NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF CCL INDUSTRIES INC.

MAY 1, 2003

NOTICE is hereby given that the Annual Meeting (the "Meeting") of Shareholders of **CCL INDUSTRIES INC.** (the "Corporation") will be held at the Toronto Stock Exchange Conference Centre, The Exchange Tower 130 King Street West, Toronto, Ontario M5X 1J2, at 4:00 p.m. (Toronto time), on Thursday, May 1, 2003 for the following purposes:

1. to receive the 2002 Annual Report of the Corporation containing the audited consolidated financial statements of the Corporation for the financial years ended December 31, 2002 and December 31, 2001, and the auditor's report thereon;
2. to elect 8 directors;
3. to appoint the auditor and authorize the directors to fix the auditor's remuneration; and
4. 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,

Toronto, Ontario
March 20, 2003

B.I. SIROTA
Secretary

NOTES TO NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

1. Holders of Class B non-voting shares of the Corporation 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 the Secretary of the Corporation, c/o CIBC Mellon Trust Company, Corporate Trust Services, P.O. Box 12005, Stn. BRM B, Toronto, Ontario, M7Y 2K5 for delivery before the Meeting or for deposit with the Chairman at the Meeting.
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 17, 2003. Accordingly, shareholders registered on the books of the Corporation at the close of business on March 17, 2003 are entitled to notice of the Meeting.
5. A copy of the 2002 Annual Report of the Corporation 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, 2003
FOR USE AT THE ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 1, 2003

SOLICITATION OF PROXIES

THIS MANAGEMENT PROXY CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF CCL INDUSTRIES INC. (THE "CORPORATION") FOR USE AT THE ANNUAL MEETING OF SHAREHOLDERS of the Corporation (the "Meeting") to be held at the Toronto Stock Exchange Conference Centre, Toronto Stock Exchange, The Exchange Tower 130 King Street West, Toronto, Ontario M5X 1J2, at 4:00 p.m. (Toronto time), on Thursday, May 1, 2003 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 the Secretary of the Corporation, c/o CIBC Mellon Trust Company, Corporate Trust Services, P.O. Box 12005, Stn. BRM B, Toronto, Ontario M7Y 2K5, in time for use at the Meeting. An addressed envelope with the postage prepaid accompanies this Management Proxy Circular and may be used for such purpose. The solicitation will be primarily by mail; however, the directors, officers and employees of the Corporation may also solicit proxies by telephone, by facsimile or in person. The cost of solicitation by management will be borne by the Corporation.

APPOINTMENT OF PROXYHOLDER

The persons named in the accompanying form of proxy are officers and directors of the Corporation 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 Corporation) to represent him 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 delivering, at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) thereof, the completed form of proxy addressed to the Secretary of the Corporation, c/o CIBC Mellon Trust Company, Corporate Trust Services, P.O. Box 12005, Stn. BRM B, Toronto, Ontario, M7Y 2K5, or to the Chairman or the Secretary of the Meeting at the beginning of the Meeting or any adjournment(s) thereof.

REVOCATION 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 Secretary of the Corporation at the Corporation's registered office at 105 Gordon Baker Road, Toronto, Ontario, M2H 3P8 at any time up to and including 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 or voted for or against 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 for or against 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 the**

directors named in this Management Proxy Circular; and (ii) on the reappointment of KPMG LLP, Chartered Accounts as the auditor of the Corporation, in favour of such reappointment, and to authorize the directors to fix the remuneration of the auditor. 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.

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 judgement, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

VOTING BY NON-REGISTERED SHAREHOLDERS

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, 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 Canadian Depository for Securities Limited ("CDS") of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101, the Corporation 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 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.

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 Non-Registered Holder's (or such other person's) name 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.

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 that 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 Corporation. The Articles of the Corporation 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 Corporation, 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 Corporation. 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 SHARES AND PRINCIPAL HOLDERS THEREOF

As of March 17, 2003, there are issued and outstanding 2,446,899 Class A voting shares and 30,238,444 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 March 17, 2003 (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 Corporation, the only person or company beneficially owning, directly or indirectly, or exercising control or direction over more than 10% of the issued and outstanding Class A voting shares of the Corporation is 1281228 Ontario Inc., a private Ontario corporation, which exercises control or direction over 2,241,880 Class A voting shares, being 91.6% of the issued and outstanding shares of that class on the date hereof (see Note 3 under "Election of Directors"). Donald G. Lang and Stuart W. Lang each own one half of the issued and outstanding shares of 1281228 Ontario Inc.

