017. Accordingly, holders of Class A voting shares registered on the books of the Company at the close of business on March 24, 2017, are entitled to notice of and to vote at the Meeting.
5. A copy of the 2016 Annual Report of the Company containing the financial statements referred to in this notice accompanies this notice.



**MANAGEMENT PROXY CIRCULAR OF  
CCL INDUSTRIES INC.**

**SOLICITATION OF PROXIES AS OF MARCH 20, 2017  
FOR USE AT THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON MAY 9, 2017**

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## SOLICITATION OF PROXIES

**THIS MANAGEMENT PROXY CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF CCL INDUSTRIES INC. (THE “COMPANY”) FOR USE AT THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS** of the Company (the “Meeting”) to be held at the corporate offices of the Company at Suite 500, 105 Gordon Baker Road, Toronto, Ontario M2H 3P8, at 1:00 p.m. (Toronto time), on Tuesday, May 9, 2017, for the purposes set out in the accompanying Notice of Meeting, and at any adjournment(s) thereof. Holders of Class A voting shares who are unable to be present at the Meeting in person are requested to complete, sign, date and return the accompanying form of proxy to CST Trust Company, Attention: Proxy Department, P.O. Box 721, Agincourt, ON M1S 0A1, by 1:00 p.m. EDT on the last business day before the Meeting. An addressed envelope with the postage prepaid accompanies this Management Proxy Circular and may be used for such purpose. Proxies may also be returned by personal delivery to CST Trust Company, 320 Bay Street, Basement Level (B1), Toronto, Ontario, or by fax to (416) 368-2502 (or toll free to 1 (866) 781-3111) or by email to proxy@canstockta.com. The solicitation will be primarily by mail; however, the directors, officers and employees of the Company may also solicit proxies by telephone, by facsimile or in person. The cost of solicitation by management will be borne by the Company.

## APPOINTMENT OF PROXYHOLDER

The persons named in the accompanying form of proxy are officers and directors of the Company and shall represent management at the Meeting. **A holder of Class A voting shares desiring to appoint some other person (who need not be a shareholder of the Company) to represent him or her at the Meeting may do so** either by inserting such other person’s name in the blank space provided in the form of proxy or by completing another form of proxy and in either case by mailing the completed form of proxy addressed to CST Trust Company, Attention: Proxy Department, P.O. Box 721, Agincourt, ON M1S 0A1, by delivering the form of proxy personally to CST Trust Company, 320 Bay Street, Basement Level (B1), Toronto, Ontario, or by fax to (416) 368-2502 (or toll free to 1 (866) 781-3111) or by email to proxy@canstockta.com at any time up to and including 1:00 p.m. on the last business day preceding the day of the Meeting or any adjournment(s) thereof, or by delivering it to the Chairman or the Secretary of the Meeting at the beginning of the Meeting or any adjournment(s) thereof.

## REVOCAION OF PROXIES

A proxy may be revoked by a holder of Class A voting shares (or, if such shareholder is a corporation, by a duly authorized officer or attorney thereof) by depositing an instrument in writing executed by the shareholder or by such shareholder’s attorney authorized in writing (or, if the shareholder is a corporation, by an officer or attorney thereof authorized in writing) either with the Director – Corporate Administration of the Company at the Company’s registered office at Suite 500, 105 Gordon Baker Road, Toronto, Ontario M2H 3P8, at any time up to and including 1:00 p.m. on the last business day preceding the date of the Meeting or any adjournment(s) thereof, at which the proxy is to be used, or with the Chairman or the Secretary of the Meeting, up to the beginning of the Meeting or any adjournment(s) thereof. A proxy may also be revoked in any other manner permitted by law.

## EXERCISE OF DISCRETION BY PROXYHOLDER

The Class A voting shares represented by the accompanying form of proxy will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions of the shareholder executing the proxy, and if such shareholder specifies a choice with respect to any matter to be acted on at the Meeting, the Class A voting shares will be voted or withheld from voting accordingly. **In the**

**absence of such instructions, such shares will be voted (i) on the election of the directors, in favour of each of the directors named in this Management Proxy Circular; (ii) on the reappointment of KPMG LLP, Chartered Accountants, as the auditor of the Company, in favour of such reappointment, and to authorize the directors to fix the remuneration of the auditor and (iii) on the special resolution to approve an amendment to the Articles of the Company to subdivide each of the issued and outstanding Class A voting shares and Class B non-voting shares of the Company on a five for one basis, in favour of the special resolution.** A simple majority of the Class A voting shares voted on any resolution is required to carry any matter proposed to be placed before the Meeting for a vote, other than with respect to the election of directors and the reappointment of KPMG LLP as the auditor of the Company, which are determined by a plurality and other than with respect to the stock split, which requires the approval of two-thirds of the votes cast in respect thereof by holders of the Class A voting shares. Please refer to the third paragraph under the heading “Election of Directors” on page 8, concerning the Company’s policy on voting for directors.

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting. At the time of the printing of this Management Proxy Circular, management knows of no such amendments or other matters to come before the Meeting other than the matters specifically identified in the accompanying Notice of the Meeting. If, however, amendments or other matters properly come before the Meeting or any adjournment thereof, the persons designated in the accompanying form of proxy will vote thereon in accordance with their judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

#### **VOTING BY NON-REGISTERED SHAREHOLDERS**

Only registered holders of Class A voting shares or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Class A voting shares beneficially owned by a person (a “Non-Registered Holder”) are registered either:

- (i) in the name of an intermediary (an “Intermediary”) (which may include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans) that the Non-Registered Holder deals with in respect of the shares; or
- (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101, the Company has distributed copies of this Management Proxy Circular and the accompanying Notice of Meeting together with the form of proxy (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Frequently, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived their right to receive Meeting Materials will either:

- (i) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder, but which is not otherwise completed. Since the Intermediary has already signed the form of proxy, this form of proxy is not required to be

signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified above under "Appointment of Proxyholder" and "Revocation of Proxies"; or

- (ii) more typically, be given a voting instruction form, which must be completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company in accordance with the directions accompanying the voting instruction form. A Non-Registered Holder receiving a voting instruction form cannot use that voting instruction form to vote shares directly at the Meeting; rather, the voting instruction form must be returned to the Intermediary or service company well in advance of the Meeting in order to have those shares voted.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the shares they beneficially own. A Non-Registered Holder who wishes to attend and vote at the Meeting in person (or to have another person attend and vote on behalf of the Non-Registered Holder) should print the name of the Non-Registered Holder (or such other person) in the blank space provided for that purpose in the first paragraph of the proxy form or, in the case of a voting instruction form, follow the corresponding instructions on that form. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary and its service company, as applicable. The Company will cover the cost of delivering the Annual Report, this Management Proxy Circular and a form of proxy to those Non-Registered Holders entitled to vote at the Meeting who are Objecting Beneficial Owners.

## **CLASS B NON-VOTING SHARES**

The *Canada Business Corporations Act* provides that each share of a corporation carries the right to vote in respect of certain transactions involving that corporation, even if such share does not otherwise carry the right to vote. Such transactions include an amalgamation with another corporation (other than with wholly owned subsidiaries), continuance under the laws of another jurisdiction, certain amendments to the articles of the corporation altering the corporation's share capital and a sale, lease or exchange of all or substantially all of the corporation's property, other than in the ordinary course of business of the corporation. Apart from such voting rights created under the *Canada Business Corporations Act*, the holders of Class B non-voting shares do not normally have the right to vote at any meeting of shareholders of the Company. **Holders of Class B non-voting shares have no right to participate in a take-over bid made for the Class A voting shares of the Company.** The Articles of the Company provide, however, that if a take-over bid is made for the Class A voting shares and the value of the consideration paid for any of such shares acquired exceeds 115% of the market price of the Class B non-voting shares (calculated in accordance with the Regulation to the *Securities Act* (Ontario) as such Regulation existed on June 27, 1983, being the date of creation of the Class B non-voting shares) and if it is determined by the directors of the Company, after the take-over bid is complete, that the offeror has become the beneficial owner of, or exercises control or direction over, Class A voting shares carrying more than 50% of the votes to which the holders of the Class A voting shares are entitled, there will be deemed to have been a change in control of the Company. In such event, the Class B non-voting shares will become entitled to one vote per share (but the dividend entitlement attached to such shares will thereafter be the same as the dividend entitlement attached to the Class A voting shares) unless the same offer is made to the holders of the outstanding Class B non-voting shares.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The board of directors has established March 24, 2017, as the record date for the Meeting (the “record date”). As of March 20, 2017, there are issued and outstanding 2,367,475 Class A voting shares and 32,950,360 Class B non-voting shares. Each Class A voting share carries the right to one vote per share. The Class B non-voting shares, as stated above, carry no vote in respect of any matter identified in the Notice of the Meeting to be brought before the Meeting. Only the holders of Class A voting shares are entitled to vote on such matters. Each holder of issued and outstanding Class A voting shares of record at the time of the close of business on the record date will be given notice of the Meeting and will be entitled to vote at the Meeting in person or by proxy the number of Class A voting shares of record held by such holder on the record date.

To the knowledge of the directors and officers of the Company, the only person or company beneficially owning, or controlling or directing, directly or indirectly, 10% or more of the issued and outstanding Class A voting shares of the Company is 1281228 Ontario Inc., a private Ontario company that exercises control or direction over 2,241,880 Class A voting shares, being 94.7% of the issued and outstanding shares of that class on the date hereof. Donald G. Lang, Director and Executive Chairman of the Company, and Stuart W. Lang, Director, each control one half of the issued and outstanding shares of 1281228 Ontario Inc. (see Note 2 under “Election of Directors” below).

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **ELECTION OF DIRECTORS**

The Articles of the Company provide that the board of directors of the Company shall consist of a minimum of five directors and a maximum of fifteen directors. The board of directors of the Company has fixed the number of directors to be elected at the Meeting at eleven. Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote for the election of each of the eleven nominees whose names are set forth below. All eleven of the nominees are now members of the board of directors of the Company and have been so since the dates indicated in the tables below.


Management does not contemplate that any of the nominees will not be able to serve as directors, but if that should occur for any reason prior to the Meeting, the persons named in the accompanying form of proxy reserve the right to vote for another nominee at their discretion unless the shareholder has specified in the form of proxy that such shares are to be withheld from voting on the election of directors. Each director elected will hold office until the next annual meeting of shareholders or until his or her successor is duly elected unless prior thereto the director resigns or the director’s office becomes vacant by reason of death or other cause.

It is the policy of the Company that directors shall be elected by a majority of the votes cast at a meeting called for such purposes. If at a non-contested meeting, any director is elected to the board with more votes “withheld” than votes cast in favour of his or her election, then such director shall tender his or her resignation from the board and its committees within 90 days. The board must accept the resignation of such director, absent exceptional circumstances. The Company shall promptly issue a news release with the board’s decision, and, if the board decides not to accept the resignation, the news release will state the reasons for that decision. The Company shall issue a news release following the election of directors disclosing the voting results.

At the annual and special meeting of shareholders of the Company held May 5, 2016, proxies were received for 2,243,709 out of 2,376,525 issued and outstanding Class A voting shares. Only holders of Class A voting shares are eligible to vote for the election of directors. Each of the persons standing for election as directors at that meeting received 100% of the votes cast at the said meeting.

The following tables and the notes thereto state the names of all persons proposed to be nominated for election as directors, all other positions and offices with the Company, or any of its significant affiliates now held by them, their principal occupations or employments, their periods of service as directors of the Company (including any predecessor thereof), their attendance at board and committee meetings and the number of securities of the Company beneficially owned, or controlled or directed, directly or indirectly, by each of them as of March 15, 2017. Information as to the number of shares beneficially owned, controlled or directed, directly or indirectly by each nominee, not being within the knowledge of the Company, has been furnished by the respective nominees individually and is given as of March 15, 2017. Attendance figures set forth in the tables are based on attendance at regularly scheduled meetings of the board and its committees.

The board of directors has constituted an Audit Committee, a Human Resources Committee, a Nominating and Governance Committee, and an Environment and Health & Safety Committee (the "Committees"). Members of the Committees are identified in the tables set forth below.

	Director since: November 6, 1997 New York, U.S.A Independent Age: 72 Chair of the Nominating and Governance Committee Member of the Audit Committee		<b>Paul J. Block</b> – Mr. Block is Chairman and CEO of Proteus Capital Associates, an investment banking firm. He is also an Executive Mentor with Merryck & Company. From January 1, 2013, until November 15, 2013, Mr. Block was President and CEO of Brasil Beauté, a cosmetics firm. Until December 31, 2012, Mr. Block was also an operating partner of Behrman Capital, a private equity firm. Mr. Block's U.S. and international experience and insight as past Chairman and President of Revlon International and his long career in the cosmetics and personal care products industry have proven most valuable as the Company pursues penetration into foreign markets. Mr. Block is also a director of the China Retail Fund and a director of the Shanghai-Syracuse University International School of Business. Specific expertise that Mr. Block brings to the board includes marketing, international commerce, sourcing and implementing private equity transactions, strategy development and packaging industry knowledge.					
	<b>Attendance</b>							
Meetings of the Board of Directors							5/5	100%
Meetings of the Board Committees							8/8	100%
<b>Securities Held</b>								
<b>As at:</b>	<b>Class A Shares</b>	<b>Class B Shares</b>	<b>Options<sup>(1)</sup></b>	<b>DSUs<sup>(2)</sup></b>	<b>Total Shares &amp; DSUs</b>	<b>Value of Shares &amp; DSUs</b>	<b>Shareholding Target</b>	<b>Multiple of Basic Retainer</b>
March 15, 2017	Nil	Nil	Nil	15,437	15,437	\$4,621,066	\$353,089	39.26
<b>Net Change in Equity Ownership Since March 14, 2016</b>								
	<b>Class A Shares</b>	<b>Class B Shares</b>		<b>DSUs</b>				
	-	-		Acquired 289				





Director since:  
December 19, 2016  
Ontario, Canada  
Independent  
Age: 57

**Vincent J. Galifi** – Mr. Galifi is currently Executive Vice President and Chief Financial Officer of Magna International, a leading global automotive supplier. During Mr. Galifi's 27-year career at Magna, his responsibilities have included Director of Taxation & Insurance, Vice President & Controller, Vice President Finance and Executive Vice President Finance and Chief Financial Officer. Mr. Galifi, in addition to his responsibilities within the Finance Department, serves on the Executive Management Committee, the Disclosure Committee and Policy & Procedures Committee as well as advisor to the Audit Committee and the Corporate Governance and Compensation Committee of Magna. Mr. Galifi has a Bachelor of Commerce degree, with high distinction, from the University of Toronto. He obtained his C.P.A. designation in 1984 and is a member of the Institute of Chartered Accountants of Ontario. Mr. Galifi brings to the board extensive international financial knowledge, strategic know how and global acquisition experience.

**Attendance**

Meetings of the Board of Directors <sup>(4)</sup>	1/1	100%
Meetings of the Board Committees	n/a	n/a

**Securities Held**

<b>As at:</b>	<b>Class A Shares</b>	<b>Class B Shares</b>	<b>Options<sup>(1)</sup></b>	<b>DSUs<sup>(3)</sup></b>	<b>Total Shares &amp; DSUs</b>	<b>Value of Shares &amp; DSUs</b>	<b>Shareholding Target</b>	<b>Multiple of Basic Retainer</b>
March 15, 2017	Nil	Nil	Nil	74	74	<b>\$22,152</b>	\$262,500	0.25

**Net Change in Equity Ownership Since March 14, 2016**

<b>Class A Shares</b>	<b>Class B Shares</b>	<b>DSUs</b>
-	-	Acquired 74



Director since:  
November 5, 2008  
California, U.S.A.  
Independent  
Age: 65  
Chair of the Human  
Resources Committee  
Member of the  
Nominating and  
Governance Committee

**Edward E. Guillet** – Mr. Guillet’s principal occupation is that of an independent human resources consultant/advisor. Prior to January 1, 2007, he was Senior Vice President, Human Resources, Procter & Gamble-Gillette Global Business Unit, a consumer products company. Prior to October 1, 2005, he was Senior Vice President and Chief Human Resources Officer, and an executive officer of The Gillette Company, a personal care products company. Mr. Guillet held positions of increasing responsibility and scope with The Gillette Company, now Procter & Gamble, since 1974. He is a director of Waste Connections, Inc., a NYSE-listed solid waste management company. He sits on its Compensation Committee and is Chair of its Nominating & Corporate Governance Committee. Mr. Guillet brings to the board extensive experience in global human resources strategy, operations and executive compensation.

**Attendance**

Meetings of the Board of Directors	5/5	100%
Meetings of the Board Committees	8/8	100%

**Securities Held**

As at:	Class A Shares	Class B Shares	Options <sup>(1)</sup>	DSUs <sup>(2)</sup>	Total Shares & DSUs	Value of Shares & DSUs	Shareholding Target	Multiple of Basic Retainer
March 15, 2017	Nil	Nil	Nil	13,521	13,521	\$4,047,511	\$353,089	34.39

**Net Change in Equity Ownership Since March 14, 2016**

Class A Shares	Class B Shares	DSUs
-	-	Acquired 273



Director since:  
January 1, 2015  
Ontario, Canada  
Independent  
Age: 60  
Lead Director  
Member of the  
Nominating and  
Governance Committee  
Member of the  
Environment and Health  
& Safety Committee

**Kathleen L. Keller-Hobson** – Ms. Keller-Hobson’s principal occupation is that of a corporate director. Ms. Keller-Hobson is also a member of the board of Premium Brands Holdings Corporation. Prior to January 2015, Ms. Keller-Hobson was a corporate and securities law partner at Gowling Lafleur Henderson LLP and, prior to October 2011, at Bennett Jones LLP, both international law firms. Prior to October 2006, Ms. Keller-Hobson was a corporate and securities law partner at Torys LLP, also an international law firm, where she practised for 25 years including nine years as Managing Partner of its London, England, office. Ms. Keller-Hobson obtained her Bachelor of Laws degree from the University of Ottawa in 1979. During her 35-year legal career, Ms. Keller-Hobson advised global businesses and boards of directors on significant transactions, critical business issues and risk management. She brings to the board extensive experience in mergers and acquisitions, corporate finance and corporate governance.

		<i>Attendance</i>						
Meetings of the Board of Directors		5/5	100%					
Meetings of the Board Committees		7/7	100%					
<i>Securities Held</i>								
<i>As at:</i>	<i>Class A Shares</i>	<i>Class B Shares</i>	<i>Options<sup>(1)</sup></i>	<i>DSUs<sup>(2)</sup></i>	<i>Total Shares &amp; DSUs</i>	<i>Value of Shares &amp; DSUs</i>	<i>Shareholding Target</i>	<i>Multiple of Basic Retainer</i>
March 15, 2017	Nil	650	Nil	1,176	1,826	<b>\$546,613</b>	\$262,500	6.25
<i>Net Change in Equity Ownership Since March 14, 2016</i>								
	<i>Class A Shares</i>	<i>Class B Shares</i>	<i>DSUs</i>					
	-	Acquired 650	Acquired 424					



Director since:  
May 23, 1991  
Ontario, Canada  
Not Independent

Age: 62

Executive Chairman of  
the Board

Member of the Human  
Resources Committee

**Donald G. Lang** – Mr. Donald Lang is Executive Chairman of the Company. Prior to May of 2008, Mr. Lang was Vice Chairman and CEO and, prior to May of 2005, President and CEO. He has held positions of progressive responsibility in the Company and its subsidiaries since 1982, including President of the Company's then largest division, CCL Custom Manufacturing, Inc., based in Chicago. Mr. Lang holds a business graduate degree (HBA) from the Richard Ivey School of Business of the University of Western Ontario. Mr. Lang is also a member of the boards of AGF Management Ltd., CCC Group, formerly known as Canada Colors and Chemicals Limited, Sunnybrook Health Science Centre, and a member of the boards of a private company and a non-profit organization. Mr. Lang brings to the board his intimate knowledge of the Company, including its key people, customers and markets.

#### Attendance

Meetings of the Board of Directors	5/5	100%
Meetings of the Board Committees	4/4	100%

#### Securities Held

As at:	Class A Shares	Class B Shares	Options <sup>(1)</sup>	DSUs <sup>(2)</sup>	Total Shares & DSUs	Value of Shares & DSUs	Shareholding Target	Multiple of Base Salary
March 15, 2017	150 <sup>(2)</sup>	15,985 <sup>(2)</sup>	131,740	Nil	16,135	\$4,830,012	\$4,788,000	6.05

#### Net Change in Equity Ownership Since March 14, 2016

Class A Shares	Class B Shares	DSUs
-	Disposed 42,000	-



Director since:  
December 19, 2016  
Ontario, Canada  
Not Independent  
Age: 32

**Erin M. Lang** – Ms. Lang is currently the Managing Director of LUMAS Canada, a for-profit distributor of limited edition photographic art. Prior to April 2014, she was Major Gifts Officer for the Alzheimer Society Toronto. Ms. Lang has a Master of Science degree in Non-profit Management from the Milano School of Management and Urban Policy and a Bachelor of Science degree in Communications from Boston University. She brings to the board her in-depth knowledge of the Company.

**Attendance**

Meetings of the Board of Directors <sup>(4)</sup>	1/1	100%
Meetings of the Board Committees	n/a	n/a

**Securities Held**

As at:	Class A Shares	Class B Shares	Options <sup>(1)</sup>	DSUs <sup>(2)</sup>	Total Shares & DSUs	Value of Shares & DSUs	Shareholding Target	Multiple of Basic Retainer
March 15, 2017	Nil	Nil	Nil	74	74	\$22,152	\$262,500	0.25

**Net Change in Equity Ownership Since March 14, 2016**

Class A Shares	Class B Shares	DSUs
-	-	Acquired 74



Director since:  
May 23, 1991  
Ontario, Canada  
Not Independent

Age: 66

Member of the  
Environment and  
Health & Safety  
Committee

**Stuart W. Lang** – The principal occupation of Mr. Stuart Lang is that of corporate director. Prior to November of 2015, Mr. Lang was Head Football Coach for Guelph University. Prior to his retirement as an officer of the Company on January 31, 2006, Mr. Lang was President of CCL Label International, and was headquartered in England. Mr. Lang has a bachelor's degree in chemical engineering from Queen's University at Kingston, Ontario. Following a very successful early career with the Edmonton Eskimos of the Canadian Football League, Mr. Lang became involved in the Company in 1982, moving through positions of progressive responsibility and gaining depth of industry knowledge. As a result, Mr. Lang brings to the board wide experience in the technology, manufacturing and markets of the label industry as well as a thorough knowledge of the Label Division of the Company.