PARTICULARS OF MATTERS TO BE ACTED UPON

ELECTION OF DIRECTORS

The Articles of the Corporation provide that the Board of Directors of the Corporation shall consist of a minimum of 5 directors and a maximum of 15 directors. The Board of Directors of the Corporation has fixed the number of directors to be elected at the Meeting at 8. Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote for the election of the 8 nominees whose names are set forth below. All of the nominees are now members of the Board of Directors of the Corporation and have been so since the dates indicated. Mr. Stephen J. Friedman will not be standing for re-election to the Board at the Meeting. The Board is grateful to Mr. Friedman for his significant contributions to the activities and deliberations of the Board during the period of his directorship.

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 successor is duly elected unless prior thereto the director resigns or the director's office becomes vacant by reason of death or other cause.

The Board of Directors has constituted an Audit Committee, a Human Resources Committee, a Nominating and Governance Committee and an Environmental and Occupational Health & Safety Committee, but does not have an Executive Committee. Members of the Audit Committee and the other Committees are identified in the table set forth below.

The following table 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 Corporation, or any of its significant affiliates, now held by them, their principal occupations or employments, their periods of service as directors of the Corporation (including any predecessor thereof) and the approximate number of shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof.

Name and Position with the Corporation and significant affiliates	Principal Occupation (2)	Director Since	Approximate number of shares beneficially owned directly or indirectly or over which control or direction is exercised (1) Class A	Class B
PAUL J. BLOCK Director (also Chairman of Human Resources Committee and Member of Audit Committee)	Chairman and CEO of Proteus Capital Associates (an investment banking firm)	November 6, 1997	—	—
DERMOT G. COUGHLAN Director (also Chairman of Audit Committee and Member of Human Resources Committee)	Corporate Director; Chairman and CEO of Derland Holdings Inc. (private investment holding company); prior to June 2000, Chairman and CEO of Derlan Industries Limited (industrial corporation serving aerospace and pump markets)	May 23, 1991	2,000	—
ALBERT GNAT, Q.C. Director (also Member of Audit Committee and Environment and Health & Safety Committee)	Partner, Lang Michener (Barristers and Solicitors) (Counsel to the Corporation)	March 14, 1973	2,000	162,000
JON K. GRANT Director and Chairman (also Chairman of Environment and Health & Safety Committee and Member of Human Resources Committee and Nominating and Governance Committee)	Corporate Director	December 8, 1994	—	1,000

Name and Position with the Corporation and significant affiliates	Principal Occupation (2)	Director Since	Approximate number of shares beneficially owned directly or indirectly or over which control or direction is exercised (1)	
			Class A	Class B
JEAN-RENÉ HALDE Director (also Chairman of Nominating and Governance Committee and Member of Environment and Health & Safety Committee)	Corporate Director. Until January, 2003, President and Chief Executive Officer of Irwin Toy Limited; prior to 2001, President and Chief Executive Officer of Livgroup Investments Ltd.	May 2, 2001	—	3,000
DONALD G. LANG Director and President and Chief Executive Officer of the Corporation (also Member of Environment and Health & Safety Committee)	President and Chief Executive Officer of the Corporation	May 23, 1991	150(3)	47,500(3)
STUART W. LANG Director and President of CCL Label International, a division of the Corporation (also Member of Nominating and Governance Committee)	President of CCL Label International, a division of the Corporation	May 23, 1991	— (3)	610(3)
LAWRENCE G. TAPP Director (also Member of Audit Committee and Member of Human Resources Committee)	Dean of the Richard Ivey School of Business, University of Western Ontario	December 8, 1994	—	1,000

NOTES

(1) Information as to shares beneficially owned directly or indirectly by each nominee or over which each nominee exercises control or direction, not being within the knowledge of the Corporation, has been furnished by the respective nominees individually.

(2) Each of the persons proposed to be nominated as a director of the Corporation has been elected as a director of the Corporation by a vote of shareholders at a meeting the notice of which was accompanied by a management proxy circular which stated his principal occupation during the five years prior to the date of such circular.

(3) Donald G. Lang and 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 Corporation.

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 Corporation to hold such appointment until the next annual meeting of shareholders, and to authorize the directors of the Corporation to fix the remuneration of the auditor. KPMG LLP has been the auditor of the Corporation for more than 5 years.

REMUNERATION OF EXECUTIVE OFFICERS AND DIRECTORS

Compensation of Named Executive Officers

The following table sets forth all compensation for the periods indicated paid in respect of the individuals (the "Named Executive Officers") who were, at December 31, 2002, the chief executive officer and the four other most highly compensated executive officers of the Corporation.

2002 Summary Compensation Table

Name and Principal Position as at December 31, 2002	Year	Annual Compensation Salary ($)	Annual Compensation Bonus (1) ($)	Annual Compensation Other Annual Compensation (2) ($)	Long Term Compensation Securities Under Options (#)	All Other Compensation (6) ($)
Donald G. Lang	2002	450,000	810,000	—	70,000	13,500
President and Chief	2001	450,000	—	—	120,000	13,500
Executive Officer	2000	450,000	—	—	137,500	13,500
Geoffrey T. Martin	2002	U.S.312,000	U.S.468,000	U.S. 3,954	12,000	—
President, CCL Label	2001	U.S.225,000 (3)	U.S.150,000	U.S. 2,447	50,000	U.S.60,000 (4)
Division	2000	—	—	—	—	—
Paul Cummings	2002	U.S.280,000	U.S.314,000	U.S. 2,117	61,400	—
President, CCL Custom	2001	U.S.255,000	U.S.146,554	U.S. 6,462	32,000	—
Manufacturing Division	2000	U.S.250,000	U.S. 61,610	U.S.14,439	40,000	—
Steven W. Lancaster . . .	2002	250,000	375,000	9,397	25,000	13,500
Senior Vice President and	2001	240,000	—	18,775	32,500	13,500
Chief Financial Officer	2000	205,000	—	19,648	32,500	13,500
Rami E. Younes	2002	328,000	261,908	9,397	12,000	13,500
President, Container	2001	320,000	—	18,775	15,000	13,500
Division	2000	320,000	7,520	19,648	37,500	13,500

NOTES:

(1) Bonus amounts are paid in cash in the year following the fiscal year in which they were earned.

(2) Perquisites and other personal benefits do not exceed the lesser of $50,000 and 10% of the total of the annual salary and bonus for the above named officers. The amounts in this column relate to taxable benefits on employee loans only.

(3) Mr. Martin commenced employment on April 1, 2001 and the amount reflects his salary for the partial year. On an annualised basis, Mr. Martin's 2001 salary would have been US$300,000.

(4) Inducement amount paid to Mr. Martin on commencement of employment.

(5) The Corporation does not have a Stock Appreciation Rights Plan, or a Restricted Share Unit Plan. The Corporation has a Long Term Incentive Plan as described in the section entitled "Long Term Incentive Plans", below.

(6) Amounts shown under "All Other Compensation" represent pension plan contributions by the employer, except as otherwise indicated. Please refer to the section entitled "Pension and Retirement Agreements of Named Executive Officers" below.

Long Term Incentive Plans ("LTIPs")

As part of the Corporation's compensation policy, the Corporation has commenced establishing LTIPs for the benefit of certain executives of its operating divisions. LTIPs are intended to substantially replace the granting of options under the Employee Share Option Plan to executives that participate in the LTIP program. The LTIPs are structured to encourage growth and improved income performance of an operating division over a three year period and are based on the achievement of agreed upon cumulative income improvements over the three year period. In 2002 the Corporation established an LTIP for certain executives of the Label Division, including Geoffrey T. Martin, the President of the Label Division. Under the terms of the LTIP, an income target has been established for the Label Division for the three year period ending in December 2004, which represents significant improvement over the actual results for the base year 2001. If the target is achieved, Mr. Martin and designated members of his management team will receive bonus payments based on a percentage of the cumulative income improvement over the 2001 base year. The following table sets forth the only LTIP granted to Named Executive Officers.

Long Term Incentive Plans — Awards in Most Recently Completed Financial Year

Name	Securities, Units or Other Rights (#)	Performance or Other Period Until Maturation or Payout	Estimated Future Payouts Under Non-Securities-Price-Based Plans		
			Threshold ($)	Target ($)	Maximum ($)
Geoffrey T. Martin	not applicable	January 2002 to December 2004	Nil	1,040,000	1,400,000

Options and Stock Appreciation Rights Granted to or Exercised by Named Executive Officers

The Corporation has an Employee Stock Option Plan (the "Option Plan") the terms of which, together with particulars of options granted to and exercised by Named Executive Officers during the financial year ended December 31, 2002, are described below.

Pursuant to the Option Plan, the Board of Directors is authorized to issue, from time to time in its discretion, options to employees, officers and directors of the Corporation to acquire Class B non-voting shares of the Corporation at such prices as may be fixed by the Board of Directors at that time in accordance with the rules of The Toronto Stock Exchange. Options granted under the Option Plan are for a term not exceeding ten years. The number of Class B non-voting shares reserved for issuance under the Option Plan is 3,000,000.

Stock option grants are considered on an annual basis as part of the compensation review for executive officers. Grants are determined based on the executive's position, individual performance and the availability of options for granting.

The Corporation does not intend to provide financial assistance in connection with the exercise of options granted under the Option Plan.

During the financial year ended December 31, 2002, no stock appreciation rights ("SARs") were granted to Named Executive Officers and as at December 31, 2002, no SARs were outstanding. Details of options granted to and exercised by Named Executive Officers during the financial year ended December 31, 2002 are shown in the two tables set out below.