#### *Attendance*

Meetings of the Board of Directors	5/5	100%
Meetings of the Board Committees	3/3	100%

#### *Securities Held*

<i>As at:</i>	<i>Class A Shares</i>	<i>Class B Shares</i>	<i>Options<sup>(1)</sup></i>	<i>DSUs<sup>(3)</sup></i>	<i>Total Shares &amp; DSUs</i>	<i>Value of Shares &amp; DSUs</i>	<i>Shareholding Target</i>	<i>Multiple of Basic Retainer</i>
March 15, 2017	Nil <sup>(2)</sup>	23,610 <sup>(2)</sup>	Nil	5,979	29,589	<b>\$8,857,467</b>	\$262,500	101.23

#### *Net Change in Equity Ownership Since March 14, 2016*

<i>Class A Shares</i>	<i>Class B Shares</i>	<i>DSUs</i>
-	-	Acquired 212



Director since:  
 October 27, 2005  
 Massachusetts, U.S.A.  
 Not Independent  
 Age: 62  
 President and CEO

**Geoffrey T. Martin** – Mr. Martin joined CCL as President of the Label Division in April 2001. In May 2008, he assumed the role of President and CEO of the Company. Educated in the U.K., Mr. Martin is an international business leader with a proven track record in turnarounds, mergers and acquisitions. Mr. Martin has extensive experience building greenfield businesses in both consumer and industrial markets. Prior to joining the Company, he was the Senior Group Vice President, Worldwide Converting Graphic and Specialty Tapes, with Avery Dennison Company. Mr. Martin brings to the board his thorough industry knowledge and his understanding and appreciation of operating issues as well as his first-hand experience in mergers and acquisitions and the integration of newly acquired facilities.

<i>Attendance</i>		
Meetings of the Board of Directors	5/5	100%

<i>Securities Held</i>								
<i>As at:</i>	<i>Class A Shares</i>	<i>Class B Shares</i>	<i>Options<sup>(1)</sup></i>	<i>DSUs<sup>(3)</sup></i>	<i>Total Shares &amp; DSUs</i>	<i>Value of Shares &amp; DSUs</i>	<i>Shareholding Target</i>	<i>Multiple of Base Salary</i>
March 15, 2017	Nil	179,254 <sup>(5)</sup>	117,500	Nil	179,254	<b>\$53,659,685</b>	\$7,948,800	40.50

<i>Net Change in Equity Ownership Since March 14, 2016</i>			
	<i>Class A Shares</i>	<i>Class B Shares</i>	<i>DSUs</i>
	-	-	-



Director since:  
November 9, 2016  
Pennsylvania, U.S.A.  
Independent  
Age: 62

**Douglas W. Muzyka** – The principal occupation of Mr. Muzyka is as Chief Science and Technology Officer of E.I. DuPont de Nemours, an international manufacturer of chemical products, specialty materials, consumer and industrial products. Prior to 2010, Mr. Muzyka was President of DuPont, Greater China and DuPont China Holding Co. Ltd. Prior to July of 2006, Mr. Muzyka was Vice President and General Manager of DuPont Nutrition and Health, and President and CEO of E.I. DuPont de Nemours Canada Company. Until January of 2003, Mr. Muzyka was President and General Manager of DuPont Mexico. Since joining the DuPont organization as a research scientist in 1985, Mr. Muzyka has held numerous key management roles within the company in Hong Kong, the U.S.A., Mexico and Canada. Mr. Muzyka holds bachelor's, master's and doctorate degrees in chemical engineering from the University of Western Ontario. To complement his strong operational and administrative skills, Mr. Muzyka also brings to the board considerable experience in new plant start-ups and new venture development in international venues. Mr. Muzyka was previously a director of the Company from June 8, 2006 to May 7, 2015.

	<i>Attendance</i>	
Meetings of the Board of Directors <sup>(4)</sup>	2/2	100%
Meetings of the Board Committees	n/a	n/a

<i>Securities Held</i>								
<i>As at:</i>	<i>Class A Shares</i>	<i>Class B Shares</i>	<i>Options<sup>(1)</sup></i>	<i>DSUs<sup>(3)</sup></i>	<i>Total Shares &amp; DSUs</i>	<i>Value of Shares &amp; DSUs</i>	<i>Shareholding Target</i>	<i>Multiple of Base Salary</i>
March 15, 2017	Nil	Nil	Nil	164	164	<b>\$49,093</b>	\$353,089	0.42

<i>Net Change in Equity Ownership Since March 14, 2016</i>		
	<i>Class A Shares</i>	<i>Class B Shares</i>
	-	-
		<i>DSUs</i>
		Acquired 164





Director since:  
June 4, 2003  
Ontario, Canada  
Independent  
Age: 69  
Chair of the Audit  
Committee  
Member of the  
Nominating and  
Governance Committee

**Thomas C. Peddie** – Mr. Peddie's principal occupation is that of a corporate director. Prior to September 1, 2016, Mr. Peddie was Executive Vice President and CFO of Corus Entertainment Inc., a publicly traded media company listed on the TSX. Mr. Peddie has been President of WIC Western International Communication; acting President, CFO, and Senior Vice President, Operations, of CTV Television Network; and CFO of The Toronto Sun Publishing Company, Canada Packers, and for the international operations of Campbell Soup in Camden, New Jersey. Mr. Peddie is a chartered accountant and was awarded his FCA designation by the Institute of Chartered Accountants of Ontario in September 2003. He holds an honours Bachelor of Commerce degree from the University of Windsor. Along with his knowledge in matters of finance both domestic and international, Mr. Peddie has experience concerning the financial reporting and control requirements of the TSX, the Province of Ontario, the New York Stock Exchange and the U.S. Securities Exchange Commission.

**Attendance**

Meetings of the Board of Directors	5/5	100%
Meetings of the Board Committees	8/8	100%

**Securities Held**

<i>As at:</i>	<i>Class A Shares</i>	<i>Class B Shares</i>	<i>Options<sup>(1)</sup></i>	<i>DSUs<sup>(3)</sup></i>	<i>Total Shares &amp; DSUs</i>	<i>Value of Shares &amp; DSUs</i>	<i>Shareholding Target</i>	<i>Multiple of Basic Retainer</i>
March 15, 2017	Nil	2,000	Nil	30,830	32,830	<b>\$9,827,661</b>	\$262,500	112.32

**Net Change in Equity Ownership Since March 14, 2016**

<i>Class A Shares</i>	<i>Class B Shares</i>	<i>DSUs</i>
-	-	Acquired 412



Director since:  
June 24, 2014  
Ontario, Canada  
Independent

Age: 55

Member of the Human  
Resources Committee

Chair of Environment  
and Health & Safety  
Committee

**Mandy Shapansky** – Ms. Shapansky’s principal occupation is that of a corporate director. Prior to January 1, 2015, Ms. Shapansky was President and Chief Executive Officer of Xerox Canada, a document management company. In her previous role, Ms. Shapansky had responsibility for all Canadian operations including human resources, finance, customer service, marketing and sales. Ms. Shapansky holds an Honours BA in Economics from the University of Waterloo, is a Chartered Accountant and serves as a director on the boards of Catalyst Canada, the Conference Board of Canada and Canadian Manufacturers and Exporters’ (CME) Manufacturing Council of CEOs. Together with her principal skills as a former CEO, Ms. Shapansky brings to the board her experience in matters of accounting, her facility with human resources issues and her understanding of concerns in both business to business and business to consumer/retail commerce.

<b>Attendance</b>								
Meetings of the Board of Directors						5/5	100%	
Meetings of the Board Committees						7/7	100%	
<b>Securities Held</b>								
<b>As at:</b>	<b>Class A Shares</b>	<b>Class B Shares</b>	<b>Options<sup>(1)</sup></b>	<b>DSUs<sup>(3)</sup></b>	<b>Total Shares &amp; DSUs</b>	<b>Value of Shares &amp; DSUs</b>	<b>Shareholding Target</b>	<b>Multiple of Basic Retainer</b>
March 15, 2017	Nil	Nil	Nil	1,579	1,579	<b>\$472,674</b>	\$262,500	5.40
<b>Net Change in Equity Ownership Since March 14, 2016</b>								
	<b>Class A Shares</b>	<b>Class B Shares</b>	<b>DSUs</b>					
	-	-	Acquired 177					

**NOTES:**

- (1) Values set forth below the heading “Options” constitute vested and unvested options to purchase Class B non-voting shares held by the director. Directors do not participate in the Company’s Employee Share Option Plan in their capacity as directors. Options held by Mr. Donald Lang and Mr. Geoffrey Martin were received by them only in their capacity as corporate officers and employees, and not in their capacity as directors.
- (2) In addition to the shareholdings shown in the table, Mr. Donald G. Lang and Mr. Stuart W. Lang each own one half of the shares of 1281228 Ontario Inc., a private Ontario corporation. 1281228 Ontario Inc. exercises control or direction over 2,241,880 Class A voting shares and 4,880,000 Class B non-voting shares of the Company.
- (3) “DSUs” are ‘deferred share units’ described under the heading ‘Deferred Share Unit Plan,’ on page 40 below.
- (4) Mr. Muzyka was appointed a director on November 9, 2016. Ms. Lang and Mr. Galifi were appointed directors on December 19, 2016.
- (5) The number includes 50,000 Restricted Share Units. Please refer to the paragraph under the heading ‘Restricted Share Unit Plan,’ below.

**APPOINTMENT AND REMUNERATION OF AUDITOR**

Unless authority to vote is withheld, persons named in the accompanying form of proxy intend to vote for the reappointment of KPMG LLP, Chartered Accountants, of Toronto, Ontario, as the auditor of the Company to hold such appointment until the next annual meeting of shareholders, and to authorize the directors of the Company to fix the remuneration of the auditor. KPMG LLP has been the auditor of the Company for more than five years.

## **AMENDMENT OF ARTICLES TO SUBDIVIDE THE CLASS A VOTING SHARES AND CLASS B NON-VOTING SHARES OF THE COMPANY**

The Meeting will be asked to consider and if thought appropriate, to approve a special resolution in the form set forth in Schedule A of this Management Proxy Circular, authorizing an amendment to the Articles of the Company to subdivide each of the issued and outstanding Class A voting shares and Class B non-voting shares of the Company on a five for one basis.

The proposed subdivision of the Company's shares will increase the number of issued and outstanding Class A voting shares and Class B non-voting shares by five times and is expected to initially reduce the trading price per share by approximately the same multiple. The board of directors believes that the subdivision may encourage greater market liquidity and wider distribution of its shares among a broader investor base. The board of directors recommends a vote "For" the special resolution.

The proposed subdivision of the Company's shares will not change the rights of holders of Class A voting shares and Class B non-voting shares and will not change a shareholder's proportionate ownership in the Company. The five for one subdivision of the Company's shares will result in the amount of the difference between the dividends on the Class A voting shares and on the Class B non-voting shares provided for in the Articles of the Company (currently \$.05 more per Class B non-voting share) being proportionally reduced as provided in the Articles of the Company (to \$.01 more per Class B non-voting share) upon the subdivision becoming effective.

In addition, as a result of the subdivision of the Company's shares, there will be certain consequential adjustments to the outstanding options to purchase Class B non-voting shares and to the Company's share based incentive compensation plans to preserve, proportionately, the rights of holders of outstanding options, DSUs and RSUs. The number of outstanding options, DSUs and RSUs will increase by a multiple of five and option exercise prices will equal one-fifth of the existing exercise prices. These adjustments will not take effect until the share subdivision becomes effective.

Under existing Canadian income tax law, the proposed share subdivision will not result in taxable income or in any gain or loss to the holders of Class A voting shares or Class B non-voting shares. The adjusted cost base of each issued and outstanding share upon the share subdivision becoming effective will be an amount equal to one-fifth of the adjusted cost base of such share immediately before the share subdivision becomes effective.

The special resolution approving the proposed subdivision of the Company's shares requires the approval of a majority of not less than two-thirds of the votes cast in person or by proxy in respect thereof by holders of Class A voting shares. Unless a choice is otherwise specified, it is intended that Class A voting shares represented by the proxies hereby solicited will be voted in favour of the special resolution.

Assuming that the special resolution is passed by the required majority described above, the special resolution grants to the board of directors of the Company the discretion to revoke the special resolution prior to the share subdivision becoming effective without further approval of the shareholders. Subject to the exercise of such discretion by the board of directors, articles of amendment in prescribed form will be filed with the Director under the Canada Business Corporations Act and such articles of amendment will become effective upon the issuance by the Director of a Certificate of Amendment.

Shareholders of record as of the close of business on May 26, 2017 (the "Record Date") will be provided with additional share certificates representing the additional Class A voting shares or Class B non-voting shares, as applicable, to which they are entitled as a result of the share subdivision.

Shareholders will receive four additional Class A voting shares or four additional Class B non-voting shares, as applicable, for each Class A voting share or Class B non-voting share held. It is currently expected that the Company or its transfer agent, CST Trust Company, will mail these certificates on or about June 5, 2017 (the "Payment Date").

In accordance with the applicable rules of the Toronto Stock Exchange (the "TSX"), the Class A voting shares and the Class B non-voting shares will trade on a due bill basis from May 24, 2017 (being two trading days prior to the Record Date) to the Payment Date, inclusively. A due bill is an entitlement attached to listed securities undergoing a material corporate action, such as a share subdivision. In this instance, the entitlement is to the additional Class A voting shares and Class B non-voting shares issuable as a result of the share subdivision. Any trades that are executed on the TSX during this period will be flagged to ensure purchasers receive the entitlement to the additional shares issuable as a result of the share subdivision. Ex-distribution trading in the Class A voting shares and Class B non-voting shares on a split-adjusted basis will commence on June 6, 2017, as of which date purchases of Class A voting shares and Class B non-voting shares will no longer have the attaching entitlement to the additional shares. The due bill redemption date will be June 8, 2017.

Shareholders do not need to take any action. Currently outstanding share certificates representing Class A voting shares and Class B non-voting shares will continue to be effective and should be retained by shareholders and should not be forwarded to the Company or its transfer agent. Those beneficial shareholders who hold their Class A voting shares or Class B non-voting shares in an account through a brokerage account, will have their account automatically updated to reflect the share subdivision.

## **CALCULATION OF FOREIGN EXCHANGE AND OTHER VALUES**

Values related to compensation and benefits of directors and officers and other matters are presented in this document in Canadian dollars. Where any such value was originally calculated in United States dollars, such values have been converted into Canadian dollars based on the Bank of Canada average year-to-date exchange rate as of December 31, 2016, of US\$1.00=C\$1.3248 for the 2016 fiscal year, as of December 31, 2015, of US\$1.00=C\$1.2787 for the 2015 fiscal year, and as of December 31, 2014, of US\$1.00=C\$1.1045 for the 2014 fiscal year. Where any such value was originally calculated in euros, such values have been converted into Canadian dollars based on the Bank of Canada average year-to-date exchange rate as of December 31, 2016, of €1.00=C\$1.4660 for the 2016 fiscal year, as of December 31, 2015, of €1.00=C\$1.4182 for the 2015 fiscal year, and as of December 31, 2014, of €1.00=C\$1.4671 for the 2014 fiscal year. Where a value is stated to be given as of February 28, 2017, the February 28 Bank of Canada noon conversion rate of US\$1.00=C\$1.3248 is applied, and where a value is stated to be given as of March 15, 2017, the March 15 Bank of Canada noon conversion rate of US\$1.00=C\$1.3451 is applied. For purposes of the various calculations in this document, the closing price of Class B non-voting shares on the Toronto Stock Exchange was \$263.80 on December 30, 2016, and \$299.35 on March 15, 2017.

## **USE OF NON-IFRS MEASURES**

The Company utilizes non-IFRS measures to set targets for its short-term and long-term incentive plans. These measures do not have standardized meanings under IFRS and are not necessarily comparable to similarly named measures used by other companies. These measures, and reconciliations to the most directly comparable measures calculated in accordance with IFRS, are described in detail in section 5 of the Company's Management's Discussion and Analysis; however, in setting compensation targets, the Company excludes the effect of foreign exchange. This additional adjustment is made so that bonus payments to executives will be based on performance and will not increase or decrease due to foreign currency translation. The non-IFRS measures used in the Company's incentive plans are as follows.

**Adjusted Basic Earnings per Class B non-voting Share** is utilized as a measure in the Company's annual incentive plan to consider the ongoing earnings performance excluding items of a one-time or non-recurring nature and is defined as basic net earnings per Class B non-voting share excluding gains on dispositions, goodwill impairment loss, restructuring and other items and tax adjustments. For incentive plan purposes, adjusted basic earnings per Class B non-voting share is then adjusted to exclude foreign currency translation ("adjusted earnings per share"). Any adjustments to the earnings per share calculation for incentive purposes are reviewed in detail by the Audit Committee and recommended to the HR Committee.

**Operating Income** is utilized as a measure in the Company's annual incentive plan for operational executives as an indicator of the profitability of the Company's business units and their actual performance and is defined as income before corporate expenses, net finance costs, goodwill impairment loss, earnings in equity accounted investments, restructuring and other items and tax. Operating income as defined above is also used in the Company's Long-Term Incentive Plan, or "LTIP" (described under the heading "Long-Term Incentive Plan," below). The operating income improvement target established for the LTIP is cumulative over the three year LTIP period and is adjusted to exclude the effect of foreign currency translation ("cumulative operating income").

## **NAMED EXECUTIVE OFFICERS**

Throughout the report on executive compensation contained in this document, reference is made to the "NEOs," or "named executive officers" of the Company. These persons were, at December 31, 2016, the Executive Chairman, the President and Chief Executive Officer ("CEO"), the Senior Vice President and Chief Financial Officer ("CFO"), and the three other most highly compensated executive officers of the Company, being the Senior Vice President, Finance-IT-Human Resources, CCL Industries; the President, Home & Personal Care Worldwide and the President, Food & Beverage Worldwide and Healthcare & Specialty Worldwide, both of whom operate within the Label segment of the Company. Compensation and benefits of NEOs are paid in the currency of the country in which they are resident. However, for purposes of the tables and narratives throughout this document, such values that have been paid in US dollars and euros have been converted into Canadian dollars at the rates indicated above under the heading "Calculation of Foreign Exchange and Other Values."

## **COMPENSATION DISCUSSION AND ANALYSIS**

### **Compensation and the Human Resources Committee**

The Human Resources Committee (the "HR Committee") is comprised of two independent directors and one non-independent director who have the knowledge and experience to fulfill the HR Committee's mandate. They are Mr. Edward Guillet (Chairman), Mr. Donald Lang and Ms. Mandy Shapansky. Mr. Guillet, former Senior Vice President, Human Resources, of Procter and Gamble-Gillette Global Business Unit, brings significant knowledge and practical experience in all aspects of human resources to the HR Committee. Mr. Lang and Ms. Shapansky have held senior executive positions with multinational experience and are well versed in issues relating to human resources management and compensation.

The HR Committee establishes executive compensation policies, monitors their implementation and oversees the Option Plan (as defined and described under the heading "Employee Stock Option Plan," below) and the pension plans of the Company. In addition, the HR Committee is charged with monitoring the Company's talent management and succession planning, and recommends the appointment of the Company's officers and the terms and conditions of their appointment or termination. In setting policy, the HR Committee takes into account the advice of independent consultants, makes reference to market and survey data, considers input from senior management and

aligns compensation programs with the operating philosophy and strategic initiatives of the Company. While the HR Committee may rely on external information and advice, all decisions with respect to executive compensation are made in the sole judgment of the Committee and the board of directors and may reflect other factors and considerations.

Please refer to the section entitled “Charter of the Human Resources Committee” under the heading “Statement of Corporate Governance Practices” below for additional disclosure regarding the HR Committee’s mandate and the use of independent compensation consultants.

### **Compensation Decision Making**

Each year, the HR Committee reviews the compensation of the CEO and other officers of the Company relative to performance and market factors. The compensation of the Executive Chairman is reviewed by the Nominating and Governance Committee. Executive compensation programs are reviewed considering external competitiveness and internal equity. The Company’s policy is to use the market median with the potential of top quartile total compensation for superior performance of both the Company and the individual executive. The HR Committee utilizes information provided by independent consultants and management to review external competitiveness, which is further described under the title “Benchmarking Compensation,” below. Recommendations to the board concerning the compensation of the Executive Chairman are brought forward by the Nominating and Governance Committee. The HR Committee makes recommendations to the board of directors for the approval of the compensation of the CEO, and approves the compensation levels of other officers of the Company. Approval of incentive plan payments is included in the above process. The annual incentive plan is structured with clearly defined guidelines and performance targets such that limited discretion is required by the HR Committee or the Nominating and Governance Committee, as applicable, and the board of directors to determine payouts, as described under the heading “Annual Incentive Plans,” below.

### **Human Resources Committee and Compensation Advisors**

#### *Executive Compensation-related Fees*

In support of its evaluation of executive pay for 2015, at the beginning of that year, the HR Committee retained the services of Willis Towers Watson to provide advice on the competitiveness of compensation levels and programs for the CEO and other senior executives. In 2016, the HR Committee commissioned Willis Towers Watson to update the executive pay analysis for the CEO. Fees paid to Willis Towers Watson for executive compensation matters were \$48,364 in 2015 and \$58,775 in 2016. The HR Committee elected to use data from the 2015 survey for other senior executives and age it instead of engaging in a new analysis, as very little had changed from the 2015 data. The HR Committee originally retained Willis Towers Watson in 2009 to provide a report on competitive executive compensation.