Options Grants During 2002

Name	Securities Under Options Granted (#)	% of Total Options Granted to Employees In 2002	Exercise or Base Price ($/Security)	Market Value Of Securities Underlying Options On the Date of Grant ($/Security)	Expiration Date
Donald G. Lang	70,000	19.0%	$18.51	$18.51	Dec. 4, 2012
Geoffrey T. Martin	12,000 (3)	3.3%	$18.51	$18.51	Dec. 4, 2012
Paul Cummings	12,000 (3) 49,400	3.3% 13.4%	$18.51 $18.85	$18.51 $18.85	Dec. 4, 2012 June 16, 2009
Steven W. Lancaster	25,000	6.7%	$18.51	$18.51	Dec. 4, 2012
Rami E. Younes	12,000 (3)	3.3%	$18.51	$18.51	Dec. 4, 2012

NOTES:

(1) All securities granted in 2002 were Options on Class B non-voting shares. There were no SAR grants in 2002.

(2) Options are granted at the market value of Class B non-voting shares at the time of the grant.

(3) The Corporation has adopted a new long term incentive plan based on divisional performance over three years ("LTIP") to partially replace the use of options in incentive compensation for officers other than the President & Chief Executive Officer and the Senior Vice President & Chief Financial Officer.

Aggregate Options Exercised During 2002 and 2002 Year-End Option Values

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized ($)	Unexercised Options at Year End (#) Exercisable/ Unexercisable		Value of Unexercised in-the-Money Options at Year End ($) Exercisable/Unexercisable	
Donald G. Lang	18,000	78,195	298,500	209,000	2,014,995	1,313,130
Geoffrey T. Martin	—	—	22,400	39,600	176,200	264,300
Paul Cummings	55,400	291,900	74,200	49,800	209,198	354,352
Steven W. Lancaster	7,500	31,707	66,200	57,300	473,732	330,753
Rami E. Younes	20,000	83,400	72,900	38,600	498,035	272,760

Executive Share Purchase Plan

The Corporation has adopted, effective November 8, 1999, an executive share purchase plan (the "ESPP"), the purpose of which is to assist senior officers and executives of the Corporation and its subsidiaries, through the provision by the Corporation of loans, to invest in Class B non-voting shares of the Corporation so as to acquire a proprietary interest in the Corporation. Loans under the ESPP do not bear interest and are secured by a pledge in favour of the Corporation of the Class B non-voting shares acquired under the ESPP pursuant to the loans. Subject to repayment on termination of employment, the loans have a ten year term. In addition, the loans are repayable on a proportionate basis upon the sale by a participant in the ESPP of any shares acquired with loans under the ESPP, that is, if half of the shares are sold, half of the loan is repayable. Should the proceeds realized on the sale of such shares be less than the amount of the loan with respect thereto, 50% of the shortfall will be forgiven by the Corporation. For particulars of shares acquired under the ESPP during the financial year ended December 31, 2002, and of loans outstanding thereunder from the financial year ended December 31, 2002, please see "Table of Indebtedness of Directors, Executive Officers and Senior Officers Under Securities Purchase Programs".

Pension and Retirement Arrangements of Named Executive Officers

The Corporation has entered into supplemental retirement agreements with Mr. Lang and Mr. Younes as of January 1, 1996, with Mr. Cummings as of January 1, 1998 and with Mr. Lancaster as of January 1, 1998. These agreements provide for an annual benefit based on years of service and to a maximum of 60% of the average of the executive's five highest consecutive years' salaries (excluding bonuses, stock options and non-cash benefits) prior to termination of employment. The factor for determining the pension earned is based on 2% per year of service. 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, at a reduced rate of 60%, becomes immediately payable to the executive's spouse for life. The Corporation's payment obligations are funded in part by contributions to a defined contribution pension plan (see "All Other Compensation" in the 2002 Summary Compensation Table, above) and the balance is unfunded. For the purpose of calculating the pension payment, pensionable service for Mr. Lang was 21 years, for Mr. Cummings was 29 years, for Mr. Lancaster was 25 years and for Mr. Younes was 22 years, as of December 31, 2002.

The Corporation maintains a "Deferred Compensation Plan" for Mr. Martin, pursuant to which it contributes an annual amount which taken together with his allowable 401K contributions provides a maximum annual company contribution of 9% of base salary and bonus. The Deferred Compensation Plan is a defined contribution plan. The Deferred Compensation Plan vests upon his reaching the age of 60 or upon his earlier termination without cause, and the plan is unfunded. Contributions to the said plan accrue interest at the rate of 1.5% above the amount paid on United States Treasury Bills from time to time.