#### *All Other Related Fees*

The Company uses Willis Towers Watson for consulting, administration, accounting and disclosure of its Canadian executive pension plan. Fees paid to Willis Towers Watson for pension consulting and administration were \$51,327 in 2015 and \$34,936 in 2016. Services provided by Willis Towers Watson that are not related to executive compensation do not require pre-approval by the HR Committee.

## Compensation Risk Management

The HR Committee oversees risk management as an integral part of its role to review and approve executive compensation. The HR Committee reviews annually the Company's executive compensation programs to identify potential risks that may be associated with these plans and practices. Upon completing this review in 2016, the HR Committee concluded that the Company's current compensation programs do not encourage undue risk-taking. This conclusion was drawn after consideration of the Company's executive compensation philosophy, the mix and balance of compensation plans and their associated metrics and governance. The following summarizes the risk-mitigating features of the compensation program:

- There is an appropriate balance between fixed and variable executive compensation as well as short-term and long-term incentives discouraging the attainment of short-term goals at the expense of longer term strategic initiatives.
- Consistent, auditable performance metrics exist within the Company requiring operating income improvement and growth in earnings per share, both of which are inclusive of a number of key performance metrics and are aligned with shareholder value.
- Incentive plans and metrics are reviewed annually to ensure continued alignment with business strategy and the Company's shareholders.
- Regular tracking and reporting is provided to the HR Committee regarding the potential payout of incentives which enables the monitoring of the associated performance and the identification of possible risks.
- Payments of incentive plans are capped and may be zero, if minimum performance thresholds are not achieved.
- Equity awards are vested over a period of time and not on the date of the grant.
- The Company has established share ownership requirements for key executives, NEOs and members of the board of directors that provide the same exposure to the risks and rewards of share ownership as that of the Company's other shareholders.
- A policy is in place that prohibits directors and executives from purchasing financial instruments that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held directly or indirectly by the directors and executives.
- The Company has well-established policies and procedures that specify predetermined limits to the authority of individual executives and managers to make financial and operational decisions, which contribute to the mitigation of undue risk-taking by any one individual. These policies are included in ongoing audits to ensure compliance.
- The HR Committee retains independent compensation advisors to provide advice regarding the competitiveness of the Company's executive compensation programs and best practices and trends in compensation design within the marketplace when required.
- The board of directors retains discretion to reduce or increase incentive targets and awards, except for those associated with the Company's Option Plan, in the event the plans trigger an inappropriate result.

## **CEO Recoupment Policy (Claw Back)**

The Company has adopted a CEO Recoupment Policy. Under such policy, the board of directors has the discretion to cancel, withhold or claw back the CEO's bonus, LTIP awards (including Stock Options), or other incentive compensation awarded or paid during a two-year period preceding the filing or public disclosure of a material financial restatement, where the financial restatement has resulted from or been contributed to by the negligence, willful misconduct or fraud of the CEO. Any claw back would be on the relevant amount net of any tax consequences to the CEO.

## **Succession Planning**

The Company has a formal succession planning process for the CEO and other senior executives that is monitored by the HR Committee. Each year, the HR Committee reviews the availability and development of leadership candidates for the roles of the CEO and other senior executives. The HR Committee discusses any gaps in the succession plan and the progress made since the prior review. The board of directors is responsible for approving the succession plan for the CEO.

## **Compensation Philosophy and Program Objectives**

The Company has an entrepreneurial culture and a decentralized operating style, which are considered in determining the Company's executive compensation programs. These programs are developed to encourage superior performance, attract and retain talented executives and align the executives' interests with those of the Company's shareholders. The main objectives of the Company's executive compensation program are:

- to provide executives with a competitive balanced portfolio of compensation that is consistent with the Company's decentralized operating model and objectives;
- to drive high performance and focus executives on the areas for which they are accountable;
- to motivate executives to achieve individual and overall Company success and improvement in shareholder value; and
- to attract individuals who have the skills and leadership to drive the Company's growth and success and retain the Company's existing talent.

## **Benchmarking Compensation**

To assist the Company in meeting its objective of providing competitive compensation to its executives, the Company regularly benchmarks its compensation plans against market data obtained from proxy circulars of select publicly traded companies. Survey and proxy information relating to compensation for executives in Canada and the United States is provided through consulting firms designated or approved by the HR Committee.

It is the Company's policy to position compensation at the median of the market with the potential for top quartile total compensation based on superior performance of the executive and the Company. As a policy, compensation is typically benchmarked against market data from the region or country in which the executive resides and/or works. For purposes of conducting its review of executive compensation, the HR Committee approves a select sample of U.S. publicly traded organizations (the "Proxy Reference Group"). The Proxy Reference Group selected by the HR Committee for the U.S. is identified in the chart below. These companies were selected because they are generally in a comparable industry, the specialty packaging sector, and their revenues and/or market capitalization is



in same range as the Company. Since there is no appropriate industry comparable in Canada, the Company utilized survey data from Willis Towers Watson, which included data from sixty-nine Canadian publicly-traded general industry companies (excluding financial services organizations).

In 2016, the HR Committee retained Willis Towers Watson to benchmark compensation levels for the role of the President and CEO. This information was considered by the HR Committee in determining 2016 compensation. The composition of the Proxy Reference Group utilized to determine the competitiveness of the Company's executive compensation is reviewed regularly by the HR Committee for its ongoing relevance to the Company's business and benchmarking practice. The Proxy Reference Group is utilized to gather competitive information to benchmark compensation only and are not used to benchmark Company performance.

<b>Proxy Reference Group for Compensation</b>			
<b>Company</b>	<b>Industry</b>	<b>Revenues (US\$)</b>	<b>Market Capitalization (US\$)</b>
Crown Holdings Inc.	Metal and Glass Containers	8.3 billion	7.6 billion
Sealed Air Corporation	Paper Packaging	6.8 billion	9.4 billion
Berry Plastics Group, Inc.	Plastic Packaging	6.4 billion	6.6 billion
Avery Dennison Corporation	Labeling & Packaging Materials	6.1 billion	6.5 billion
Packaging Corporation of America	Containerboard Packaging and Paper	5.8 billion	8.6 billion
Sonoco Products Co.	Consumer Packaging	4.9 billion	5.5 billion
Graphic Packaging Holding Company	Consumer Packaging	4.3 billion	4.0 billion
Bemis Company, Inc.	Flexible Packaging	4.0 billion	4.6 billion
Silgan Holdings Inc.	Specialty Packaging	3.6 billion	3.2 billion
Zebra Technologies Corporation	Printing and Locator Technology	3.6 billion	4.4 billion
KapStone Paper and Packaging Corporation	Paper and Forest Products	3.1 billion	2.3 billion
AptarGroup, Inc.	Specialty Packaging	2.3 billion	4.8 billion

### **Compensation Elements**

The Company's executive compensation program is comprised of both fixed and variable components. The variable components are designed to incentivize and reward performance and include both non-equity and equity incentive plans. The three basic elements of the executive compensation program are base salary, annual cash incentive plans and long-term incentive plans, which may utilize equity and cash. The Company also provides other elements of compensation consisting of benefits, perquisites and retirement plans. NEOs' at-risk pay ranges from approximately 65% to 83% of total direct compensation.

### **Base Salaries**

Base salaries compensate executives for the role they perform for the Company. Salaries are determined using comparative data as described above and considering individual circumstances that

may include the scope of the position and the executive's qualifications, level of experience and performance. Salary adjustments require approval by two levels of the organization. The HR Committee considers and, if appropriate, approves adjustments to base salaries on an annual basis for officers of the Company and recommends the base salary of the CEO to the board of directors for approval. Base salary and salary adjustments for the Executive Chairman are recommended to the board by the Nominating and Governance Committee. Salaries of officers of the Company who reside and work in the United States are set based on compensation data from that geographic market as noted above. Officers resident outside North America and operating on a worldwide basis are compensated on a parity basis with such officers resident in North America. The Nominating and Governance Committee and HR Committee also consider the financial performance of the Company as well as the individual performance of the executive when approving salaries for officers and in their recommendation to the board of directors in regard to salary adjustments for the Executive Chairman and for the CEO, respectively. Salary adjustments are typically implemented effective March 1st.

### **Annual Incentive Plans**

The Company's annual Senior Management Incentive Plans, referred to as "SMIPs," are designed to encourage and recognize annual financial and operational performance. Each year, performance targets for the Company and its business units are established for the purpose of evaluating performance and determining payouts under the SMIP. Target cash bonus awards are established based on a predefined percentage of salary and ranged from 60% to 100% of base salary for NEOs in 2016. Actual awards can range from zero to up to a maximum of two times the target award. The performance measures and associated payout opportunities are dependent upon participation in the SMIP as a corporate executive or an operational executive. Corporate executives generally have responsibilities that span the overall Company. Operational executives are responsible for specific areas of operations, which may be based on geographic regions, product type or market sector.

### **Corporate Executives**

Annual bonuses are paid to the Executive Chairman, the CEO, the CFO, the Senior Vice President Finance-IT-Human Resources, CCL Industries and other senior officers, based on the growth in adjusted earnings per share (as defined under the heading "Use of Non-IFRS Measures," above) over the prior year.

Target bonus is paid if 5% growth in adjusted earnings per share ("EPS") over the prior year is achieved and increases up to a maximum of two times target bonus if adjusted EPS reaches or exceeds 120% of prior year. Bonuses are payable at 50% of target bonus if adjusted EPS remains at 100% of prior year and no bonus is payable if less than 90% of the prior year's adjusted EPS is achieved. Adjusted EPS is utilized as the sole measure of the SMIP because it encompasses many critical measures within the business and aligns with value creation for shareholders. Each year, the HR Committee and the board of directors review and approve the basis and targets for the SMIP. In the event that improvement in adjusted EPS is not achieved, the HR Committee and the board of directors have discretion to recommend and approve payment, on a selective basis, of below-target bonuses based on the achievement of other key objectives designed to enhance the Company's growth prospects for the future. The HR Committee may also recommend a reduced payout in the event the plan triggers an inappropriate result.

In 2016, adjusted EPS improved by 33% over 2015 adjusted EPS resulting in bonus payments of 200% of target bonus. Bonus payments for 2016 were based solely on the achievement of the adjusted EPS growth in accordance with SMIP criteria and were not adjusted to reflect individual performance criteria.

## **Operational Executives**

The 2016 SMIP established for operational executives was based on the achievement of budgeted operating income and sales growth for the segments of the business for which the executives are responsible. The President of Home & Personal Care Worldwide and the President of Food & Beverage Worldwide and Healthcare & Specialty Worldwide participate in this plan and received bonuses based on the budgeted performance of their respective business sectors. In 2016, target bonus for both of these presidents was 70% of base salary if 100% of operational budget was achieved with a maximum of 200% of target bonus if 120% of operational budget was achieved. Actual performance of the Home & Personal Care sector exceeded target by 20.2% resulting in a bonus payment to the President of Home & Personal Care Worldwide of 200% of target bonus. The President of Food & Beverage Worldwide and Healthcare & Specialty Worldwide was paid 200% of target bonus based on exceeding budget for this sector by 21.1%.

## **Long-Term Incentive Plans**

The Company utilizes Long-Term Incentive Plans (“LTIPs”) in order to:

- focus management on the development and implementation of longer term strategic and growth initiatives of the Company;
- attract and retain key executives; and
- align the interests of the Company’s executives with those of its shareholders.

All LTIP awards are granted at the discretion of the board of directors based on the position and impact of the executive on the Company’s performance. The long-term incentive program is approved by the board of directors based on the recommendation of the HR Committee after review of the recommendation of the Executive Chairman and the President and CEO. LTIP grants to the Executive Chairman are recommended by the Nominating and Governance Committee and approved by the board. The LTIP grant for the President and CEO is recommended by the HR Committee and approved by the board of directors. The grant levels for other participants are recommended by the President and CEO and approved by the HR Committee.

LTIP awards may consist of cash and/or Restricted Share Units (“RSUs”), which are awarded under the Restricted Share Unit Plan (the “RSU Plan”) or stock options granted under the Option Plan. The combination of these vehicles varies by plan participant. The Company utilizes both equity and cash awards because it aligns value creation with the interests of the shareholders and provides tax effectiveness for plan participants.

## **2016-2018 LTIP**

In 2016, the board of directors approved an LTIP for the years 2016 through 2018 (the “2016-2018 LTIP”). This plan utilizes a combination of cash and RSUs. Awards under the 2016-2018 LTIP were granted in 2016, the first year of the three year LTIP period, and are generally paid out at the end of the LTIP period based on the achievement of the performance described below, which were established and approved by the HR Committee and the board of directors.

Neither awards nor payments are made under the Cash LTIP or RSU LTIP (as described below) on an annual basis, and the plans are sequential and do not overlap from year to year. Elements of these plans are described below.

## ***Cash LTIP***

Target awards under the cash portion of the LTIP (the “Cash LTIP”) are established based on the executive’s scope of responsibility and impact on Company performance. Payment of the Cash LTIP is based on the achievement of performance targets for the applicable LTIP period. Performance targets were established based on the Company’s overall cumulative operating income improvement (referred to in this document as “performance criteria”) and were approved by the board of directors. Under the terms of the 2013-2015 Cash LTIP, the achievement of the performance criterion of approximately \$81.4 million of cumulative operating income improvement adjusted for foreign exchange resulted in payment of the Cash LTIP.

In the case of the 2016-2018 Cash LTIP, the target performance criteria are \$192.7 million of cumulative operating income improvement adjusted for foreign exchange. The achievement of only 90% of the performance criteria would result in payment of only 50% of the payment target. No payout would be made for achievement of less than 90% of performance criteria. The 2016-2018 LTIP includes additional cash bonus payments for above 100% performance limited to a \$6.4 million (US\$4.8 million) maximum pool payout to the participants. The performance criterion of cumulative operating income was selected to focus executives on longer term operational improvement and was inclusive of other key performance metrics. The LTIP performance criteria are cumulative over the LTIP period, and the bonus is not earned on a yearly basis. Participants have to be employed on March 1 of the year following the end of the LTIP period to be eligible for any payment made under the Cash LTIP.

The President and CEO receives all LTIP awards in equity only and does not participate in the Cash LTIP.

## ***Restricted Share Unit Plan***

RSUs are awarded to eligible LTIP participants at the beginning of the three year LTIP period and cliff vest upon the meeting of the required criteria. RSUs awarded under the 2016-2018 LTIP will only vest if the Company achieves its operating income targets, as described above in respect of the 2016-2018 Cash LTIP. RSUs are not granted on an annual basis. Class B non-voting shares are purchased on the open market and are held in a Rabbi trust until the RSU Plan criteria for payout of RSUs are met and approved by the board of directors. Payout of the RSU Plan is made to eligible participants in shares held by the Rabbi trust. Dividends paid on shares held by the Rabbi trust under the RSU Plan are reinvested in Class B non-voting shares, which vest on the same basis as the original awards.

Grant amounts are established based on the executive’s scope of responsibility and impact on the organization. RSUs under the 2016-2018 LTIP were awarded to Mr. Martin, Mr. Washchuk, Ms. Vaidyanathan, Mr. Rubino and Mr. Birkner on May 5, 2016, the date of the approval of the allocation and grant under the 2016-2018 RSU LTIP. On May 5, 2016, the Class B non-voting shares were valued on the Toronto Stock Exchange (“TSX”) at \$233.00 per share.

The Company uses the market value of the share price at the time of grant to calculate the value of compensation associated with the RSUs and to account for the expense with consideration for the accretion of shares due to dividend reinvestment. The value of RSUs issued under the 2016-2018 LTIP has been disclosed in the Summary Compensation Table as 2016 compensation. However, the value of this plan is expensed by the Company over its three-year term.

Participants in these plans include a number of executives including the NEOs with the exception of the Executive Chairman.

## **Employee Stock Option Plan**

The Option Plan was established to focus executive attention on the long-term interests of the Company and growth in shareholder value. Pursuant to the Option Plan, the board of directors is authorized, at its discretion, to issue options to employees and officers of the Company to acquire Class B non-voting shares of the Company in accordance with the Option Plan and the rules of the TSX. The stock options are granted at the closing price on the TSX of Class B non-voting shares on the day prior to the effective date of the grant. The board of directors has the discretion to vary the vesting provisions of grants issued under the Option Plan. When option grants are issued under the LTIP program to achieve specific LTIP objectives, the vesting terms may be set to resemble those attaching to other LTIP performance criteria.

Stock option grants are considered on an annual basis as part of the compensation review for executive officers as recommended by the Executive Chairman and by the CEO, and approved by the board of directors on recommendation from the HR Committee. Options granted to the Executive Chairman are recommended by the Nominating and Governance Committee, and option grants to the CEO are recommended by the HR Committee and both are approved by the board of directors. Option grant levels are determined based on the scope of the executive's position and impact of the executive on the Company's performance. Consideration may also be given to whether the grant is part of the LTIP or a one-time event such as an inducement to employment.

Options granted to NEOs in 2016 were for a term of five years and vest in four equal annual installments commencing one year after the date of issue. Options were granted on March 4, 2016, with an exercise price of \$219.50, being the closing price on the TSX of Class B non-voting shares on March 3, 2016. The said options will expire on March 3, 2021.

The Company uses the Black Scholes model to calculate the value of the options for compensation purposes and in accounting for their expense. In 2016, options to purchase 162,490 Class B non-voting shares were granted under the Option Plan, representing 0.5% of the outstanding Class B non-voting shares as at the end of 2016.

Details of all share-based and option-based awards to NEOs outstanding at the end of the most recently completed financial year are set forth in the table entitled "Outstanding Share-Based Awards and Option-Based Awards as of December 31, 2016" in the section entitled "Incentive Plan Awards" below. Additional details regarding the terms of the Option Plan are described under the heading "Employee Stock Option Plan" in the section titled "Securities Authorized for Issuance under Equity Compensation Plans."

## **Executive Share Ownership Requirements**

As of January 1, 2016, the share ownership requirement for the Executive Chairman and the CEO was increased from a number of shares having a market value equal to three times their annual base salary to a number of shares having a market value equal to six times their annual base salary. In 2012, the board of directors extended share ownership requirements to certain key executives including the NEOs, which require them to own a minimum of shares equal in value to their annual base salary. The time frame to meet the established shareholdings was set at five years to enable all such executives to reach this requirement. All NEOs currently meet their shareholding requirement.

## **Compensation of the Executive Chairman**

The Nominating and Governance Committee reviews the compensation of the Executive Chairman relative to performance and market factors and recommends any adjustment to the board of directors

for approval. For the year ended December 31, 2016, Mr. Lang's compensation consisted of a base salary of \$798,000 and awards under the Company's annual SMIP and Stock Option Plan.

As a corporate executive, Mr. Lang's annual bonus is based on adjusted EPS growth over the prior year as described under Annual Incentive Plans above. His target bonus is 65% of salary. In 2016, adjusted EPS exceeded the level achieved in 2015 by 33% resulting in a bonus payment under the terms of the SMIP of 200% of target bonus equaling \$1,037,400.

In March 2016, Mr. Lang was granted an option to purchase 24,240 Class B non-voting shares exercisable at the market price of \$219.50. Options granted to Mr. Lang in 2016 were in accordance with the Option Plan. They have a term of five years and vest in four equal installments each year commencing one year after being issued and expire March 3, 2021. The option grant to Mr. Lang in 2016 was recommended by the Nominating and Governance Committee considering Mr. Lang's position and contribution to the business performance and was approved by the board of directors.

### **Compensation of the President and Chief Executive Officer**

The HR Committee reviews the compensation of the President and CEO relative to performance and market factors and recommends an adjustment to the board of directors. For the year ending December 31, 2016, Mr. Martin's compensation consisted of a base salary of \$1,324,800 (US\$1,000,000) and awards under the Company's annual SMIP and Option Plan. To assist in determining Mr. Martin's salary, the HR Committee considered his performance in achieving key goals, including earnings per share growth and cash flow, as well as other objectives with more subjective measures such as strategy execution and corporate and organizational development. Mr. Martin received a salary increase from \$1,214,765 (US\$950,000) to \$1,324,800 (US\$1,000,000) as of March 1, 2016. The HR Committee determined that Mr. Martin met or exceeded all objectives and considered the performance of the Company as well as competitive market information supplied by Willis Towers Watson and recommended the above adjustment to Mr. Martin's salary to the board of directors for approval.

Mr. Martin participates in the annual SMIP at a target bonus for 2016 of 100% of base salary. Based on adjusted EPS growth in 2016 exceeding adjusted EPS achieved in 2015 by 33%, a bonus of 200% of target bonus, equaling \$2,649,600 (US\$2,000,000) was paid to Mr. Martin.

In March 2016, Mr. Martin was granted an option to purchase 30,000 Class B non-voting shares exercisable at the market price of \$219.50, as part of the LTIP described above under "Employee Stock Option Plan." Options granted to Mr. Martin in 2016 were in accordance with the Option Plan and have a term of five years. They vest in four equal installments each year commencing one year after being issued and expire March 3, 2021. The option grant for Mr. Martin was recommended by the HR Committee considering Mr. Martin's contribution to the business performance and market information pertaining to long-term incentive plans provided by Willis Towers Watson and was approved by the board of directors. Mr. Martin exercised 61,900 options to purchase Class B non-voting shares in 2016, realizing \$10,822,800.00.

Mr. Martin's LTIP is comprised of option grants described above and grants under the RSU Plan. In 2013, Mr. Martin was awarded 90,000 RSUs which vested in March 2016 due to the vesting criteria of the 2013-2015 LTIP being achieved. In 2016, the board of directors approved the 2016-2018 LTIP in which performance criteria must be achieved for the vesting of awards under the 2016-2018 LTIP. In 2016, Mr. Martin was awarded 50,000 RSUs which will vest on March 1, 2019 if the performance criteria are achieved. The above RSUs include dividend reinvestment over the LTIP period and are valued at \$233.00 per share as of May 5, 2016. Although the full value of this award is disclosed in the year granted, the expense for these RSUs is spread over the three-year term of the plan. These RSUs

will vest if the Company achieves cumulative operating income targets approved by the board of directors and described above under the heading “Cash LTIP” with respect to the 2016-2018 LTIP.

### **Compensation of Other Named Executives**

**Sean Washchuk, Senior Vice President and Chief Financial Officer**, received a base salary of \$450,000 per annum in 2016. Mr. Washchuk’s salary was recommended by the President and CEO and approved by the HR Committee considering his personal performance, external market conditions and the Company’s performance. Mr. Washchuk’s salary was increased on March 1, 2016, from \$415,000 to \$450,000. This recommendation was approved by the HR Committee. Mr. Washchuk participates in the Company’s annual corporate SMIP. Mr. Washchuk’s target bonus for 2016 was 60% of his base salary. In 2016, Mr. Washchuk received a total bonus of \$540,000, being 200% of target bonus based on adjusted EPS exceeding the level achieved in 2015 by 33%.

In March 2016, Mr. Washchuk was granted an option to purchase 14,000 Class B non-voting shares exercisable at the market price of \$219.50 as part of the LTIP described above under “Employee Stock Option Plan.” This option has a term of five years and vests in four equal installments each year commencing one year after being issued and expires March 3, 2021.

Mr. Washchuk also participates in the Cash LTIP and the RSU Plan as part of the 2016-2018 LTIP described above. As such, Mr. Washchuk was awarded 6,250 RSUs, which will vest on March 1, 2019, if the performance criteria are achieved. The above RSUs include dividend reinvestment over the LTIP period and are valued at \$233.00 per share as of May 5, 2016. Mr. Washchuk is also eligible to receive a cash award under the terms of the 2016-2018 Cash LTIP of up to \$1,000,000 or \$750,000 based on the achievement of performance criteria through 2018 described above under the heading “Cash LTIP.” LTIP criteria are cumulative over the three year LTIP period with payment only made at the end of the period.

**Lalitha Vaidyanathan, Senior Vice President, Finance–IT–Human Resources, CCL Industries**, received a base salary of \$596,160 (US\$450,000) per annum in 2016. Ms. Vaidyanathan’s 2016 salary was recommended by the President and CEO and approved by the HR Committee considering her personal performance, external market conditions and the Company’s performance. Ms. Vaidyanathan’s salary was increased on March 1, 2016, from \$530,661 (US\$415,000) to \$596,160 (US\$450,000). This recommendation was approved by the HR Committee. Ms. Vaidyanathan participates in the Company’s annual corporate SMIP. Ms. Vaidyanathan’s target bonus for 2016 was 60% of her base salary. In 2016, Ms. Vaidyanathan received a total bonus of \$715,392 (US\$540,000), being 200% of target bonus, based on adjusted EPS exceeding the level achieved in 2015 by 33%.

In March 2016, Ms. Vaidyanathan was granted an option to purchase 14,000 Class B non-voting shares exercisable at the market price of \$219.50 as part of the LTIP described above under “Employee Stock Option Plan.” This option has a term of five years and vests in four equal installments each year commencing one year after being issued and expires March 3, 2021. Ms. Vaidyanathan realized \$3,631,136.98 on the exercise of her vested options to purchase 18,750 Class B non-voting shares in 2016.

Ms. Vaidyanathan also participates in the Cash LTIP and the RSU Plan as part of the 2016-2018 LTIP described above. As such, Ms. Vaidyanathan was awarded 6,250 RSUs, which will vest on March 1, 2019, if the performance criteria are achieved. The above RSUs include dividend reinvestment over the LTIP period and are valued at \$233.00 per share as of May 5, 2016. Ms. Vaidyanathan is also eligible to receive a cash award under the terms of the 2016-2018 Cash LTIP of up to \$1,324,800 or \$993,600 (US\$1,000,000 or US\$750,000), based on the achievement of performance criteria through 2018 described above under the heading “Cash LTIP”. LTIP criteria are cumulative over the three year LTIP period with payment only made at the end of the period.

**Ben Rubino, President, Home & Personal Care Worldwide**, received a base salary of \$609,408 (US\$460,000) per annum in 2016. Mr. Rubino's salary was recommended by the President and CEO and approved by the HR Committee considering his personal performance, external market conditions and the Company's performance. Mr. Rubino's base salary increased from \$562,628 (US\$440,000) to \$609,408 (US\$460,000) effective March 1, 2016. This recommendation was approved by the HR Committee. Mr. Rubino participates in the Company's annual operational SMIP. Mr. Rubino's target bonus for 2016 was 70% of his base salary. For 2016, as in previous years, Mr. Rubino's bonus was paid based on the achievement of the operational budgets of the global Home & Personal Care sector. In 2016, operational performance exceeded budget by 20.2% resulting in a bonus payment of \$853,171 (US\$644,000) being 200% of target bonus.

In March 2016, Mr. Rubino was granted an option to purchase 14,000 Class B non-voting shares exercisable at the market price of \$219.50. This option has a term of five years and vests in four equal installments each year commencing one year after being issued and expires March 3, 2021. Mr. Rubino realized \$2,299,776.00 on the exercise of his vested options to purchase 12,500 Class B non-voting shares in 2016.

Mr. Rubino also participates in the Cash LTIP and the RSU Plan as part of the 2016-2018 LTIP described above. As such, Mr. Rubino was awarded 6,250 RSUs, which will vest on March 1, 2019 if the performance criteria are achieved. The above RSUs include dividend reinvestment over the LTIP period and are valued at \$233.00 per share as of May 5, 2016. Mr. Rubino is also eligible to receive a cash award under the terms of the 2016-2018 Cash LTIP of up to \$1,324,800 or \$993,600 (US\$1,000,000 or US\$750,000), based on the achievement of performance criteria through 2018 described above under the heading "Cash LTIP". LTIP criteria are cumulative over the three year LTIP period with payment only made at the end of the period.

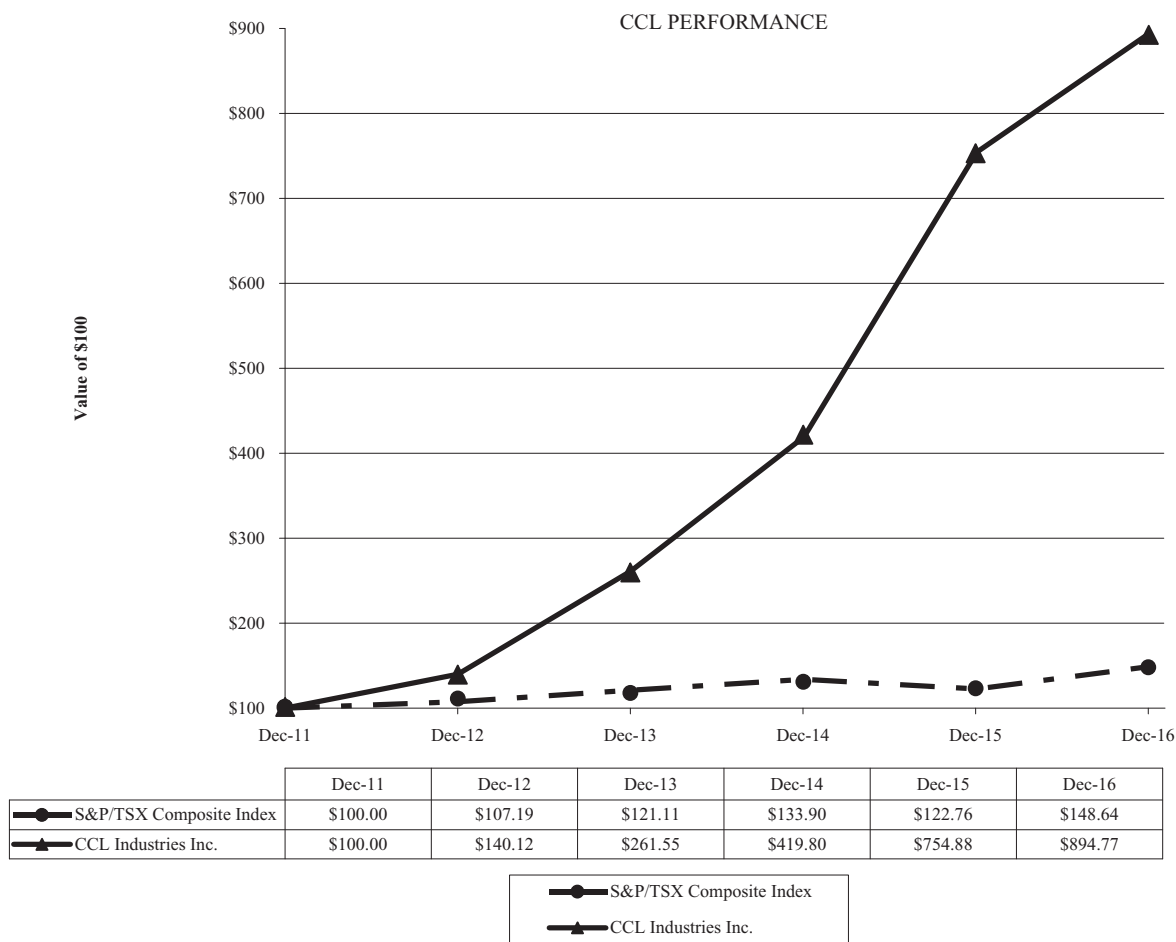
**Guenter Birkner, President, Food & Beverage Worldwide and Healthcare & Specialty Worldwide**, received a base salary of \$586,400 (€400,000) per annum in 2016. Mr. Birkner's salary was recommended by the President and CEO and approved by the HR Committee considering his personal performance, external market conditions and the Company's performance. Mr. Birkner's base salary increased from \$482,188 (€340,000) to \$586,400 (€400,000) effective March 1, 2016. This recommendation was approved by the HR Committee. Mr. Birkner participates in the Company's annual operational SMIP. Mr. Birkner's target bonus for 2016 was 70% of his base salary. For 2016, as in previous years, Mr. Birkner's bonus was paid based on the achievement of the operational budgets of the global Food & Beverage sector. In 2016, operational performance exceeded budget by 21.1% resulting in a bonus payment of \$820,960 (€560,000) being 200% of target bonus.

In March 2016, Mr. Birkner was granted an option to purchase 14,000 Class B non-voting shares exercisable at the market price of \$219.50. This option has a term of five years and vests in four equal annual installments commencing one year after being issued and expires March 3, 2021.

Mr. Birkner also participates in the Cash LTIP and the RSU Plan as part of the 2016-2018 LTIP described above. As such, Mr. Birkner was awarded 6,250 RSUs, which will vest on March 1, 2019 if the performance criteria are achieved. The above RSUs include dividend reinvestment over the LTIP period and are valued at \$233.00 per share as of May 5, 2016. Mr. Birkner is also eligible to receive a cash award under the terms of the 2016-2018 LTIP of up to \$1,324,800 or \$993,600 (US\$1,000,000 or US\$750,000), based on the achievement of performance criteria through 2018 described above under the heading "Cash LTIP". LTIP criteria are cumulative over the three year LTIP period with payments only being made at the end of the period.



## PERFORMANCE GRAPH



The preceding graph compares the cumulative total shareholder return over the last five years of the Company's Class B non-voting shares with the cumulative total return of the S&P/TSX Composite Total Return Index, assuming reinvestment of dividends on each of the dividend payment dates. The Company's Class B non-voting shares are included in the foregoing index. The performance of the Company's Class A voting shares is substantially similar to that of the Class B non-voting shares. The performance of the Company's Class B non-voting shares is based on the closing price of \$263.80 on the TSX on December 30, 2016.

The Company does not use the Proxy Reference Group identified under the title "Benchmarking Compensation" to benchmark Company performance. Given the uniqueness of the Company's business and the very small sample of relevant peer companies, the Company believes that it would not provide the best comparison on which to base the performance of the Company. There is no TSX sub-index that would provide a relevant comparison of the performance of the Company's shares.

Since the Company's annual and long-term incentives represent approximately 65% to 83% of executive total compensation, the Company believes that incentive compensation payments are good indicators of the Company's practice of paying for performance and the alignment of executive compensation with shareholder value over time. Thus, compensation of the NEOs has generally followed a similar trend as the Company's share price as set forth in the performance chart, above. It is

specifically reflected in the Company's LTIPs over the last five years. The 2013-2015 LTIP described above under "Long Term Incentive Plans" was established by the board of directors with specific targets for the improvement of cumulative operating income between the years of 2013 and 2015. The maximum payment of the 2013-2015 LTIP was made to participating executives and NEOs due to the Company significantly exceeding the established target. Total shareholder return over the three year LTIP period from 2013 to 2015 increased 438.7% compared to a 14.5% increase of the S&P TSX Composite Index. In 2016, the board of directors established a new LTIP for the years 2016-2018, as described above under "Long-Term Incentive Plans."

## SUMMARY COMPENSATION TABLE – NAMED EXECUTIVE OFFICERS

The following table sets forth all compensation paid for the period indicated in respect of the NEOs who were, at December 31, 2016, the Executive Chairman, the President and CEO, the Senior Vice President and CFO, and the three other most highly compensated executive officers of the Company.

**Summary Compensation Table**

Name and principal position	Year	Salary <sup>(9)</sup> (\$)	Share-based awards (\$)	Option-based awards <sup>(7)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value <sup>(3)</sup> (\$)	All other compensation <sup>(4)</sup> (\$)	Total compensation (\$)
					Annual incentive plans <sup>(1)</sup>	Long-term incentive plans			
Donald G. Lang <i>Executive Chairman</i>	2016	798,000	0	1,144,370	1,037,400	0	(79,000)	—	2,900,770
	2015	794,167	0	1,207,350	1,037,400	0	31,000	—	3,069,917
	2014	769,933	0	910,000	1,007,500	0	135,000	—	2,822,433
Geoffrey T. Martin <sup>(2)</sup> <i>President and Chief Executive Officer</i>	2016	1,313,760	11,650,000 <sup>(6)</sup>	1,416,300	2,649,600	0	340,522	—	17,370,182
	2015	1,201,978	0	1,207,350	2,429,530	0	312,010	—	5,150,868
	2014	975,642	0	910,000	4,122,463	0	244,007	—	6,252,111
Sean P. Washchuk <i>Senior Vice President and Chief Financial Officer</i>	2016	444,167	1,456,250 <sup>(5)</sup>	660,940	540,000	0	84,795	—	3,186,152
	2015	412,500	0	536,600	498,000	800,000 <sup>(8)</sup>	73,125	—	2,320,225
	2014	395,833	0	455,000	400,000	0	69,375	—	1,320,208
Lalitha Vaidyanathan <sup>(2)</sup> <i>Senior Vice President, Finance- IT- Human Resources, CCL Industries</i>	2016	588,432	1,456,250 <sup>(5)</sup>	660,940	715,392	0	106,016	—	3,527,030
	2015	527,464	0	536,600	636,793	818,368 <sup>(8)</sup>	97,523	—	2,616,747
	2014	437,198	0	455,000	441,800	0	77,986	—	1,411,984
Ben Rubino <sup>(2)</sup> <i>President, Home &amp; Personal Care Worldwide</i>	2016	604,992	1,456,250 <sup>(5)</sup>	660,940	853,171	0	109,585	—	3,684,938
	2015	554,103	0	536,600	568,817	818,368 <sup>(8)</sup>	98,265	—	2,576,154
	2014	434,437	0	455,000	438,707	0	74,723	—	1,402,868
Guenter Birkner <sup>(2)</sup> <i>President, Food and Beverage Worldwide</i>	2016	571,740	1,456,250 <sup>(5)</sup>	660,940	820,960	0	0	57,284	3,567,174
	2015	475,097	0	536,600	578,626	832,689 <sup>(8)</sup>	0	47,614	2,470,626
	2014	447,466	0	455,000	545,761	0	0	43,804	1,492,030

## NOTES:

- (1) Bonus amounts are paid in cash in the year following the fiscal year in respect of which they were earned.
  - (2) Compensation for Mr. Martin, Ms. Vaidyanathan and Mr. Rubino was paid or payable in US dollars. Compensation for Mr. Birkner was paid or payable in euros. Such amounts were translated into Canadian dollars based on the Bank of Canada average year-to-date exchange rates as of December 31, 2016, 2015 and 2014, respectively in accordance with the rates of exchange set forth above under the heading "Calculation of Foreign Exchange and other Values."
  - (3) Amounts shown under "Pension value" represent all compensation relating to defined benefit or defined contribution pension plans, including service costs and other compensatory items. Please refer to the section entitled "Pension Plan Benefits" below.
  - (4) Perquisites and other personal benefits do not exceed the lesser of \$50,000 and 10% of the total of the annual salary for the above-named officers with the exception of Mr. Birkner. Amounts reported for Mr. Birkner are the lease and operating costs related to his car and have been translated from euros to Canadian dollars.
  - (5) In 2016, the board of directors approved the 2016-2018 LTIP, which included an RSU plan for the years 2016 through 2018. In 2016, 6,250 RSUs were awarded to each of Ms. Vaidyanathan, Mr. Washchuk, Mr. Rubino and Mr. Birkner at a value of \$233.00 per share as of May 5, 2016. The vesting of RSUs awarded under the LTIP is subject to certain conditions described under the heading "Restricted Share Unit Plan," above. Although the grant value is disclosed in full in the year it is granted, the grants are expensed over the three-year period of the 2016-2018 LTIP. The Company uses the same price for accounting purposes but also takes into consideration the accretion of shares based on dividend reinvestment.
  - (6) In 2016, Mr. Martin was awarded 50,000 RSUs under the 2016-2018 LTIP, at a value of \$233.00 per share being the closing price of the Class B non-voting shares on May 5, 2016. Although the full value of this award is disclosed in the year granted, the expense for these RSUs is spread over the three-year term of the plan. These RSUs will only vest on March 1, 2019 if the performance criteria are achieved.
  - (7) On March 4, 2016, Mr. Martin was granted the option to purchase 30,000 Class B non-voting shares, Mr. Lang was granted the option to purchase 24,240 Class B non-voting shares and Mr. Washchuk, Ms. Vaidyanathan, Mr. Rubino and Mr. Birkner were each granted the option to purchase 14,000 Class B non-voting shares, in each case exercisable at \$219.50, the closing price of such shares on the TSX on March 3, 2016. The value of these options as reported above is calculated using the Black Scholes method, which is the same method used by the Company for accounting purposes. Key assumptions used in the 2016 Black Scholes valuation include a risk-free interest rate of 0.69%, expected life of the options of 4.5 years, expected volatility of 27% and expected dividends of \$2.00. The Black Scholes value for each option granted March 4, 2016 is \$47.21. On February 27, 2015, Mr. Lang and Mr. Martin were each granted the option to purchase 45,000 Class B non-voting shares and Mr. Washchuk, Ms. Vaidyanathan, Mr. Rubino and Mr. Birkner were each granted the option to purchase 20,000 Class B non-voting shares, in each case exercisable at \$137.39, the closing price of such shares on the TSX on February 26, 2015. The value of these options as reported above is calculated using the Black Scholes method, which is the same method used by the Company for accounting purposes. Key assumptions used in the 2015 Black Scholes valuation include a risk-free interest rate of 0.73%, expected life of the options of 4.5 years, expected volatility of 25% and expected dividends of \$1.50. The Black Scholes value for each option granted February 27, 2015 is \$26.83. On February 21, 2014, Mr. Lang and Mr. Martin were each granted the option to purchase 50,000 Class B non-voting shares and Mr. Washchuk, Ms. Vaidyanathan, Mr. Rubino and Mr. Birkner were each granted the option to purchase 25,000 Class B non-voting shares, in each case exercisable at \$87.17, the closing price of such shares on the TSX on February 20, 2014. The value of these options as reported above is calculated using the Black Scholes method, which is the same method used by the Company for accounting purposes. Key assumptions used in the 2014 Black Scholes valuation include a risk-free interest rate of 1.62%, expected life of the options of 4.5 years, expected volatility of 25% and expected dividends of \$1.00. The Black Scholes value for each option granted February 21, 2014, is \$18.20. The foregoing options have a term of five years and vest in four equal instalments commencing one year after the date of issuance.
  - (8) Mr. Washchuk, Ms. Vaidyanathan, Mr. Rubino and Mr. Birkner participated in a 2013-2015 Cash LTIP. Based on the achievement of the performance criteria over the three year LTIP period, the 2013-2015 Cash LTIP was paid at the maximum level as approved by the board of directors on February 25, 2016.
  - (9) Salaries for all NEOs were adjusted on March 1, 2016, and therefore the calculation in this table reflects two months of salary at their 2015 rates.
-

The total cost of the compensation of the NEO executive team in 2016 was \$34.2 million, or 9.9% of the Company's net earnings of \$346.3 million.

## INCENTIVE PLAN AWARDS

Information relating to all share-based and option-based awards outstanding at the end of the most recently completed financial year is set forth in the table below.

### Outstanding Share-Based Awards and Option-Based Awards as of December 31, 2016

Name	Option-based Awards				Share-based Awards <sup>(2)</sup>		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Donald G. Lang	25,000	35.65	Feb. 23, 2017	5,703,750	0	0	0
	25,000	56.00	Feb. 21, 2018	5,195,000			
	37,500	87.17	Feb. 20, 2019	6,623,625			
	45,000	137.39	Feb. 26, 2020	5,688,450			
	24,240	219.50	March 3, 2021	1,073,832			
Geoffrey T. Martin	12,500	56.00	Feb. 21, 2018	2,597,500	50,000	13,190,000	0
	25,000	87.17	Feb. 20, 2019	4,415,750			
	45,000	137.39	Feb. 26, 2020	5,688,450			
	30,000	219.50	March 3, 2021	1,329,000			
Sean Washchuk	6,250	56.00	Feb. 21, 2018	1,298,750	6,250	1,648,750	0
	12,500	87.17	Feb. 20, 2019	2,207,875			
	20,000	137.39	Feb. 26, 2020	2,528,200			
	14,000	219.50	March 3, 2021	620,200			
Lalitha Vaidyanathan	12,500	56.00	Feb. 21, 2018	2,597,500	6,250	1,648,750	0
	25,000	87.17	Feb. 20, 2019	4,415,750			
	20,000	137.39	Feb. 26, 2020	2,528,200			
	14,000	219.50	March 3, 2021	620,200			
Ben Rubino	12,500	56.00	Feb. 21, 2018	2,597,500	6,250	1,648,750	0
	25,000	87.17	Feb. 20, 2019	4,415,750			
	20,000	137.39	Feb. 26, 2020	2,528,200			
	14,000	219.50	March 3, 2021	620,200			
Guenther Birkner	6,250	56.00	Feb. 21, 2018	1,298,750	6,250	1,648,750	0
	12,500	87.17	Feb. 20, 2019	2,207,875			
	15,000	137.39	Feb. 26, 2020	1,896,150			
	14,000	219.50	March 3, 2021	620,200			

#### NOTES:

- (1) Value of unexercised options is the difference between the option exercise price and \$263.80, the closing price of the Company's Class B non-voting shares on the TSX on December 30, 2016, multiplied by the number of options.
- (2) Share-based awards consist of RSUs. These RSUs are valued at \$263.80, being the closing price of the Company's Class B non-voting shares on the TSX on December 30, 2016. Please refer to a description of the 2016-2018 LTIP, under which these RSUs were granted, set forth above under the heading "2016-2018 LTIP" beginning on page 27.