Supplemental Retirement Benefits of Messrs. Lang, Cummings, Lancaster, and Younes

Remuneration ($)	Years of Service and Annual Pension ($)				
	10	15	20	25	30 and over
200,000	40,000	60,000	80,000	100,000	120,000
250,000	50,000	75,000	100,000	125,000	150,000
300,000	60,000	90,000	120,000	150,000	180,000
350,000	70,000	105,000	140,000	175,000	210,000
400,000	80,000	120,000	160,000	200,000	240,000
450,000	90,000	135,000	180,000	225,000	270,000
500,000	100,000	150,000	200,000	250,000	300,000

Employment Contracts

The Corporation has entered into an employment agreement dated April 1, 2001 with Mr. Martin pursuant to which he has been employed as the President of the Corporation's Label Division. The following is a summary of the terms of the agreement with Mr. Martin. The agreement provides for a base salary of U.S.$300,000 per annum subject to yearly review. In 2002, Mr. Martin's base salary was US$312,000. Mr. Martin is entitled to participate in the Corporation's Senior Management Incentive Plan Bonus Program and is entitled to standard benefits of the type normally available to executive officers. Mr. Martin's employment cannot extend beyond age 65. The agreement may be terminated for cause as defined in the agreement and may be otherwise terminated on 24 months' notice. The agreement contains standard non-competition and non-solicitation provisions.

Human Resources Committee

During the financial year of the Corporation ending December 31, 2002, the Human Resources Committee of the Board of Directors of the Corporation (the "Human Resources Committee"), consisted of Mr. Paul J. Block (Chairman), Mr. Dermot G. Coughlan, Mr. Stephen J. Friedman, Mr. Jon K. Grant, and Mr. Lawrence G. Tapp. Mr. Friedman will not be standing for re-election to the Board at the Meeting, and accordingly the membership of the Human Resources Committee is anticipated to be reduced to four following the Meeting. All members of the Human Resources Committee are outside, unrelated directors.

Report of the Human Resources Committee

The Human Resources Committee establishes compensation policies, incentive policies and oversees the stock option plans of the Corporation. The Human Resources Committee is charged with monitoring and recommending new employment agreements and with the appointment and dismissal of officers. The Human Resources Committee bases its recommendations on current markets and the desire to attract and retain executive officers of high quality. Compensation, including bonuses and stock options, is awarded for significant contributions to increased shareholder value. In setting policy, the Human Resources Committee relies upon the recommendations of senior executive officers of the Corporation and makes reference to other comparable corporate situations and the advice of independent consultants. The Human Resources Committee from time to time reviews the Corporation's compensation policies to ensure that these policies remain appropriate.

The compensation programs for the President and Chief Executive Officer and the other executives of the Corporation have several components including base salary, annual incentives and long term incentives. Base salaries are determined using competitive data and considering the level of experience and the performance of the individual. The Human Resources Committee approves adjustments to base salaries on an annual basis for officers of the Corporation and recommends the base salary of the President and Chief Executive Officer to the Board of Directors for approval. To assist in these purposes, the Human Resources Committee makes use of comparative total compensation data received from outside consulting firms. These data generally include information from companies, which, like the Corporation, are included in the S&P/TSX Composite Index and take into consideration their comparative revenue levels and industry sectors.

The annual incentive plans are designed to recognize financial and operational performance as well as individual achievements. Each year performance targets for the Corporation and its business units as well as individual objectives are established. Cash bonuses are paid as a percentage of salary based on the achievement of these targets. Target awards for corporate executives range from 28% to 60% of base salary. Actual awards can range from zero to up to three times the target award. Annual bonuses are paid to the President and Chief Executive Officer and other corporate executives based on year over year improvement in earnings per share, excluding unusual items. The bonuses awarded for 2002 to Messrs. Donald Lang and Steven Lancaster were paid at their maximum level as a result of the performance of the Corporation and the bonus awarded for 2002 to Mr. Geoffrey Martin was paid at its maximum level as a result of the performance of the Label Division.

Long term incentive plans are designed to motivate and reward senior executives for actions that enhance shareholder value. The Corporation also compensates executives through the use of LTIPs, stock options and the executive share purchase plan described under the headings "Options and Stock Appreciation Rights Granted to or Exercised by Named Executive Officers" and "Executive Share Purchase Plan" above. Longer term cash incentives are also used to encourage superior performance at the business unit level.