Information relating to incentive plan award values (equity and non-equity) vested or earned during the most recently completed financial year is set forth in the table below.

### Incentive Plan Awards – Value Vested or Earned During 2016

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$) <sup>(3)</sup>	Non-equity incentive plan compensation – Value earned during the year (\$) <sup>(2)</sup>
Donald G. Lang	8,006,563	0	1,037,400
Geoffrey T. Martin	5,992,938	19,204,446	2,649,600
Sean Washchuk	1,946,188	0	540,000
Lalitha Vaidyanathan	1,946,188	0	715,392
Ben Rubino	1,946,188	0	853,171
Guenther Birkner	1,946,188	0	820,960

#### NOTES:

- (1) The aggregate dollar value of option-based awards vested during 2016 is determined by calculating the difference between the market price of the Class B non-voting shares underlying the options on the TSX and the exercise price of the options on the vesting date, multiplied by the number of vested options.
- (2) Those amounts originally denominated in US\$ or € have been converted into C\$ at the average year-to-date-exchange rate as at December 30, 2016. (See “Calculation of Foreign Exchange and Other Values”.)
- (3) RSUs granted in 2013 under the 2013-2015 LTIP to Mr. Martin vested March 1, 2016. Value for these RSUs has been calculated at \$209.50 based on the closing price of the Class B non-voting shares on March 1, 2016. LTIP payments are not made annually and are only made after successful completion of the three-year LTIP period.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plans providing for the issuance of securities are the Option Plan and the Deferred Share Unit Plan. Shares required to service the Company’s RSU Plan are not issued out of treasury. They are purchased in the open market and held in trust for the purposes of that plan. The following table sets forth the securities authorized for issuance under the Company’s equity compensation plans as of December 31, 2016:

#### Securities Authorized for Issuance under Equity Compensation Plans

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
<i>Plan Category</i>	(a)	(b)	(c)
Equity compensation plans approved by security holders	703,350	\$131.32	1,450,475
Equity compensation plans not approved by security holders	0	0	0
Total	703,350	\$131.32	1,450,475

## Employee Stock Option Plan

The Option Plan was established to focus executive attention on the long-term interests of the Company and growth in shareholder value. In accordance with the terms of the Option Plan, the board of directors is authorized to issue, at its discretion and on the recommendation of the HR Committee, options to acquire Class B non-voting shares of the Company to employees and officers of the Company and its subsidiaries. Since 2004, directors have been and continue to be excluded from participation in the Option Plan. The exercise price per share of any option will equal the closing sale price of the Class B non-voting shares on the TSX on the last trading day prior to the effective date of grant of the option and if there is no closing price on such date, the exercise price will equal the simple average of the closing bid and ask prices of the Class B non-voting shares on the TSX on such date.

Under the terms of the Option Plan, the aggregate number of Class B non-voting shares issuable to insiders of the Company at any time or issued to insiders within any 12-month period, in each case pursuant to the Option Plan and any other share compensation arrangements of the Company, may not exceed 10% of the sum of the number of issued and outstanding Class A voting shares and Class B non-voting shares (collectively, the “Outstanding Issue”) of the Company at such time. The term “insider” includes directors and officers of the Company and of certain subsidiaries of the Company, and their respective associates. “Share compensation arrangements” means any compensation or incentive mechanism involving the issuance or potential issuance of Class B non-voting shares of the Company, including a purchase from treasury of Class B non-voting shares where the purchase is financially assisted by the Company, a stock option, a stock option plan and a stock appreciation right involving the issuance of Class B non-voting shares from treasury. In addition, an option may not be granted to an insider if, together with other share compensation arrangements, it could result in the issuance to the insider in a 12-month period of a number of Class B non-voting shares exceeding 5% of the Outstanding Issue. No participant under the Option Plan may individually hold options under the Option Plan and rights under other share compensation arrangements to acquire, in aggregate, a number of Class B non-voting shares exceeding 5% of the Outstanding Issue.

If any option granted under the Option Plan expires or terminates for any reason without having been fully exercised, the unpurchased Class B non-voting shares that were subject to that option are made available for future option grants under the Option Plan. Options granted under the Option Plan have a term as determined by the board of directors at the time of grant but such term may not exceed 10 years from the date of grant. Options vest and become exercisable as determined by the board of directors. Upon the exercise of a stock option, the exercise price must be paid in full. The Company does not currently intend to provide financial assistance in connection with the exercise of stock options granted under the Option Plan.

Options granted under the Option Plan are non-assignable by the optionee except to the legal personal representatives of a deceased optionee.

The Company prohibits its directors, officers and employees from trading in its securities with knowledge of any material information concerning the Company that has not been publicly disclosed. As it may be difficult from time to time for an individual to determine if he or she is in possession of material non-public information, the Company identifies certain restricted periods or blackout periods during which certain of its personnel are not to trade in securities of the Company, which includes exercising stock options. The Option Plan permits options that would otherwise expire during or immediately following a blackout period to remain exercisable until the tenth business day following the cessation of such blackout period.

Unless otherwise determined by the HR Committee, options will terminate and cease to be exercisable upon the cessation of employment as follows:

- (i) on the death of an optionee or the disability of an optionee (as determined by the HR Committee), the options will vest immediately and remain exercisable for up to 12 months;
- (ii) on retirement on or after the age of 65 or on early retirement on or after the age of 55 with the concurrence of the HR Committee, the options will continue to vest as scheduled and be exercisable for up to 36 months;
- (iii) on resignation by the optionee or upon termination of employment for cause, the options then vested may be exercised until the last day of employment and thereafter terminate; and
- (iv) on termination of employment by the Company for any other reason, the options will terminate and cease to be exercisable 90 days after the earlier of the date the optionee ceased to be an officer or employee and the date that notice of dismissal from employment was provided, with vesting ceasing on such earlier date.

The HR Committee has discretion to extend the termination date of options upon the cessation of employment but cannot extend the option beyond the original expiry date and cannot extend the option by more than two years from the date the optionee ceased to be an officer or employee.

If a bona fide offer (a "takeover bid") is made that includes the Class B non-voting shares of the Company that could result in the offeror exercising control over the Company, the board of directors has discretion to accelerate the vesting and expiry date of any options that are then outstanding and to effectively require that such Class B non-voting shares thereafter acquired on exercise of the options, be tendered to the takeover bid.

The board of directors may discontinue, amend or modify the Option Plan at any time; provided, however, that shareholder approval must be obtained: (i) to reduce the exercise price of an option either directly, or indirectly including by means of the cancellation of an option and the reissue of a similar option; (ii) to extend the period available to exercise an option beyond the normal expiration date (except in respect of blackout periods and the cessation of employment as provided in the Option Plan); (iii) to increase the levels of insider participation under the Option Plan; (iv) to increase the number of Class B non-voting shares reserved for issuance under the Option Plan (other than pursuant to the adjustment provisions of the Option Plan); (v) to add any additional categories of persons eligible to receive options under the Option Plan; and (vi) to amend any assignment rights set forth in the Option Plan, other than to permit assignments to a registered retirement savings plan, registered retirement income fund or similar plans for the benefit of the optionee. All other amendments to the Option Plan may be made at the discretion of the board of directors. For example, the discretion of the board of directors includes, without limitation, authority to make amendments to clarify any ambiguity, inconsistency or omission in the Option Plan and other amendments of a clerical or housekeeping nature, to alter the vesting or termination provisions of any option or of the Option Plan, to modify the mechanics of exercise, and to add a financial assistance provision.

As of December 31, 2016, the number of shares reserved and available for issuance under the Option Plan was 1,428,460.

During 2016, options to purchase 93,150 Class B non-voting shares were exercised and the Company granted options to purchase 162,490 Class B non-voting shares. As at December 31, 2016, the Company had options outstanding to purchase 615,365 Class B non-voting shares, representing 1.9% of the number of Class B non-voting shares issued and outstanding and had 1,428,460 Class B

non-voting shares (4.4% of the number of Class B non-voting shares issued and outstanding) available for additional option grants under the Option Plan. No re-pricing of outstanding options occurred in the course of 2016, nor to the date of this Management Proxy Circular.

As of the date of this Proxy Circular, the Company had options outstanding to purchase 642,551 Class B non-voting shares, representing 2.0% of the number of Class B non-voting shares issued and outstanding, and had 1,273,210 Class B non-voting shares (3.9% of the number of Class B non-voting shares issued and outstanding) available for additional option grants under the Option Plan.

### **Restricted Share Unit Plan**

A description of the RSU Plan appears under the general title “Long-Term Incentive Plans,” above. The Company purchases Class B non-voting shares on the open market to settle RSUs granted under the RSU Plan although in certain jurisdictions settlement may occur in cash if elected by the executive. These shares are held in trust until certain performance or retention vesting criteria are met. Dividends on the shares are used to purchase additional shares, which are distributed based on the same vesting criteria. Mr. Martin, Ms. Vaidyanathan, Mr. Rubino, Mr. Birkner and Mr. Washchuk were granted RSUs in 2016 under the 2016-2018 LTIP, as described above.

### **Deferred Share Unit Plan**

The Company has adopted a DSU Plan, which was originally approved by the shareholders of the Company on May 6, 2004, amended and restated in November 2009 and further amended and restated on November 30, 2015, with the latter amendment and restatement being approved by the shareholders of the Company on May 5, 2016. Under the terms of the DSU Plan, non-employee members of the board of directors may elect to receive in lieu of cash remuneration that would otherwise be payable to such directors or any portion thereof, the number of DSUs equivalent to such cash remuneration. Eligible directors electing to participate in the DSU Plan are awarded DSUs on a quarterly basis in lieu of all or part of the fees owing to them. In addition, the board of directors, in its discretion, may award additional DSUs to non-employee members of the board. As a matter of Company policy, directors who have achieved their shareholding target of three times their annual retainer, are no longer eligible to receive their annual retainer, meeting fees and committee chair fees in DSUs, and must take those fees in cash. A DSU is a bookkeeping entry equivalent to one Class B non-voting share. The number of DSUs credited to an account maintained for each participating director (other than for discretionary grants) is calculated by dividing the cash remuneration that would otherwise be payable by the fair market value of a Class B non-voting share of the Company on the date of issue of the DSU. Fair market value is calculated under the DSU Plan as the simple average of the high and low trading prices of the Class B non-voting shares for the five trading days immediately preceding the date of issue or redemption, as the case may be. DSUs vest immediately when granted but cannot be redeemed or paid out until such time as the eligible director ceases to be a director of the Company. Under the terms of the DSU Plan, a holder of DSUs is entitled to receive, on a deferred payment basis following the holder ceasing to be a director, the number of Class B non-voting shares issued from treasury equating to the number of his or her DSUs (less an adjustment for requisite statutory withholdings), or, at the sole option of the Company, a cash amount equal to the fair market value of an equal number of Class B non-voting shares on the date of notification of redemption. It is the Company's intention to satisfy redemptions of DSUs by the issuance of treasury shares, though it has the option to settle in cash where the issuance of treasury shares would not be appropriate. Upon a person ceasing to be a director, such person will have until December 31 of the calendar year following his or her retirement from the board of directors to redeem his or her DSUs.

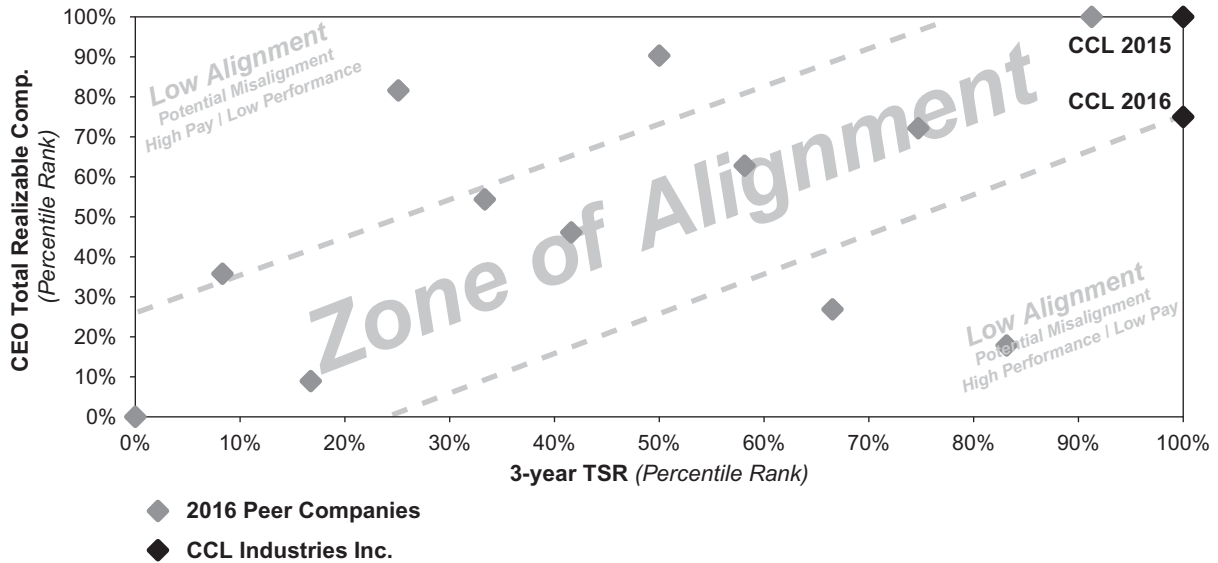
In May 2016, shareholders of the Company approved the initial reservation of 110,000 Class B non-voting shares under the DSU Plan. Currently, there are 88,300 DSUs outstanding and DSUs in respect



of 21,700 Class B non-voting shares are available for issuance, representing 0.27% and 0.07% of the number of Class B non-voting shares issued and outstanding as at March 20, 2017.

### CEO Pay-For-Performance

The following table, prepared by Willis Towers Watson, the Company’s compensation consultant, provides a schematic perspective of the Company’s pay-for-performance alignment relative to its Proxy Reference Group.



The Company’s positioning within the alignment zone illustrates that CEO compensation earned over the most recent three-year period is fair relative to the pay-for-performance of the Company’s Proxy Reference Group for the same time period.

### PENSION PLAN BENEFITS

#### Defined Benefit Plans

The Company has entered into a supplemental retirement agreement (the “SERP”) with Mr. Lang, as of January 1, 1996. This agreement provides for an annual benefit of 2% for each year of service to a maximum of 60% of the average of the executive’s five highest consecutive years’ base salaries (excluding bonuses, stock options and non-cash benefits) prior to termination of employment. Payments commence upon retirement. Normal retirement is at age 65; however, the executive may retire at or after age 55. Benefits are reduced based on the number of months prior to reaching age 63 that the executive takes his retirement. On death of the executive, the pension is paid to the executive’s spouse as a 60% joint and survivor pension for life. The Company’s payment obligations are funded in part by a registered defined benefit plan, which provides the same benefit level as the SERP, to the maximum allowable benefit as determined by regulatory authorities. The balance is unfunded. The registered defined benefit plan provides for annual indexing of pension benefits based on inflation. Indexing provided by the registered plan does not increase the overall pension benefit received by the executive from the registered plan and the SERP. In the event of change of corporate control, the Company will pay to Mr. Lang, upon his request, 50% of the SERP value, increased in consideration of the applicable tax. The remaining 50% of the SERP will be paid, or will continue to be paid, as a pension benefit upon or during retirement. For the purpose of calculating the pension

payment, the approximate pensionable service for Mr. Lang was 34.5 years. The Company has no established policies concerning the granting of additional years beyond the plan maximum for the calculation of pensionable service.

The Company's estimated accrued benefit obligation for the defined benefit plan and SERPs for present and past executives as of December 31, 2016, was \$27,203,000. This accrued benefit obligation is calculated using the method described by the International Financial Reporting Standards in measuring pension obligations and is based on the best estimate of future events that affect the cost of pensions, including assumptions about salary adjustments and the executive's continuing employment with the Company. The accrued benefit obligation for the defined benefit plan and SERP pension benefits for Mr. Lang at December 31, 2016, was estimated at \$6,515,000. The calculation for the amounts reported above use actuarial assumptions that are consistent with those used for calculating accrued pension benefit obligations as disclosed in the Company's 2016 consolidated financial statements. As the assumptions reflect the Company's best estimate of future events, the values shown may not be directly comparable to similar estimates of pension liabilities that may be disclosed by other companies.

The registered defined benefit pension plan has been closed to new participants since 2006.

The following table shows certain information concerning Mr. Lang's defined benefit plan.

Name <sup>(1)</sup>	Number of years of credited service <sup>(2)</sup>	Annual benefits payable (\$) <sup>(3)(4)</sup>		Opening present value of defined benefit obligation year (\$) <sup>(3)</sup>	Compensatory change (\$) <sup>(3)(5)</sup>	Non-compensatory change (\$) <sup>(3)(6)</sup>	Closing present value of defined benefit obligation (\$) <sup>(3)</sup>
		At year end	At age 65				
Donald G. Lang	30	462,000	462,000	6,661,000	(79,000)	(70,000)	6,512,000

NOTES:

- (1) Mr. Martin, Mr. Washchuk, Ms. Vaidyanathan, Mr. Rubino and Mr. Birkner are not members of the defined benefit plan.
- (2) The credited service shown represents the credited service for the SERP (notably capped at 30 years with the provision of the plan). Credited service for Mr. Lang under the defined benefit registered plan as of December 31, 2016, was 23 years.
- (3) Represents values of benefits under both the defined benefit registered retirement plan and the SERP.
- (4) The annual benefit shown in the column headed "Annual benefits payable – At year end" shows the accrued benefit based on an average of the executive's five highest consecutive years' base salaries (final average earnings) and credited service as at December 31, 2016, capped at 30 years, without early retirement adjustments. The annual benefit shown in the column headed "Annual benefits payable – At age 65" show the accrued benefit based on the executive's final average earnings and credited service as at the executive's attainment of age 65, capped at 30 years' service.
- (5) Compensatory change includes the service cost and update for 2016 and 2017 earnings.
- (6) Non-compensatory changes to the 2016 obligation include amounts attributable to changes in the actuarial assumptions.

### Defined Contribution Plans

The Company maintains a 401K defined contribution plan ("401K Plan") for all employees in the United States in which Mr. Martin, Ms. Vaidyanathan and Mr. Rubino participate. The 401K Plan provides an employer match of 100% for the first 2% of employee contribution and a 50% match of up to 4% of the employee's contribution to the legal maximum. In 2016, the Company contributed \$15,679 (US\$11,835) for Mr. Martin, \$19,309 (US\$14,575) for Ms. Vaidyanathan and \$17,067 (US\$12,883) for Mr. Rubino. The Company maintains a defined contribution pension plan (the "DC Plan") for certain

Canadian executives, into which the Company contributes an amount equal to 9% of the executive's base salary up to the maximum permitted by Canadian income tax laws. Mr. Washchuk's benefit entitlement is 9% of base salary and annual bonus. This benefit is funded through the DC Plan above with the balance being supplemented by unfunded contributions ("Supplementary Plan") accrued for by the Company and earning interest at the rate of the Canadian 20-year treasury bill as at January 15<sup>th</sup> of each year. In 2016, the Company contributed a total of \$84,795 to the DC and Supplementary Plans for Mr. Washchuk.

### Deferred Compensation Plan

The Company also maintains a deferred compensation plan for certain key executives in which Mr. Martin, Ms. Vaidyanathan and Mr. Rubino participate. The Company contributes a maximum annual company contribution of 9% of base salary and annual bonus for Mr. Martin, and an annual company contribution of 4% of base salary and annual bonus for Ms. Vaidyanathan and Mr. Rubino. If participants, other than Mr. Martin, defer the maximum amount permitted under the 401K Plan, the Company will make a matching contribution to the participant's deferred compensation account equal to 50% of the amount deferred by the participant. In 2016, the Company contributed \$324,843 (US\$245,202) for Mr. Martin, \$86,707 (US\$65,449) for Ms. Vaidyanathan and \$92,518 (US\$69,835) for Mr. Rubino. Contributions to the plan for Mr. Martin are fully vested. In the case of Ms. Vaidyanathan and Mr. Rubino, contributions vest at age 65 with 10 years' service, or immediately upon death, disability or change of control. The HR Committee may approve earlier vesting at its discretion. The deferred compensation plan also allows executives to defer up to 20% of salary and 100% of annual cash bonuses. Elective deferrals vest immediately. The contributions accrue interest at the rate of 1.5% above the amount paid on United States 20-year treasury bills established the first day of each plan year, and which is attributed to the participant's account monthly. Upon cessation of employment, elective deferrals and earnings thereon will be paid in a lump sum in the month of January following the plan's year end. Participants may elect, however, to receive payment of elective deferrals and earnings thereon in equal installments over a period of up to 10 years. Vested Company contributions to the plan will be paid in two substantially equal installments on the first and second anniversaries of the date on which the participant ceases employment. All contributions vest in the event of change of control of the Company. The deferred compensation plan is an unfunded plan and therefore considered a defined benefit plan under IFRS.

The following table shows, for Messrs. Martin, Washchuk and Rubino, and for Ms. Vaidyanathan, certain information concerning their registered defined contribution plans, including the 401K Plan, the company contributions to the non-qualified pension portion of the deferred compensation plan and the non-registered, unfunded plans described above.

Name <sup>(1)</sup>	Accumulated value at start of year (\$)	Compensatory <sup>(2)</sup> (\$)	Accumulated value at year end (\$)
Geoffrey T. Martin <sup>(3)</sup>	3,033,944	340,522	3,637,361
Sean Washchuk	281,217	84,795	383,805
Lalitha Vaidyanathan <sup>(3)</sup>	1,219,901	106,016	1,349,093
Ben Rubino <sup>(3)</sup>	1,593,775	109,585	1,709,740

#### NOTES:

- (1) Mr. Lang and Mr. Birkner are not members of the defined contribution plans.
- (2) The compensatory value includes any Company contribution made to the registered and non-registered plans during 2016.
- (3) Values are reported in Canadian dollars and have been converted at the average year-to-date exchange rate as at December 30, 2016, being US\$1.00=C\$1.3248.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

The following table sets forth particulars of any contractual entitlements of NEOs in the event of the termination of their employment without cause, or in the event of a change of control in the Company.

**Summary Table of Termination and Change of Control Benefits**

Name	Circumstances that trigger payment	Estimated incremental payments, payables and benefits assuming triggering event occurred on December 31, 2016 (\$) <sup>(4)</sup>	Timing and duration of payments and benefits	How payment and benefit levels are determined	Any significant conditions or obligations that apply to receiving payments or benefits
Donald G. Lang	Change of control	\$3,256,000 <sup>(2)</sup>	Lump sum if requested by Executive.	50% of SERP value, upon request, plus an increase for applicable tax	—
Geoffrey T. Martin	Termination without cause	\$6,180,268 <sup>(1)</sup>	Paid monthly over 24 months	Two times <sup>(3)</sup> total annual compensation, including base salary, target bonus, pension and a lump sum payment for retiree medical benefits.	Conditional upon observance of non-competition covenant
Sean Washchuk	Termination without cause	\$822,008	Paid semi-monthly over 12 months	One times annual compensation, including base salary, target bonus, medical benefits and Company contribution to pension	Conditional upon observance of non-competition covenant
Lalitha Vaidyanathan	Termination without cause	\$1,089,531	Paid biweekly over 12 months	12 months' base salary, target bonus, medical benefits and Company contribution to Deferred Compensation Plan	Conditional upon observance of non-competition covenant
Ben Rubino	Termination without cause	\$1,174,259	Paid biweekly over 12 months	12 months' base salary, target bonus, medical benefits and Company contribution to Deferred Compensation Plan	Conditional upon observance of non-competition covenant
Guenther Birkner	Termination without cause	\$1,054,164	Paid in a lump sum upon termination	12 months' base salary, target bonus and benefits	

### NOTES:

- (1) This calculation is based on a termination in circumstances not involving a change in control. In the event of a termination following a change of control, the amount payable to Mr. Martin would be \$9,170,390 (US\$6,922,094). Please refer to "Change of Control," below.
- (2) In the event of change of control, the Company will pay to Mr. Lang 50% of his SERP value, increased in consideration of the applicable tax, if he so requests. The remaining 50% of the SERP will be paid, or will continue to be paid, as a pension benefit upon or during retirement.
- (3) In the event that Mr. Martin's employment is terminated within one year of a change of control, he is entitled to three times his annual compensation, including base salary, target bonus and pension contribution, instead of the two times compensation reported above. (See "Change of Control" below.)
- (4) Those amounts originally denominated in US\$ or € have been converted into C\$ at the average year-to-date-exchange rate as at December 30, 2016. (See "Calculation of Foreign Exchange and Other Values".)

## **Employment Agreements**

The Company does not have a written contract of employment with its Executive Chairman, Mr. Lang. The Company entered into employment agreements with Mr. Martin, Mr. Washchuk, Ms. Vaidyanathan, Mr. Rubino and Mr. Birkner.

### **Mr. Martin**

The Company entered into an employment agreement with Mr. Martin on May 8, 2008. The agreement provides for an annual base salary subject to yearly review. In 2016, Mr. Martin's base salary was \$1,324,800 (US\$1,000,000). Pursuant to this agreement, he is entitled to participate in the Company's SMIP and certain LTIPs, as described above. He is entitled to standard benefits of the type normally available to executive officers. The agreement for Mr. Martin may be terminated for cause as defined in the agreement and may be otherwise terminated on 24-months' notice.

In addition to the foregoing, as part of his employment contract, Mr. Martin is eligible to receive a lump sum payment of \$378,562 (US\$285,750), after tax, upon retirement to fund medical benefits for Mr. Martin, his spouse and his eligible dependents. This payment is only available on retirement if Mr. Martin elects to retire immediately following separation from the Company, and is subject to an annual reduction of 10% for each year over 60 if he has not retired. Mr. Martin is also eligible to receive this payment in the event of termination without cause or with change of control. The agreement contains standard non-competition and non-solicitation provisions. There are no provisions addressing a change of responsibility or constructive dismissal.

### **Mr. Washchuk**

The Company entered into a written contract of employment with Mr. Washchuk upon commencement of his employment on October 5, 2011. The agreement provides for an annual base salary subject to yearly review. Pursuant to this agreement, he is entitled to participate in the Company's SMIP and certain LTIPs, as described above. He is entitled to standard benefits and perquisites of the type normally available to executive officers. Mr. Washchuk's agreement may be terminated for cause as defined in the agreement and otherwise terminated on 12-months' notice including target bonus. The agreement contains standard non-competition and non-solicitation provisions. There are no provisions addressing a change of responsibility or constructive dismissal.

### **Ms. Vaidyanathan**

The Company entered into a formal employment agreement with Ms. Vaidyanathan on January 1, 2012. The agreement provides for an annual base salary subject to yearly review. Pursuant to this agreement, she is entitled to participate in the Company's SMIP and certain LTIPs, as described above. She is entitled to standard benefits and perquisites of the type normally available to executive officers. Ms. Vaidyanathan's agreement may be terminated for cause as defined in the agreement and otherwise terminated on 12-months' notice including target bonus. The agreement contains standard non-competition and non-solicitation provisions. There are no provisions addressing a change of responsibility or constructive dismissal.

### **Mr. Rubino**

The Company entered into a formal employment agreement with Mr. Rubino on January 1, 2012. The agreement provides for an annual base salary subject to yearly review. Pursuant to this agreement, he is entitled to participate in the Company's SMIP and certain LTIPs, as described above. He is entitled to standard benefits and perquisites of the type normally available to executive officers. Mr. Rubino's

agreement may be terminated for cause as defined in the agreement and otherwise terminated on 12-months' notice including target bonus. The agreement contains standard non-competition and non-solicitation provisions. There are no provisions addressing a change of responsibility or constructive dismissal.

### **Mr. Birkner**

The contract entered into between the Company and Mr. Birkner effective January 1, 2011 expired on December 31, 2013. The agreement provided for an annual base salary subject to yearly review. Pursuant to this agreement, he has been entitled to participate in the Company's SMIP and certain LTIPs, as described above. It provided standard benefits and perquisites of the type normally available to executive officers. The expired agreement contemplated payment in the event of termination without cause equal to 12-months' base salary and target bonus. The agreement contained standard non-competition and non-solicitation provisions. The agreement contained no provisions addressing a change of responsibility or constructive dismissal. Mr. Birkner's employment is continuing on substantially the same terms as his prior agreement.

### **Change of Control**

By the terms of his employment agreement, Mr. Martin is entitled to 24 months of severance should his employment be terminated without cause. He is also entitled to receive the lump sum payment for retiree medical benefits described above. No further benefit is payable unless Mr. Martin's employment is terminated without cause within one year after a change of control of the Company. In such case, he is entitled to receive 36-months' severance (approximately \$8,970,365 (US\$6,771,108) in lieu of 24 months, as provided by his employment agreement. In addition, Mr. Martin is eligible to receive the retirement medical benefit referred to in the earlier paragraph in the event of a change of control. None of the other NEOs are, by the terms of their employment agreements, entitled to any incremental payments or benefits upon a change of control.

In the event of change of control, the Company will pay to Mr. Lang 50% of his SERP value, increased in consideration of the applicable tax, if he so requests. The remaining 50% of the SERP will be paid, or will continue to be paid, as a pension benefit upon or during retirement.

Notwithstanding any other conditions that may determine their vesting, outstanding and unvested RSUs vest upon a change in control of the Company.

### **COMPENSATION OF DIRECTORS**

During the financial year ended December 31, 2016, directors' fees were paid to the directors of the Company, other than Donald Lang and Geoffrey Martin, on the basis of a retainer of \$50,000 per annum and \$2,000 per meeting attended of the board of directors and of each committee of the board of directors. Mr. Alan Horn, as Lead Director, received an additional honorarium of \$12,500. Committee chairpersons received an annual retainer of \$7,500, except for the chairman of the Audit Committee, who received an annual retainer of \$12,500. Fees paid for attendance at telephone meetings were \$1,000 per director per meeting. Directors were paid the foregoing sums in the currency of their place of residence. The board of directors, on an annual basis as part of the director compensation review, may, in its sole discretion, following consultation with the Nominating and Governance Committee, award to those directors who are not employees of the Company an additional retainer in the form of deferred share units under the Company's DSU Plan. On May 5, 2016, the board granted an award of 165 DSUs to each director other than Mr. Donald Lang and Mr. Geoffrey Martin. Directors are also entitled to be reimbursed for their reasonable out-of-pocket expenses incurred in the business of the Company. No compensation was granted to directors in the form of options to purchase Class B

non-voting shares in 2016. Donald Lang and Geoffrey Martin, being employees of the Company, received no fees in their capacity as directors. They received options to purchase Class B non-voting shares only in their capacity as officers of the Company. The Company has no retirement policy or retirement compensation plan for directors. The following table sets forth the fees paid to the directors of the Company other than NEOs in the 2016 calendar year.

### 2016 Director Compensation Table

Director	Fees earned in cash (\$) <sup>(1)</sup>	Share-based awards – fees received in DSUs <sup>(2)</sup> (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$) <sup>(4)</sup>	Total <sup>(3)</sup> (\$)
Paul Block	104,043	37,500	0	0	0	22,937	164,480
Vincent Galifi <sup>(5)</sup>	0	0	0	0	0	0	0
Edward Guillet	106,760	37,500	0	0	0	20,080	164,339
Alan Horn <sup>(6)</sup>	80,500	37,500	0	0	0	28,947	146,947
Kathleen Keller-Hobson	18,000	94,500	0	0	0	1,546	114,046
Erin Lang <sup>(5)</sup>	0	0	0	0	0	0	0
Stuart Lang	67,000	37,500	0	0	0	8,834	113,334
Douglas Muzyka <sup>(5)</sup>	0	33,684	0	0	0	0	33,684
Thomas Peddie	89,500	37,500	0	0	0	45,891	172,891
Mandy Shapansky	82,500	37,500	0	0	0	2,272	122,272

#### NOTES:

- (1) Directors who have achieved their shareholding target of three times their base retainer, are no longer eligible to receive their base retainer, meeting fees and committee chair fees in DSUs. Those fees must be taken in cash.
- (2) Eligible directors received all or part of their fees in DSUs as described below. The amount shown reflects the aggregate of the amounts credited to such directors' DSU accounts on the dates for payment of directors' fees during 2016, and is valued in Canadian dollars. Director fees and dividends valued at \$90,004 were earned in December 2016 and paid to eligible directors by the issuance of 315 DSUs on March 2, 2017. The value of these awards has not been included in the December 31, 2016 totals.
- (3) Compensation for Mr. Block, Mr. Guillet and Mr. Muzyka was paid or payable in US dollars. Cash amounts were translated into Canadian dollars based at the exchange rates at the time of the award.
- (4) Amounts shown reflect dividend equivalents credited in the form of DSUs on the DSUs awarded in 2016.
- (5) Mr. Muzyka was appointed a director on November 9, 2016. Ms. Lang and Mr. Galifi were appointed directors on December 19, 2016.
- (6) Mr. Horn will retire as a director on the Meeting date.

#### OPTION-BASED AWARDS TO DIRECTORS

Share-based awards (other than DSUs) and option-based awards to directors have been discontinued since 2004, and no such awards were issued to directors in 2016. Information relating to share-based and option-based awards to directors outstanding at the end of the most recently completed financial year is set forth in the table below. Share-based and option-based awards to directors who are also NEOs are described above under the heading "Incentive Plan Awards."

**Outstanding Share-Based Awards and Option-Based Awards to Directors  
as of December 31, 2016**

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested <sup>(2)</sup> (#)	Market or payout value of share-based awards that have not vested <sup>(2)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed <sup>(2)(4)</sup> (\$)
Paul Block	n.a.	n.a.	n.a.	n.a.	0	0	4,065,158
Vincent Galifi <sup>(3)</sup>	n.a.	n.a.	n.a.	n.a.	0	0	
Edward Guillet	n.a.	n.a.	n.a.	n.a.	0	0	3,560,509
Alan Horn <sup>(5)</sup>	n.a.	n.a.	n.a.	n.a.	0	0	5,126,425
Kathleen Keller-Hobson	n.a.	n.a.	n.a.	n.a.	0	0	309,701
Erin Lang <sup>(3)</sup>	n.a.	n.a.	n.a.	n.a.	0	0	
Stuart Lang	n.a.	n.a.	n.a.	n.a.	0	0	1,574,622
Douglas Muzyka <sup>(3)</sup>	n.a.	n.a.	n.a.	n.a.	0	0	39,570
Thomas Peddie	n.a.	n.a.	n.a.	n.a.	0	0	8,118,709
Mandy Shapansky	n.a.	n.a.	n.a.	n.a.	0	0	415,749

NOTES:

- (1) Value of any unexercised options would be the difference between the option exercise price and \$263.80, the closing price of the Company's Class B non-voting shares on the TSX on December 30, 2016, multiplied by the number of options. There are no options outstanding to directors at this time. Mr. Donald Lang and Mr. Martin hold options only in their capacity as officers of the Company, and not as directors.
- (2) DSUs vest on the date they are granted, but they are not redeemable until the recipient ceases to be a director. The cumulative value of vested but undistributed DSU awards to the directors as at December 30, 2016 is calculated by multiplying \$263.80, being the closing price of the Company's Class B non-voting shares on the TSX on December 30, 2016, by the number of DSUs held by the director at December 30, 2016. Donald Lang and Geoffrey Martin hold no DSUs.
- (3) Mr. Muzyka was appointed a director on November 9, 2016. Ms. Lang and Mr. Galifi were appointed directors on December 19, 2016.
- (4) Director fees and dividends valued at \$90,004 were earned in December 2016 and paid to eligible directors by the issuance of 315 DSUs on March 2, 2017. The value of these awards has not been included in the December 31, 2016 totals.
- (5) Mr. Horn will retire as a director on the Meeting date.



**Share-based Awards, Option-based Awards and Non-equity Incentive Plan  
Compensation to Directors Vested or Earned During 2016**

<b>Name</b>	<b>Option-based awards – Value vested during the year (\$)<sup>(1)</sup></b>	<b>Share-based awards – Value vested during the year<sup>(2)(4)</sup> (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Paul Block	0	37,500	0
Vincent Galifi <sup>(3)</sup>	0	0	0
Edward Guillet	0	37,500	0
Alan Horn <sup>(5)</sup>	0	37,500	0
Kathleen Keller-Hobson	0	94,500	0
Erin Lang <sup>(3)</sup>	0	0	0
Stuart Lang	0	37,500	0
Douglas Muzyka <sup>(3)</sup>	0	33,684	0
Thomas Peddie	0	37,500	0
Mandy Shapansky	0	37,500	0

NOTES:

- (1) None of the directors, other than Messrs. Donald G. Lang and Geoffrey T. Martin, hold stock options. Messrs. Lang and Martin received RSUs or option grants during the 2016 calendar year, but only in their capacity as officers of the Company, not as directors. Details of these grants are set forth in the “Summary Compensation Table” and in the “Compensation Discussion and Analysis,” above.
- (2) Directors’ fees are paid quarterly. Where a director elects to receive some or all of his or her fees in DSUs, the value of the DSUs is based on the average high and low stock price of Class B non-voting shares on the TSX over the five days preceding the date of payment of directors’ fees. Where a special award of DSUs is made to directors, its value is also determined by applying the average closing price of Class B non-voting shares on the TSX over the five days preceding the date of the grant. DSUs vest on the date they are granted but they are not redeemable until the recipient ceases to be a director.
- (3) Mr. Muzyka was appointed a director on November 9, 2016. Ms. Lang and Mr. Galifi were appointed directors on December 19, 2016.
- (4) Amounts shown above do not include director fees and dividends earned in December 2016 and paid to eligible directors by the issuance of 315 DSUs on March 2, 2017.
- (5) Mr. Horn will retire as a director on the Meeting date.

**Indebtedness of Directors and Executive Officers to the Company and its Subsidiaries under Securities Purchase and Other Programs**

As of February 28, 2017, none of the directors, officers or employees of the Company or its subsidiaries were indebted to the Company or its subsidiaries.

**DIRECTORS’ AND OFFICERS’ LIABILITY INSURANCE**

As of July 8, 2016, the Company had purchased policies of insurance for the benefit of itself and its directors and officers against liability incurred by them in the performance of their duties as directors or as officers of the Company. The cumulative amount of the premium paid in respect of this policy in 2016 was \$251,350. The Company also purchased director and officer liability insurance in some foreign jurisdictions at an additional cost of \$8,000. The policies do not specify that any part of the premium is paid in respect of either directors as a group or officers as a group. The entire premium is paid by the Company. The aggregate amount of coverage under the policies is \$75,000,000 in respect of any one occurrence. By the terms of the policies, the Company may claim for 100% of the loss, up to the policy aggregate, over and above the first \$250,000, such \$250,000 being the deductible for the Company under the primary policy. In addition, in certain limited circumstances where complete indemnity of the director or officer by the Company is not possible, the director or officer may claim on

the policies for 100% of the loss, without a deductible being applicable. In addition to the above policies, there is a further \$5,000,000 coverage layer above \$75,000,000 for the directors and officers (Side A Difference in Conditions (DIC) Excess), which provides dedicated and exclusive limits for claims made against director(s) and officer(s) only when the Company cannot or will not indemnify the individual. The policy contains standard industry exclusions.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Company has a formalized system of corporate governance practices set forth in its “Statement of Governance Policies.” These policies include a written charter for the board of directors and each committee of the board as well as a description of the roles and responsibilities of the Executive Chairman of the board of directors, the Lead Director and of the President and Chief Executive Officer of the Company. The board of directors has also approved a code of business conduct and ethics for its directors, officers and employees, entitled the “Global Business Ethics Guide” (the “code”), and a formal, written communications and public disclosure policy. The full text of the Statement of Governance Policies and the code may be viewed on the Company’s website at [www.cclind.com](http://www.cclind.com), and on the SEDAR website at [www.sedar.com](http://www.sedar.com).

On June 30, 2005, the Canadian Securities Administrators published National Policy 58-201, *Corporate Governance Guidelines*, and disclosure requirements in National Instrument 58-101, *Disclosure of Corporate Governance Practices* (the “Instrument”), and as of December 31, 2014, the OSC implemented an amendment of the Instrument and Corporate Governance Disclosure Form 58-101F1 (the “Amendment”) as proposed by the Canadian Securities Administrators. The disclosure requirements mandated by the Instrument and Amendment are set forth in the table below. The requirements for audit committees are regulated by National Instrument 52-110, *Audit Committees*.

INSTRUMENT REQUIREMENTS	COMMENTS
Disclose the identity of directors who are independent.	Paul J. Block, Vincent J. Galifi, Edward E. Guillet, Alan D. Horn, Kathleen L. Keller-Hobson, Douglas W. Muzyka, Thomas C. Peddie and Mandy Shapansky. Mr. Horn will be retiring from the board on the Meeting date.
Disclose the identity of directors who are not independent, and describe the basis for that determination.	Donald G. Lang, Erin M. Lang, Stuart W. Lang and Geoffrey T. Martin are not independent.  Donald G. Lang is Executive Chairman of the Company, and Erin M. Lang and Stuart W. Lang have a direct family relationship with him.  Geoffrey T. Martin is the President and Chief Executive Officer of the Company.
Disclose whether or not a majority of directors are independent.	A majority of the directors are independent.
If a director is presently a director of any other issuer that is a reporting issuer in a Canadian jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Edward E. Guillet – Waste Connections, Inc.; Alan D. Horn – Rogers Communications Inc., Fairfax Financial Holdings Limited and Fairfax India Holdings Corporation; Kathleen L. Keller-Hobson – Premium Brands Holdings Corporation;

INSTRUMENT REQUIREMENTS	COMMENTS
<p>Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year.</p>	<p>With each regularly scheduled meeting of the board, its Audit Committee and its Human Resources Committee, there is a private session restricted to independent directors from which non-independent directors and management are excluded to permit independent directors to discuss any matters of concern <i>in camera</i>. <i>In camera</i> meetings of the board are chaired by the Lead Director, or, in the case of the committees, by their chair, who is an independent director. There were 5 regularly scheduled meetings of the board of directors held during 2016, and <i>in camera meetings</i> of independent directors were held at all of the 5 regularly scheduled meetings.</p>
<p>Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities.</p>	<p>The Executive Chairman, Donald G. Lang, is not an independent director. The Lead Director, Kathleen L. Keller-Hobson, is an independent director. The responsibilities of the Lead Director include the following:</p> <ul style="list-style-type: none"> <li>(i) To develop the agenda for in camera board meetings where non-independent directors and members of management are excluded;</li> <li>(ii) To act as liaison between management and the board where and if required;</li> <li>(iii) To chair board meetings in the absence of the Executive Chairman;</li> <li>(iv) To consider any other appropriate structures and procedures to ensure that the board can function independently of management;</li> <li>(v) To undertake the lead on any other corporate governance initiatives that the board may request from time to time;</li> <li>(vi) To report to the Executive Chairman concerning the deliberations of the independent directors as required;</li> <li>(vii) To provide feedback to the Executive Chairman and act as a sounding board with respect to strategies, accountability and other issues; and</li> <li>(viii) To review and approve the travel and entertainment expenses of the Executive Chairman.</li> </ul> <p>The Lead Director is required to be an independent director, and is elected annually by the board following the annual meeting of shareholders.</p>

INSTRUMENT REQUIREMENTS	COMMENTS
Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.	Please refer to the tables under "Election of Directors," above. In addition, Mr. Horn attended 5 of 5 board meetings and 8 of 8 board committee meetings.
Disclose the text of the board's written mandate.	Please see the board's mandate, set forth below under the title "The Charter of the Board."
Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee.	The position descriptions for the Executive Chairman and the chair of each committee of the board are set out in the Statement of Governance Policies, which is available on the Company's website at <a href="http://www.cclind.com">www.cclind.com</a> .
Disclose whether or not the board and the CEO have developed a written position description for the CEO.	The board has adopted a position description for the CEO, which is set out in the Statement of Governance Policies, available on the Company's website at <a href="http://www.cclind.com">www.cclind.com</a> .
Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal, and, if it has not adopted such measures, why it has not done so.	The Company has not adopted specific service term limits for directors, as it is felt that to do so would be to deprive the board of valuable experience. The Company has, however, adopted a mandatory director retirement age of 75.