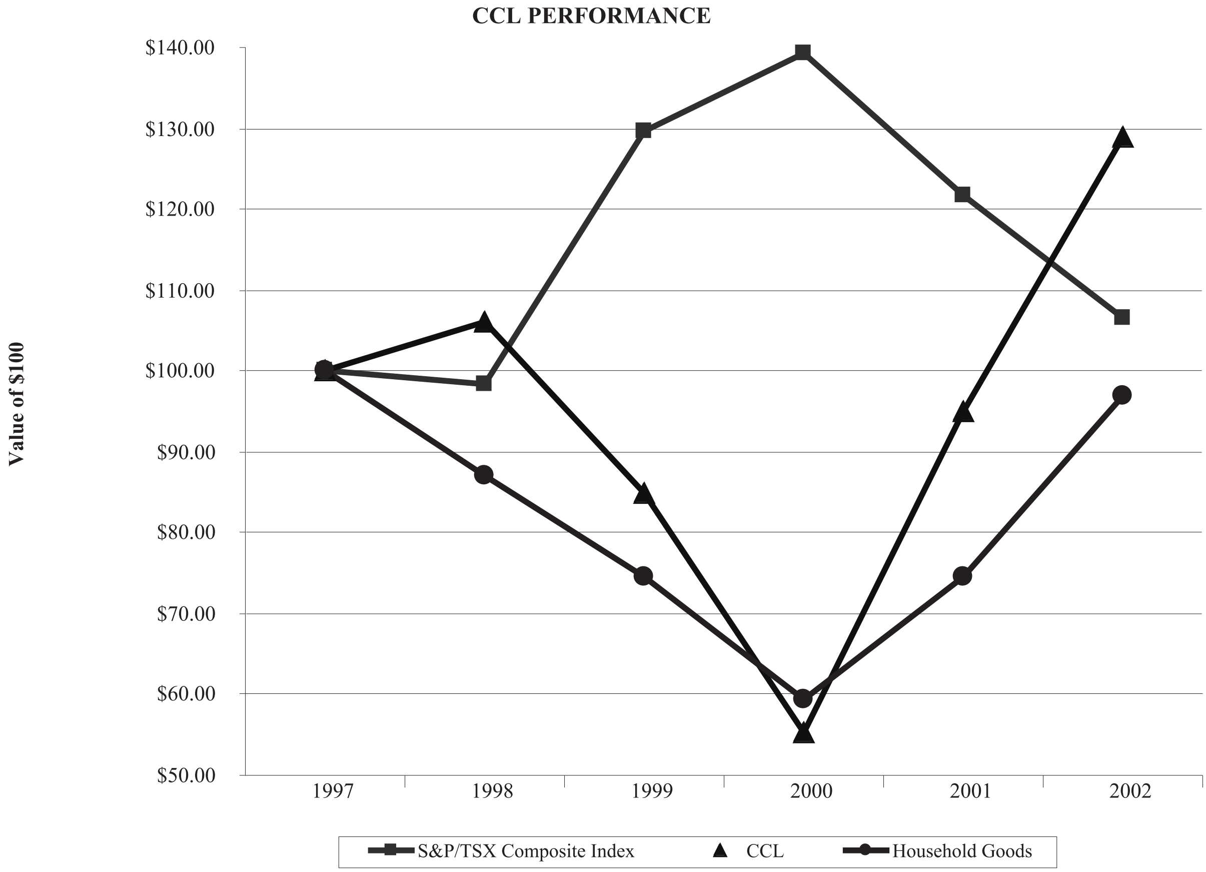
In December 2002 and February 2003, the Human Resources Committee approved recommendations for salary increases for the Corporation's executive officers for the 2003 fiscal year. Stock options were granted during 2002 to employees in accordance with the Option Plan. In February of 2003 the Human Resources Committee approved bonus payments under the Corporation's Senior Management Incentive Bonus Program based on performance in 2002 against pre-established divisional operating income targets and improvement in earnings per share, exclusive of unusual items against earnings per share achieved in 2001.

Submitted by the Committee:

Paul J. Block, Chairman
Dermot G. Coughlan
Stephen J. Friedman
Jon K. Grant
Lawrence G. Tapp

Performance Graph

The following graph compares the yearly percentage change in the cumulative total shareholder return over the last five years of the Corporation's Class B non-voting shares with the cumulative total return of the S&P/TSX Composite Index (formerly the TSE 300 Total Return Stock Index), assuming reinvestment of dividends on each of the dividend payment dates. The Corporation's Class B non-voting shares are included in the foregoing index. In May 2002, The Toronto Stock Exchange initiated a complete change in the structure of its indices. Previously, the performance of the Corporation's shares was also compared to the TSX Household Goods Total Return Index which has been discontinued. There is now no sub-index which would provide a relevant comparison of the performance of the Corporation's shares with that of its peer group. Accordingly, because the Corporation believes that it provides shareholders with important information, a comparison with the discontinued TSX Household Goods Total Return Index has been included in the following graph. The performance of the Corporation's Class A voting shares is substantially similar to that of the Class B non-voting shares. The performance of the Corporation's Class B non-voting shares is based on the closing price of $19.46 on The Toronto Stock Exchange on December 31, 2002.



(as at December 31st)	1997	1998	1999	2000	2001	2002
S&P/TSX Composite Index	$100.00	$98.42	$129.63	$139.23	$121.73	$106.59
CCL	$100.00	$106.10	$84.85	$55.29	$94.94	$128.82
Household Goods	$100.00	$87.02	$74.65	$59.44	$74.63	$96.99

Note: The Household Goods Index has been discontinued.
CCL is now classified in the new category of "Materials — Containers/Packaging".