INSTRUMENT REQUIREMENTS	COMMENTS
<p>Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If such a policy has been adopted, disclose a short summary of its objectives and key provisions, the measures taken to ensure that it has been successfully implemented, annual and cumulative progress by the issuer in achieving the objectives of the policy, and whether and, if so, how the board or its nominating committee measures the effectiveness of the policy. If no such policy has been adopted by the issuer, disclose why it has not done so.</p>	<p>The board has adopted a written diversity policy. The diversity policy provides that the board of directors shall use its reasonable efforts to ensure that the further recruitment of directors is reflective of its intent to advance the principle of diversity. Whenever a nominee to the board of directors is sought, the Nominating and Governance Committee will seek candidates of diverse backgrounds who demonstrate noteworthy accomplishment in their business or professional careers and significant expertise and experience in those skills and competencies identified by the Committee as requiring additional representation on the board.</p> <p>In particular, the board of directors is committed to an identification and nomination process that will identify qualified women candidates. Accordingly, the Nominating and Governance Committee will seek to ensure that, whenever a nominee to the board of directors is being considered, that one or more women candidates is identified for consideration. Any necessary resources, including those of an executive search firm, are available to the Nominating and Governance Committee in identifying women or other diverse candidates. At the conclusion of each director recruitment process, the Chair of the Nominating and Governance Committee will report to the board concerning the details of the recruitment process, the extent to which the objectives of the diversity policy have been achieved and, if the objectives have not been achieved, an account of the reasons. The board of directors and the Nominating and Governance Committee routinely discuss the promotion of diversity at regular meetings.</p> <p>As a result of the board's focus on recruiting women directors, three women directors have joined the board since 2014.</p> <p>Please also refer to the disclosure appearing below under the heading "Diversity Policy" for further detail.</p>

INSTRUMENT REQUIREMENTS	COMMENTS
<p>Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of such representation, disclose the issuer's reasons for not doing so.</p>	<p>The board has neither minimum nor maximum targets for recruiting women to the board, however the board is committed to diversity and, in particular, to the representation of women on the board. It intends to continue to follow the process for identifying and nominating women directors set forth in its diversity policy.</p>
<p>Disclose whether, and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of such representation, disclose the issuer's reasons for not doing so.</p>	<p>The Company does not use gender alone as a determining criterion in the selection of executive officers, but rather as one of several key selection criteria, including ability, experience, leadership, preparation and professional qualification. The Company is committed to promoting women to executive positions and to ensuring that women candidates are fairly considered relative to other candidates. Women have occupied significant executive positions in the Company and its major subsidiaries, and continue to do so. Please refer to the section entitled "Diversity Policy," below.</p>
<p>Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.</p>	<p>The Company has not adopted a target for women directors as it believes that decisions should be merit-based and that diversity, including gender diversity, can be achieved without reference to a target.</p>
<p>Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.</p>	<p>The Company has not adopted a target for women in executive officer positions. The Company makes such appointments based on individual merit to meet specific operational needs, rather than on the basis of a target.</p>
<p>Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.</p>	<p>There are currently three women on the board of twelve, representing 25 percent of the board. Following the Meeting, it is expected that there will be three women on the board of eleven, representing 27 percent of the board.</p>
<p>Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.</p>	<p>Women currently hold 8 out of 32 executive positions within the Company and its major subsidiaries, representing 25% of such positions.</p>
<p>Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer's business.</p>	<p>Please refer to the section entitled "Orientation of New Directors and Continuing Education of Directors", below.</p>
<p>Briefly describe what measures, if any, the board takes to provide continuing education for its directors.</p>	<p>Please refer to the section entitled "Orientation of New Directors and Continuing Education of Directors", below.</p>

INSTRUMENT REQUIREMENTS	COMMENTS
<p>Disclose whether or not the board has adopted a written code of business conduct and ethics for the directors, officers and employees. If the board has adopted a written code:</p> <p>(i) disclose how a person or company may obtain a copy of the code;</p> <p>(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and</p> <p>(iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.</p>	<p>The board has adopted a code of conduct.</p> <p>(i) A copy of the code may be viewed on the Company's website at <a href="http://www.cclind.com">www.cclind.com</a> or it may be obtained by contacting the Director – Corporate Administration of the Company at 105 Gordon Baker Road, Suite 500, Toronto, Ontario M2H 3P8.</p> <p>(ii) The monitoring of compliance with the code is within the mandate of the Human Resources Committee, which is also responsible for administering and granting any waivers in respect of the code. The Human Resources Committee and the Audit Committee receive the report of the Senior Vice President, Finance-IT-Human Resources, CCL Industries, on a quarterly basis regarding any matters or issues involving the code. The Company makes available an anonymous hotline for the reporting of suspected breaches of the code. Submissions or complaints made on the hotline are reviewed for investigation and resolution of issues by the Senior Vice President, Finance-IT-Human Resources, CCL Industries, who reports hotline matters to the board of directors through the Human Resources Committee, and, where applicable, through the Audit Committee.</p> <p>(iii) Not applicable.</p>
<p>Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.</p>	<p>Should any matter arise in which a director has a material interest, he or she is expected to declare his or her interest and recuse himself or herself from the discussion and voting over such matter.</p>
<p>Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.</p>	<p>The board and the CEO have reviewed and approved the code of conduct and management has been charged with the responsibility of distributing and promulgating this code among the Company's employees. Distribution of the code was accompanied by explanatory presentations. The General Manager of each business unit is charged with ongoing promulgation of the code to the employees under his or her authority. The code provides for an anonymous, company-wide "ethics hotline" for reporting breaches of the code and any issues relating to accounting and financial wrong-doing.</p>

INSTRUMENT REQUIREMENTS	COMMENTS
Describe the process by which the board identifies new candidates for board nomination.	The Nominating and Governance Committee has developed a matrix of skills and competencies important to the Company's business and strategic direction and identified members of the board with such skills and competencies. This matrix, and particularly any under-represented skills and competencies, is used as the basis of further recruitment efforts by the Nominating and Governance Committee. Director recruitment may be conducted through informal channels and/or through the use of executive search firms. The matrix can be found under the title "Matrix of Skills and Competencies," below.
Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.	The board has a Nominating and Governance Committee composed entirely of independent directors.
If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	Please see the text of the charter under the title "Charter of the Nominating and Governance Committee" set forth below.
Describe the process by which the board determines the compensation for the issuer's directors and officers.	The Nominating and Governance Committee is responsible for determining the compensation of the Executive Chairman and the directors. The Human Resources Committee is responsible for determining the compensation of the Company's other officers. Compensation is determined using comparative data. In the case of corporate officers, the level of experience and the performance of the individual are taken into consideration. Comparative total compensation data received from independent consulting firms is used in making determinations. Where appropriate, bonuses are paid as a percentage of salary based on the achievement of certain targets. Please refer to the "Compensation Discussion and Analysis," set forth above for a detailed discussion.
Disclose whether or not the board has a compensation committee composed entirely of independent directors.	The board has a Human Resources Committee, which fulfills the role of a compensation committee. It is composed entirely of independent directors, except for Mr. D. Lang, who is not an independent director.



INSTRUMENT REQUIREMENTS	COMMENTS
If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	Please refer to the mandate of the committee set forth under the title “Charter of the Human Resources Committee,” below.
If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The board has an Environment and Health & Safety Committee, the function of which is to provide a forum for detailed discussion, examination and review of the Company’s needs and practices in matters pertaining to regulatory compliance in the areas of environmental control and occupational health and safety and to consider and approve new measures, practices and procedures in these areas. For further details, please see the mandate of the committee set forth under the title “Charter of the Environment and Health & Safety Committee,” below.
Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments.	The Nominating and Governance Committee initiates, every second year (or more frequently, as the board may determine from time to time), a formal assessment of the board as a whole, which assessment is conducted by a questionnaire completed by each director, and may include an evaluation of the board’s committees and of each individual director. One-on-one interviews are then conducted by the Lead Director with each director to review the formal assessment, both of the performance of the board and of the directors themselves, to solicit the director’s views on the effectiveness of the board, its committees and the individual directors and to receive each director’s recommendations. The Nominating and Governance Committee considers, through on-going candid discussions held at each meeting, the effectiveness and contribution of board members and determines whether a renewal is appropriate. In addition, the board annually assesses the performance of the CEO.

### **Audit Committee**

For disclosure regarding the Company’s Audit Committee, please refer to the section entitled “Item 17– Audit Committee” in the Company’s 2016 Annual Information Form. To obtain a copy of the Annual Information Form, please refer to the information set forth under the title “Additional Information” below.

### **The Charter of the Board**

The following is the mandate of the board. Certain responsibilities may be delegated to board committees as permitted by law.

- Advocate and support the best interests of the Company.

- Annually review and approve strategic, business and capital plans for the Company, monitor management's execution of such plans and require appropriate action to be taken when performance falls short of goals; review at least annually a strategic plan which takes into account the opportunities and risks of the business.
- Ascertain whether specific and relevant corporate measurements are developed and ensure the integrity of the internal control and management information systems that are in place with regard to business performance.
- Select, evaluate, and compensate the Executive Chairman and the CEO.
- Satisfy itself of the integrity of the Executive Chairman and the CEO, and other senior officers, and that these individuals create a culture of integrity throughout the Company.
- Review and monitor management's determination and assessment of the principal risks of the Company's business and pursue the implementation by management of appropriate systems to manage such risks.
- Review measures implemented and maintained by the Company to ensure compliance with statutory and regulatory requirements.
- Monitor the practices of management against the Company's disclosure policy to ensure appropriate and timely communication of material information concerning the Company to its shareholders.
- Monitor overall safety and environmental programs.
- Monitor the development and implementation of programs for management succession and development, which programs include training and monitoring senior management.
- Monitor the evaluation and compensation of senior management.
- Develop or approve selection criteria for new candidates for directorship.
- Direct the implementation of measures for receiving feedback from shareholders, including the monitoring of the use of the Company's website as a means of receiving and responding to comments and questions from interested persons.
- Establish and communicate to management the Board's expectations of management.
- Develop the Company's approach to corporate governance, including the development of a set of corporate governance principles and guidelines that are specifically applicable to the Company, which responsibility may be delegated to a committee of the board.
- Develop and review as part of the board's Governance Policy, the expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at board meetings and advance review of meeting materials.
- Discharge such other duties as may be required in the good stewardship of the Company.

## *Board Approvals*

In addressing its mandate, the board assumes responsibility for the following approvals:

### *Financial Approvals:*

- Strategic plan, annual business and capital plans
- Annual financial statements and auditor's report
- Quarterly financial statements and press release
- Budgeted capital expenditures in excess of \$4,000,000\*
- Unbudgeted capital expenditures in excess of \$2,000,000\*
- All acquisitions, divestitures and joint ventures, and any capital calls or further investments in joint ventures and trade investments
- Significant refinancings by debt or equity
- Dividend policy
- Share re-purchase programs

\* Amounts stated in Canadian Dollars. Currency conversion set at rates prevailing at the time the matter is presented for approval or action.

### Human Resources Approvals:

- Appointments / successions/ dismissals of the Executive Chairman and the CEO
- Directly or by delegation to the Human Resources Committee:
  - (a) compensation and incentive arrangements for the CEO and those officers reporting directly to the CEO; and
  - (b) employment/termination agreements for corporate officers reporting directly to the CEO.

### Administration and Compliance Approvals:

- Appointment of Board Committees and their Chairs
- Nomination of directors
- Recommendation of Auditor to the shareholders
- Proxy circular, Management's Discussion & Analysis and Annual Information Form
- Appointment of Executive Chairman
- Major policies

## **Board Committees**

In order to more efficiently discharge its responsibilities, the board has established an Audit Committee, a Human Resources Committee, a Nominating and Governance Committee, and an Environment and Health & Safety Committee, the charters or mandates of which are set forth below. The board appoints a chair for each of these committees. The chair of each committee is an independent director. The chair of each committee directs the operations of the committee through the establishment of the agenda for meetings, which are called at regular intervals and as may be required from time to time. The chair of each committee reports on the activities of the committee at board meetings. Each committee has the authority to engage, instruct and compensate, at the Company's expense, any outside advisor it determines to be necessary to carry out its responsibilities.

### ***Charter of the Audit Committee***

The principal purpose of the Audit Committee is to provide a forum for detailed discussion, examination and review of the Company's auditing needs, financial reporting, and information systems activities and

the selection, instruction, evaluation and compensation of external and internal auditors of the Company and external providers of financial and information management systems services to the Company. Qualifications for membership in the Audit Committee include status as an independent director, financial literacy and an interest in supervising the financial management and reporting of the Company. Members of the committee are selected and removed by a vote of the board. The structure of the committee consists of a chair and two or three directors appointed by the board. In accordance with regulatory requirements<sup>1</sup>, the Audit Committee must be composed of a minimum of three directors of the Company, each of whom must be an independent director and “financially literate”, meaning possessed of the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements. The Senior Vice President and CFO acts as staff facilitator to the committee. The Audit Committee has the authority to communicate directly with the internal and external auditors. The mandate of the Audit Committee of the board is as follows:

- Review the quality and acceptability of the accounting policies, principles and practices of the Company.
- Review the quarterly and year-end financial statements, Management Discussion and Analysis, and earnings press releases of the Company before the Company publicly discloses this information, and report its findings for approval to the Board. In addition, the Audit Committee shall review the Annual Information Form of the Company and ensure that the prescribed disclosure regarding the Audit Committee is contained in the Annual Information Form.
- Monitor the adequacy and integrity of internal controls over accounting and financial systems and ensure that adequate procedures are in place for the review of the Company’s disclosure of financial information extracted or derived from the Company’s financial statements, other than the public disclosure stated immediately above, and periodically assess the adequacy of the those procedures.
- Monitor the timely communication of accurate financial information regarding the Company to the shareholders.
- Evaluate and recommend to the Board the Auditor to be nominated to prepare or issue an audit report or perform other audit, review or attestation services for the Company, and the compensation of the Auditor. Ensure that the Auditor reports directly to the Audit Committee.
- Monitor the independence of the Auditor, and assume direct responsibility for overseeing the work of the Auditor engaged to prepare or issue an audit report or perform other audit, review or attestation services for the Company, including the resolution of disagreements between management and the Auditor regarding financial reporting and communicate directly with the Auditor for the discussion and review of any issues as appropriate. In addition, the Audit Committee shall require and receive from time to time the written confirmation of the Auditor as to its independent status and as to its good standing with the Canadian Public Accountability Board.
- Pre-approve all non-audit services to be provided to the Company or its subsidiary entities by its Auditor. Authority to pre-approve non-audit services may be delegated to one or more independent members of the Audit Committee, provided that the pre-approval is presented to the full Audit Committee at its first scheduled meeting following such pre-approval.

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<sup>1</sup> National Instrument 52-110 Audit Committees, section 3.1(1)

- Review the results of internal and external audits, and any change in accounting practices or policies and their impact on the financial statements and maintain oversight responsibility for management reporting on internal control.
- Review the reports of the internal audit department of the Company and provide direction and guidance to the internal auditors.
- Where there are unsettled issues raised by the Auditor that do not have a material affect on the annual audited financial statements, require that there be a written response identifying a course of action that would lead to their resolution.
- Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- Review and approve the Company's hiring policies regarding partners and employees and former partners and employees of the present and former Auditor of the Company.
- Review and monitor the adequacy and integrity of the Company's management information systems.
- Monitor the adequacy of financial resources.
- Review the quality of the asset side of the balance sheet of the Company.
- Review and assess the adequacy of the charter of the Audit Committee on an annual basis.

#### ***Charter of the Human Resources Committee***

The principal purpose of the Human Resources Committee is to provide a forum for detailed discussion, examination and review of the Company's needs and practices in the selection, evaluation, compensation and retention of officers and employees. The Human Resources Committee considers and approves or recommends to the board of directors any changes associated with these practices. Qualifications for membership in the Human Resources Committee include an interest in human resources development and administration. Members of the committee are selected and removed by a vote of the board. The structure of the committee consists of a chairperson and a minimum of two directors appointed by the board. The Senior Vice President, Finance-IT- Human Resources, CCL Industries, acts as secretary and staff facilitator to the Committee. The chairperson of the committee directs the operations of the committee through the establishment of the agenda for meetings, which are called at regular intervals and as may be required to meet the needs of the Company. The chairperson of the committee reports on the activities of the committee at board meetings. The Human Resources Committee has the authority to engage and compensate, at the Company's expense, any outside advisor it determines to be necessary to carry out its duties. The mandate of the Human Resources Committee of the board is as follows:

- Consider, recommend and oversee the implementation of executive compensation programs including base salaries, short term and long term incentives, bonuses, security-based compensation, pension and perquisite programs. These programs are linked with the Company's business strategy and performance.

- Monitor succession planning to encourage the development of appropriate successors for the President and CEO and key executives as identified from time to time by the committee.
- Annually review corporate salary guidelines.
- In consultation with the board, review and approve the corporate goals and objectives relevant to the compensation of the President and CEO, evaluate performance in light of those corporate goals and objectives and make recommendations to the board with respect to compensation levels based on this evaluation.
- Approve any title or status changes to officers reporting directly to the President and CEO.
- Oversee risk management in the context of its role of reviewing and approving the Company's executive compensation.
- Make recommendations to the board with respect to President and CEO incentive compensation and equity-based plans.
- Annually review the performance of officers reporting directly to the President and CEO relative to performance and approval of compensation recommendations.
- Consider and approve employment and termination agreements for officers reporting directly to the President and CEO.
- Review as required and recommend for approval to the board any proposed amendments to the Company's pension plans that materially impact costs, benefits, plan eligibility or plan establishment/termination.
- Monitor the activities of the Company's pension committees. Annually review funding and administration of the Company's pension plans and fund performance as reported by the pension committees.
- Compensation advisors in respect of executive compensation may be retained by or at the direction of the Human Resources Committee or the board for the purposes of determining competitive executive compensation and other compensation matters.
- Review executive compensation disclosures prior to recommending approval to the board of directors before the Company publicly discloses this information.
- Review and reassess the adequacy of the charter of the Human Resources Committee on an annual basis.
- Monitor the operation of the Company's Global Business Ethics Guide (the "Code"), consider and approve any waivers of compliance with the Code and report to the full board concerning same.

#### ***Charter of the Nominating and Governance Committee***

The purpose of the Nominating and Governance Committee is to provide a forum for detailed discussion, examination and review of the Company's needs in the selection of directors and the formation of the committees of its board as well as of its governance policies and practices. Qualifications for membership in the committee include status as an independent director and an

interest in the development of corporate governance practices and procedures. Members of the committee are selected and removed by a vote of the board. The structure of the committee consists of a chairperson and three directors appointed by the board. The Director – Corporate Administration of the Company acts as secretary and staff facilitator to the committee. The mandate of the Nominating and Governance Committee of the board is as follows:

- Lead the process of recruiting, interviewing and recommending candidates to the board. Propose new nominees for directorship to the full board, as required.
- Develop and maintain a matrix of the skills, competencies and requirements represented on the board and those to be sought in candidates for directorship that would be helpful to the board and the Company, as well as a list of potential candidates for directorship responsive to such matrix of skills and needs, and consider whether each new nominee can devote sufficient time and resources to his or her duties as a board member.
- Annually recommend membership of the board committees and their respective chairs to the board for approval.
- Monitor the orientation and training of new directors, and provide guidance for the establishment and operation of a continuing education program for directors.
- Facilitate the assessment of the performance of the board, its committees and of individual directors through the administration of a periodic assessment exercise, and present the results to the board.
- Annually assess the Company's compliance with the governance and disclosure guidelines of the Ontario Securities Commission.
- Annually assess the adequacy of the Company's Statement of Governance Policies (including a review of the Committee Charters) and its Disclosure Policy, and to propose any appropriate amendments to the board.
- Review annually and recommend any changes in the compensation for directors.
- In consultation with the board, review and approve the corporate goals and objectives relevant to the compensation of the Executive Chairman, evaluate his performance in light of those corporate goals and objectives and make recommendations to the board with respect to his compensation levels based on this evaluation.
- Make recommendations to the board with respect to incentive compensation and equity-based plans for the Executive Chairman.

#### ***Charter of the Environment and Health & Safety Committee***

The Environment, Health & Safety Committee ("EHS Committee") is responsible for assisting the board of the Company in fulfilling its oversight responsibilities in relation to:

- the Company's policies, management systems and performance with respect to environmental and occupational health and safety ("EHS") matters;
- the Company's compliance with legal and regulatory requirements as they pertain to environment, health and safety;

- the liabilities of the Company that may arise from EHS matters with respect to the foregoing; and
- such other duties as may be delegated to the EHS Committee by the board.