Compensation of Directors

During the financial year ended December 31, 2002, director's fees were paid to the directors of the Corporation other than Donald Lang and Stuart Lang on the basis of a retainer of $15,000 per annum and

$2,000 per meeting attended of the Board of Directors and of each Committee of the Board of Directors. The Chairman of the Board receives an additional retainer of $100,000, and Committee Chairmen receive an annual retainer of $3,000. Fees paid for attendance at telephone meetings were $1,000 per director per meeting. Directors are also entitled to be reimbursed for their reasonable out-of-pocket expenses incurred on the business of the Corporation and are eligible to receive stock options in an amount determined in accordance with established policies. Directors were paid the foregoing sums in the currency of their place of residence. All directors received options to purchase Class B non-voting shares in 2002, pursuant to the Option Plan. Donald Lang received options only in his capacity as officer of the Corporation. Jon Grant received an option to purchase 10,000 such shares and all other directors received options to purchase 5,000 such shares.

Indebtedness of Directors and Officers to the Corporation and its Subsidiaries

The aggregate amount of indebtedness incurred in connection with the purchase of securities of the Corporation by all current and former directors, officers and employees of the Corporation and its subsidiaries as at February 28, 2003 was $1,849,597.

The following table sets forth the indebtedness (other than routine indebtedness as defined in the Regulation to the *Securities Act (Ontario)*) incurred by directors, executive officers and senior officers of the Corporation for the purchase of securities of the Corporation.

Table of Indebtedness of Directors, Executive Officers and Senior Officers under Securities Purchase Programs

Name and Principal Position	Involvement of Issuer or Subsidiary	Largest Amount Outstanding During 2002	Amount Outstanding as at March 20, 2003	Financially Assisted Securities Purchases During 2002	Security for Indebtedness
Akhil Bhandari . . . . *Vice President, Information Technology and Chief Information Officer*	Issuer (lender)	$241,550	$241,550	Nil	25,000 CCL Class B Shares
Steven W. Lancaster . . . . *Senior Vice President & Chief Financial Officer*	Issuer (lender)	$341,624	$341,624	Nil	25,000 CCL Class B Shares
Geoffrey T. Martin . . . . *President — CCL Label Division*	Subsidiary (lender)	$241,550	$241,550	Nil	25,000 CCL Class B Shares
Janis M. Wade . . . . *Senior Vice President, Human Resources and Corporate Communications*	Issuer (lender)	$341,624	$341,624	Nil	25,000 CCL Class B Shares
Rami E. Younes . . . . *President — CCL Container Division*	Issuer (lender)	$341,624	$341,624	Nil	25,000 CCL Class B shares
Richard Zakaib . . . . *Vice President, Corporate Development*	Issuer (lender)	$341,624	$341,624	Nil	25,000 CCL Class B Shares

The loans set forth in the above table were made with respect to the Executive Share Purchase Plan. The loans do not bear interest. The loans are repayable at the time of disposal of the shares purchased.

As at February 28, 2003 the aggregate amount of indebtedness incurred, other than in connection with the purchase of securities of the Corporation, by all current and former directors, officers and employees of the Corporation and its subsidiaries was $997,881.

The following table sets forth the indebtedness (other than routine indebtedness as previously defined) incurred by directors, executive officers and senior officers of the Corporation other than for the purchase of securities of the Corporation.

Table of Indebtedness of Directors, Executive Officers and Senior Officers other than under Securities Purchase Programs

Name and Principal Position	Involvement of Issuer or Subsidiary	Largest Amount Outstanding During 2002	Amount Outstanding as at March 20, 2003
Paul Cummings . . . . *President, CCL Custom Manufacturing Division*	Subsidiary (lender)	U.S.$164,668	U.S.$135,113

The loan to Mr. Cummings was made to enable him to purchase a residence upon his relocation to Rosemont, Illinois and is secured by a mortgage on this residence. The loan bears no interest and is being repaid in monthly instalments. The loan is to be repaid in full by June 30, 2008.

Directors' and Officers' Liability Insurance

As of July 8, 2002, the Corporation has 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 Corporation. The cumulative amount of the premium paid in respect of this policy in 2002 was $88,750. 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 absorbed by the Corporation. The aggregate amount of coverage under the policies is $50,000,000 in respect of any one occurrence. By the terms of the policies, the Corporation 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 Corporation under the primary policy. In addition, in certain limited circumstances where complete indemnity of the director or officer by the Corporation is not possible, the director or officer may claim on the policies for 100% of the loss, without a deductible being applicable. The policy contains standard industry exclusions and no claims have been made to date.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Corporation has a formalized system of corporate governance practices set forth in its "Statement of Governance Policies" (the "Statement of Governance Policies"). The Statement of Governance Policies addresses the recommendations contained in the Report of The Toronto Stock Exchange ("TSX") Committee on Corporate Governance in Canada, which was released in December, 1994 (the "Report"), new guidelines for corporate governance promulgated by the TSX in April of 2002 in response to the report of the Joint Committee of the TSX, the TSX Venture Exchange and the Canadian Institute of Chartered Accountants (the "Joint Committee Report"), and the governance provisions of the TSX Company Manual (as revised November 28, 2002). The Corporation has also adopted and implemented a written code of ethics.