Qualifications for membership in the EHS Committee include knowledge in matters of environmental protection and occupational health & safety. Members of the EHS Committee are selected and removed by a vote of the board. The structure of the EHS Committee consists of a Chairperson appointed by the board and two directors. The Vice President, Risk and Environmental Management of the Company acts as secretary and staff facilitator to the EHS Committee. The mandate of the EHS Committee is as follows:

- Ensure that management has proper systems in place for implementing the Company's policies and procedures with respect to EHS matters, such systems to involve appropriate standards, training and supervision, and reviews to ensure compliance with same.
- Review significant compliance and other issues brought forward by the EHS officer and direct senior management to take adequate steps to correct the situation and report back on completion.
- Require that the Company have a documented system requiring the prompt reporting of significant events as defined in the CCL emergency reporting procedures, and receive annual verification by management that contingency plans to deal with EHS incidents are in place.
- Review status of significant environmental issues and health and safety performance reporting on an on-going basis. Bring any material matters discussed by the EHS Committee to the attention of the board.
- Ensure appropriate environmental and health and safety due diligence is performed prior to the acquisition of all new businesses.
- Review environmental liabilities and assessment of reserve requirements annually, and provide comment to the Audit Committee as necessary.
- Require senior management delegates to keep it apprised of current and emerging issues and proposed legislation in EHS matters that may have a material effect on the Company's operations, and bring to the attention of the board such issues as the EHS Committee shall think appropriate.
- Undertake such additional activities within the scope of its responsibilities as it shall deem appropriate in its discretion.
- Management will annually report to the EHS Committee on the outcome of the EHS awards.
- Review and reassess the adequacy of the Charter and the Cyclical Agenda of the EHS Committee on an annual basis.



## Composition of Board and Committees

The board presently has eight independent directors out of a total of twelve directors, and following the Meeting, it is expected that the board will have seven independent directors out of eleven directors. The Company will seek to maintain a ratio of independent to non-independent directors of 2/3 or greater. The roles of the Executive Chairman of the board and of the CEO are separate, and the board has a lead director who is an independent director. A quorum for board and board committee meetings is a majority of the member directors. A “board interlock” occurs where there are reciprocal directorships between the boards of two companies, as when two companies share two or more directors other than in a parent/subsidiary situation. There are no board interlocks involving the Company’s board of directors and the board of directors of any other company.

As of the date of this circular, the committees of the board of directors are made up of the directors appearing in the table below. Chairpersons of board committees are marked with a “C.”

Director	Audit Committee	Human Resources Committee	Nominating and Governance Committee	Environment and Health & Safety Committee
P. Block	X		C	
V. Galifi				
E. Guillet		C	X	
A. Horn <sup>(1)</sup>	X			
K. Keller-Hobson			X	X
D. Lang		X		
E. Lang				
S. Lang				X
D. Muzyka				
T. Peddie	C		X	
M. Shapansky		X		C

(1) Mr. Horn will retire as a director on the Meeting date.

## Matrix of Skills and Competencies

The Nominating and Governance Committee has developed a matrix of skills and competencies represented on the board. The following matrix is used as the basis of further recruitment efforts conducted by the Nominating and Governance Committee through informal channels and/or executive search firms.



DIRECTOR/NOMINEE													
	P. Block	V. Galifi	N. Guillet	A. Horn <sup>(1)</sup>	K. Keller-Hobson	D. Lang	E. Lang	S. Lang	G. Martin	D. Muzyka	T. Peddie	M. Shapansky	TOTAL
<b>Experience and Skills</b>													
<b>General Management</b>													
C-Suite experience													8
International													6
Strategy development													11
M&A transactions													6
Acquisition integration													3
<b>Corporate governance</b>													6
<b>Legal/Regulatory</b>													1
<b>Finance</b>													
Accounting/auditing													5
Public market													5
Capital markets/financings													5
Risk management													4
<b>Sales/marketing</b>													
Business to business													4
Business to consumer													4
<b>Hands-on manufacturing</b>													3
<b>Sector expertise</b>													3
<b>Human resources</b>													5
<b>Health/safety/environmental sustainability</b>													4
<b>Diversity</b>													
Age	Under 55							✓					1
	55-65		✓	✓	✓	✓	✓			✓	✓		8
	66+	✓							✓			✓	3
Gender	Male	✓	✓	✓	✓		✓		✓	✓	✓	✓	9
	Female					✓		✓				✓	3
Tenure	1-5 years		✓			✓		✓			✓		5
	6-10 years			✓	✓								2
	11+ years	✓					✓		✓	✓		✓	5
Independence	Yes	✓	✓	✓	✓	✓					✓	✓	8
	No						✓	✓	✓	✓			4

(1) Mr. Horn will retire as a director on the Meeting date.

## Share Ownership Requirements

Each director is expected to acquire shares or DSUs of the Company valued at a market price for the Company's shares at not less than three times his or her annual base retainer in directors' fees within three years of the director's initial election or appointment, and to maintain such an interest in the capital of the Company throughout the period of his or her directorship. In the event that the annual base retainer is increased, each director shall have three years from the date of the increase of the retainer to acquire additional DSUs or shares representing the amount of the increase at market value as of the date of such increase. The Executive Chairman and the CEO, who are also directors, but who receive no retainer as directors, are expected to acquire within five years of their appointments and to hold throughout their term of office, as a minimum, shares of the Company and RSUs in any combination of a value equal to six times their base salaries. The Company encourages share ownership by directors by making available its DSU Plan, through which directors may receive remuneration in DSUs. In addition, the compensation of the directors was enhanced on May 5, 2016 through a grant of 165 DSUs to each director who was not also an officer of the Company, with the expectation for further DSU grants on a yearly basis at the discretion of the board. As at the date

hereof, all directors are in compliance with the requirements of the Company's policy on share ownership by directors'. The value of the equity holdings of each director appears in the table set forth under "Election of Directors," above.

### **Diversity Policy**

Recognizing the benefits that may accrue to the Company and its board of directors from actively drawing upon the available abilities and experience of accomplished and capable business leaders of diverse backgrounds, and in further recognition of the established public policy for the expansion of the participation of women in senior business leadership, the Company has adopted a diversity policy, the purpose of which is to formally acknowledge the Company's commitment to the promotion of diversity on its board of directors. "Diversity", for purposes of the policy, is to be taken in its general sense, meaning that the board of directors of the Company should reflect a range of ethnic, racial and cultural backgrounds, gender, age and geographies within which the Company carries on its business. The board of directors will use its reasonable efforts to ensure that the further recruitment of directors is reflective of its intent to advance the principle of diversity.

The board of directors of the Company will consider director candidates on merit using objective criteria, with regard to the benefits of diversity. The Nominating and Governance Committee of the board will seek candidates of diverse backgrounds, who demonstrate noteworthy accomplishment in their business or professional careers and significant expertise and experience in those skills and competencies identified by the Committee as requiring additional representation on the board. In particular, the board of directors is committed to an identification and nomination process that will identify qualified women candidates. Accordingly, the Nominating and Governance Committee will seek to ensure that, whenever a nominee to the board of directors is being considered, that one or more women candidates are identified for consideration. Any necessary resources, including those of a search firm, are available to the Nominating and Governance Committee in identifying women or other diverse candidates. To permit the board to monitor and assess the effectiveness of the policy, at the conclusion of each director recruitment process, the Chair of the Nominating and Governance Committee will report to the board concerning the details of the recruitment process, and the extent to which the objectives of this policy have been achieved and, if the objectives have not been achieved, an account of the reasons that objectives had not been achieved.

The level of representation of women on the board has been a guiding concern in the Company's board recruitment process and, since 2014, three women have joined the board. The Company has not established targets or quotas for women directors as it believes that decisions should be merit-based and that diversity, including gender diversity, can be achieved without reference to a formal target or quota.

Given the nature of the Company's global business, its business unit leaders and local management reflect the diversity of the many cultures in which we do business. The Company does not use gender as a determining criterion in the selection of executive officers but such decisions are merit-based. The Company also does not make executive appointments on the basis of targets or quotas, because it believes that such appointments should be based on individual merit and meet specific operational needs. The Company is committed to promoting women to executive positions and to ensuring that women candidates are fairly considered relative to other candidates. Women have occupied significant executive positions in the Company and its major subsidiaries, and continue to do so.

"Major subsidiary" is defined as a subsidiary the assets or revenues of which represent 30% or more of the consolidated assets or revenues of the issuer in the preceding financial year, as described in NI 55-104. The Company has two holding companies and one operating company that qualify as "major subsidiaries." "Executive officer" is understood to mean the positions of chair, vice chair or president, CEO or CFO, vice president in charge of a principal business unit, division or function,

including sales, finance or production, and an individual performing a policy-making function for the issuer. Excluding those who have no actual executive function but hold a vice presidential or similar title primarily to facilitate signing on behalf of the Company or its major subsidiaries, and allowing for those persons performing an executive or policy-making function within the Company and its major subsidiaries who are not formally appointed corporate officers or who, while performing such function, are not direct employees of the Company or its major subsidiaries, there are currently 32 executive positions within the Company and its major subsidiaries, with some overlap. Women currently hold 8 out of 32 executive officer positions within the Company and its major subsidiaries, representing 25% of such positions.

### **Orientation of New Directors and Continuing Education of Directors**

The Executive Chairman directs the orientation of a new director upon his or her election to the board. In the course of an orientation, the new director receives a comprehensive documentary orientation package that includes the current version of the Company's "Directors Information Manual." The manual contains, among other salient documents, the principal governance, disclosure, insider trading, EHS and ethics policies of the Company, the charters of the board and its committees, the Company's expectations concerning the role and conduct of a director, a description of the resources available to a director, the cyclical agenda of the board and each of its committees, a two year schedule of regular meetings, details of the Company's directors and officers insurance coverage and organizational charts of the Company's corporate entities and key managers. The new director also receives access to the recent public disclosure and regulatory filings of the Company, recent news releases and analysts' reports. In addition to the foregoing, the new director receives copies of the Company's most recent strategic plan and its most recent budget as well as copies of the CEO's quarterly "Board Letters" for the preceding year, which provide a detailed account of developments within the industries and economic environment in which the Company operates, the Company's markets and customers, business trends, strategic development initiatives and opportunities, human resources development possibilities, technology procurement plans, infrastructure changes and organizational modifications. The new director also receives copies of the equity compensation and other long term incentive plans in effect for the senior management of the Company.

The new director participates in personal meetings and discussions with the Executive Chairman, the President and CEO, the Lead Director, the Chairs of each of the board's committees, and individual directors of the Company. This helps the new director to become familiar with the workings, procedures and operating style of the board and its committees, and to establish a personal rapport with his or her colleagues on the board. These meetings are followed up by meetings with the CFO and the other principal officers of the Company, in the course of which the new director can become conversant with the financial management and audit practices of the Company, the Company's various compensation, incentive, pension and benefit plans and other human resources policies, the legal structure of the Company and a detailed understanding of the Company's ethical code and how it is administered, as well as the EHS practices, procedures and concerns of the Company. Meetings and discussions with the divisional presidents of the Company at board meetings and at other occasions provide an opportunity to develop a deeper understanding of the market advantages enjoyed by the Company through its technological capabilities and its international scope in its targeted industry segments, and to anticipate business opportunities that may come to the board for support and approval. Such meetings, along with providing the new director with an opportunity to establish a working rapport with the principal managers of the Company, also allow the director to make his or her own assessment of the talents and potential of such managers.

Along with these personal meetings with the directors and with management, the new director will visit one or more representative plants in order to understand the manufacturing processes for the Company's principal products, to meet directly with the front line management of the Company's

businesses, and to learn about the dynamics of their businesses, their technologies, their perspectives and their principal concerns.

The Nominating and Governance Committee monitors the development of programs of continuing education for directors. Ongoing director education respecting the Company, its operations, its business environment and its markets, as well as the evolving role of the director in the governance of public companies is addressed chiefly through the following practices:

*Meetings* – Meetings of the board of directors typically involve briefings concerning the Company's business and the regulatory environment in which it operates. Materials delivered to directors prior to quarterly meetings include a "Board Letter" from the President and CEO in which he reviews recent developments within the Company, its suppliers and customers, as well as economic trends likely to impact these companies and the business they represent. At each quarterly board meeting, the chair of each of the board's committees briefs the board on the deliberations of the committee, which includes a review of periodic regulatory changes important to the Company's governance or to the conduct of the Company's business. At its meetings, the board commonly receives a briefing from internal management, external experts or industry participants concerning salient industry issues, market trends, technology developments, strategic opportunities or specific challenges facing the Company and its management.

Principal briefings and presentations made to the board and its committees in the preceding year included the following:

- In November of 2016, the board visited four of the Company's manufacturing facilities in the United States, with a focus on the Company's Home and Personal Care segment of the Label division and the Container division's aluminum slug joint venture. The meetings included presentations from senior management of the Label and Container divisions and a tour of the manufacturing facilities.
- In December of 2016, the board held its annual business plan and budget review and received detailed presentations from senior management on strategic, operational and financial aspects of the business, including detailed industry updates from the leader of the Food and Beverage and Healthcare and Specialty segment of the Label division.
- The Audit Committee was briefed by KPMG quarterly on current developments in auditing and accounting practices.
- In May 2016, the Nominating and Governance Committee, as well as additional members of the board, were briefed by the Company's external counsel on trends and developments in corporate governance and securities regulation to which the Company is subject.

*Plant Visits* – It is the practice of the Company to conduct at least one set of quarterly board and committee meetings at one or more of its manufacturing plants around the world. This allows the directors an opportunity to meet the Company's management in different geographic markets and circumstances, view the differences and similarities in the foreign locations and to come to a better understanding of the unique needs and advantages that such facilities experience, and the business opportunities that foreign markets have to offer. In recent years, the board has visited and inspected the Company's facilities on the east and west coast of the United States, United Kingdom, Mexico, Brazil, Germany, Austria, China and Thailand. Typically, the directors of the Company travel broadly, and they are encouraged to seek out opportunities in their travels to pay individual visits to the Company's plants around the world. Each director is expected to visit at least one additional plant a year on an independent basis.

*Senior Management Meetings* – In addition to meeting members of senior management at board meetings, directors are encouraged to meet independently, from time to time, with members of senior management to develop a better understanding of their responsibilities. Various members of the board met with senior management at locations in the United States, Latin America and Asia.

*Wide Spectrum Participation* – The committees of the board welcome the attendance as guests of other directors who are not regular members of a committee. Although such a guest director does not vote on the deliberations of a committee, he or she nevertheless gains an understanding of the issues, policies, regulatory environment and specific concerns that drive the decision-making of the committee. This is particularly so in the case of the Audit Committee, whose meetings are often attended by all members of the board. At meetings of the Audit Committee, the directors are briefed quarterly by the Company's auditors, KPMG, on recent developments in accounting and auditing standards. Guest directors are also brought into discussion on various financial issues, and gain an understanding of such matters through participation in these discussions.

*Association Membership* – The Company enrolls, at its own cost, all of its directors as members of the Institute of Corporate Directors, a body dedicated to the development of excellence in directorship skills and knowledge. The Institute offers courses leading to a recognized designation, seminars on timely issues and publications concerning the enhancement of directorship skills. In addition, the Company encourages participation by its directors in industry associations, particularly those of an international nature. When circumstances permit, the Company also encourages attendance by directors, particularly in the company of members of the Company's operating management, at the various industry trade shows in North America and Europe.

*Distribution of Media Coverage* – The Executive Chairman and the President and CEO regularly circulate to the directors copies of newspaper articles, analysts' reports, newswire releases, articles in industry periodicals and other publications in which the Company is mentioned or discussed. This helps the directors develop an understanding of the public perception of the Company, particularly from an investor relations perspective.

*Regular Review of Key Policies* – The key governance, disclosure and ethics policies of the Company are reviewed by the board's applicable committees annually for compliance with changing regulations and best practices, and updated if required. These updates are presented as a briefing to the full board in the course of the committee chair's presentation to the board meeting, and followed up with the issuance of a revised and updated Directors' Information Manual.

## **Disclosure and Communications Policy**

The Executive Chairman in consultation with the CEO and CFO has responsibility for communicating financial information of the Company to shareholders, the media and the investment community, and for receiving and responding to inquiries and comments from them. The CFO has responsibility for developing the Company's annual report to its shareholders, and for disseminating general information concerning the activities of the Company. In addition to the foregoing, the Company has established a "Disclosure Committee" made up of key persons within the Company's internal flow of information to review and verify the information to be disclosed in the Company's news releases and regulatory filings. The Company provides timely information regarding its activities to its shareholders and others through news releases and the distribution of quarterly and annual reports, and responds through its appointed officers to inquiries that these documents may generate. The Company's news releases are also posted to its website at [www.cclind.com](http://www.cclind.com). Meetings with analysts and institutional shareholders held at the conclusion of quarterly reporting periods are accessible by conference call on a dial-in basis to interested members of the public.

The Company has a written policy, reviewed annually by the Nominating and Governance Committee, concerning the timely disclosure and dissemination of material information, establishing procedures to avoid selective disclosure and prohibiting the use of material, undisclosed information for purposes of trading in the Company's securities by officers and employees of the Company. To help prevent selective disclosure, the policy requires employees to direct all outside inquiries to the Executive Chairman, the CEO or the CFO. In addition, trading in the Company's securities by the Company's officers and directors is restricted for the periods from the time of commencement of the preparation of its quarterly financial statements until the statements have been released to the media and distributed to the public. During such periods, employees involved in the preparation of such statements are required to maintain secrecy and may not trade in the Company's securities. In addition, directors are required to advise the senior management of the Company of any intended trade in the Company's securities, so that a determination can be made as to whether the timing of the trade would be appropriate in view of the Company's policy concerning timely disclosure of material information.

### **External Auditor Service Fees**

The auditor of the Company is KPMG LLP, Chartered Accountants.

*Audit Fees* – The aggregate audit fees paid to KPMG LLP related to the audit of the annual consolidated financial statements and the review of the interim financial statements were \$3,579,061 in 2016 and \$2,057,878 in 2015.

*Audit-Related Fees* – The aggregate fees billed for assurance and related services by KPMG LLP that are reasonably related to the performance of the audit or review of the financial statements, and that are not reported under "Audit Fees" above were \$116,728 in 2016 and \$120,772 in 2015. These fees related to the audit of the Company's pension plans, the report on compliance with debt covenants, an audit of Thailand Board of Investments, an attestation report on compliance with local Mexican tax rules and regulations, and Avery Germany's compliance on payment of licence fees.

*Tax Fees* – The aggregate fees billed for professional services rendered by KPMG LLP and its affiliates for tax compliance, tax advice and tax planning for the Company's Canadian and international operations were \$1,979,919 in 2016 and \$1,039,196 in 2015.

*All Other Fees* – KPMG provided services that met the definition of other in 2016 totalling \$106,012 and \$45,000 in 2015 for professional services in connection with interest rate determination on an inter-company loan and liquidation of dormant subsidiaries.

### **Auditor Assessment**

In 2016, the Audit Committee performed an assessment of the performance of KPMG LLP as part of its reappointment recommendation. In assessing the performance of KPMG LLP, the Committee focused on three key areas:

- Independence, objectivity and professional skepticism
- Quality of the engagement team
- Quality of communication and interaction with the external auditors

The assessment process included interviews with all Audit Committee members and applicable members of senior management of the Company, to ensure that service quality levels and areas of audit focus meet with the expectations of the Audit Committee.

In addition, the Audit Committee met quarterly with external auditors and applicable members of senior management, to ensure that appropriate audit quality and timeliness of reporting is maintained on a consistent basis.

As a result of this assessment process, the Audit Committee recommends the reappointment of KPMG LLP as the auditors of the Company.

#### **SHAREHOLDER PROPOSALS FOR THE 2018 ANNUAL MEETING**

The Company will review shareholder proposals intended to be included in proxy material for the 2018 annual meeting of shareholders that are received by the Company at its offices at 105 Gordon Baker Road, Suite 500, Toronto, Ontario M2H 3P8, Attention: Director – Corporate Administration by no later than December 20, 2017.



## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.cclind.com](http://www.cclind.com). Financial information regarding the Company is provided in the Company's comparative consolidated annual financial statements and Management's Discussion and Analysis ("MD&A") for the financial year ended December 31, 2016.

Copies of the following documents are available without charge to shareholders upon written request to the Director – Corporate Administration of the Company at 105 Gordon Baker Road, Suite 500, Toronto, Ontario M2H 3P8, or, following distribution of these materials, they may be obtained from the SEDAR website at [www.sedar.com](http://www.sedar.com) or the Company's website at [www.cclind.com](http://www.cclind.com):

- (i) the 2016 Annual Report to the Shareholders containing the comparative consolidated financial statements for the year ended December 31, 2016, together with the accompanying report of the auditors;
- (ii) MD&A pertaining to the Company's comparative consolidated financial statements;
- (iii) this Management Proxy Circular; and
- (iv) the Company's most recent Annual Information Form.

## **GENERAL**

The information contained herein is given as of March 20, 2017, unless otherwise noted. The contents and the distribution of this Management Proxy Circular have been approved by the directors of the Company.

**DATED** at Toronto this 20<sup>th</sup> day of March, 2017.

**By Order of the Board of Directors,**

**Per: Lalitha Vaidyanathan,  
Senior Vice President,  
Finance – IT – Human  
Resources**

## SCHEDULE A

### **SPECIAL RESOLUTION OF THE SHAREHOLDERS OF CCL INDUSTRIES INC. TO SUBDIVIDE THE CLASS A VOTING SHARES AND THE CLASS B NON-VOTING SHARES**

Resolved as a special resolution that:

1. the Articles of the Company be amended pursuant to the provisions of the Canada Business Corporations Act to:
  - (a) subdivide each of the issued and outstanding Class A voting shares of the Company on a five for one basis; and
  - (b) subdivide each of the issued and outstanding Class B non-voting shares of the Company on a five for one basis;
2. the Company is hereby authorized to apply for a Certificate of Amendment under the Canada Business Corporations Act amending its Articles as set forth above, and any one officer or director of the Company is hereby authorized to do all such things and to execute and deliver for and on behalf of the Company all such notices, documents and instruments, including articles of amendment, as may be considered necessary or desirable to give effect to the foregoing; and
3. notwithstanding the foregoing, the directors of the Company, in their sole discretion and without further approval of the shareholders of the Company, may revoke this special resolution at any time before the Certificate of Amendment giving effect to the amendments to the Articles of the Company set forth above is issued.