The Board of Directors has a written mandate, which includes among the duties and objectives of the Board of Directors the following responsibilities:

- to review and approve the strategic, business and capital plans of the Corporation and monitor management's execution of such plans;
- to review the principal risks of the Corporation's business and to pursue the implementation by management of appropriate systems to manage such risks;
- to review whether specific and relevant corporate measures are developed and adequate controls and information systems are in place with regard to business performance;
- to select, evaluate and compensate the President & Chief Executive Officer (the "CEO");

- to monitor the practices of management to ensure appropriate and timely communication of material information concerning the Corporation to its shareholders and through its Nominating and Governance Committee, to annually review the Corporation's communications policy;
- through its Audit Committee, to review and monitor the adequacy and integrity of the Corporation's management information systems;
- to monitor the overall safety and environmental programs of the Corporation; and
- to monitor the development and implementation of programs for management succession and development.

Certain corporate proposals and initiatives require the approval of the Board of Directors. Such required approvals include the adoption and implementation of the strategic plan, the annual business plan, the capital plan, the adoption of the Corporation's annual financial statements and the auditor's report thereon, the adoption of the quarterly statements and related press releases, capital expenditures in excess of $4,000,000 where the expenditure is budgeted and in excess of $2,000,000 where the expenditure is unbudgeted, all acquisitions and divestitures, significant refinancing opportunities, the Corporation's dividend policy and the implementation of any normal course issuer bid. The Board of Directors has authority over the appointment, performance assessment and succession of the CEO, the compensation and incentives of the CEO and other principal corporate officers, and any employment and termination agreements with such officers. The Board of Directors may delegate its approval authority in various matters to appropriate committees of the Board of Directors.

Best governance practices require the majority of the directors on the Board of Directors be unrelated to the Corporation. As defined in the Report, an "unrelated" director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the corporation, other than interests and relationships arising from shareholding. The Corporation presently has nine directors, six of whom, in the determination of the Board of Directors, are unrelated because they are not members of management, are not related to the major shareholder and do not, directly or indirectly, have any material interests in or relationships with the Corporation other than as shareholders. One unrelated director, Mr. Stephen J. Friedman, will not be standing for re-election at the Meeting. Related directors are Donald G. Lang, President & Chief Executive Officer, and Stuart W. Lang, President of CCL Label International, as management employees and Albert Gnat, as a partner of Lang Michener, the principal law firm used by the Corporation. The Corporation has a significant shareholder, defined in the Joint Committee Report as a shareholder with the ability to exercise a majority of the votes for the election of the board of directors. The Corporation satisfies the requirement for fairly reflecting the investment of minority shareholders because only three of the current nine directors on the Board have any connection with the significant shareholder. In addition, outside directors meet separately prior to each Board meeting to address any matters of concern.

Best governance practices require that the chair of the Board of Directors be separate from management, or that structures and processes be in place to facilitate the functioning of the Board of Directors independently from management. The Chairman of the Board of Directors is Jon K. Grant, who is an outside, unrelated director. The Board of Directors feels that it functions independently of management, because its members have latitude to bring forward matters of concern to them for discussion at meetings and to amend meeting agendas. In addition, members of management who are not also directors (other than a recording secretary) are generally excluded from meetings of the Board of Directors.

The Board of Directors has an Audit Committee, a Human Resources Committee, a Nominating and Governance Committee, and an Environment and Health & Safety Committee. Each committee has its own written mandate or charter, and reports to the full Board of Directors quarterly on its activities.

Best governance practices require that committees of a board of directors should generally be composed of outside directors (meaning directors who are not employees of the Corporation), a majority of whom are unrelated directors.

The Audit Committee consists of four directors, three of whom are outside directors and unrelated to the Corporation and Albert Gnat, who is an outside, related director. Mr. Gnat has been appointed to the Audit Committee in order that the Corporation may best benefit from his expertise. The mandate of the Audit Committee, which is set out in its charter, includes the review of the quarterly and year-end financial statements of the Corporation and the reporting of its findings and recommendations concerning approval to the Board of Directors. The Audit Committee communicates directly with the Corporation's outside auditor and reviews the results of audits and any change in accounting practices or policies and their impact on financial statements. The Audit Committee monitors that appropriate internal controls over accounting and financial systems are maintained, and that accurate financial information regarding the Corporation is communicated to the shareholders.

The duties of the Audit Committee include the evaluation and recommendation of the auditor to the Board of Directors, as well as a periodic review of the auditor's services to assess any requirement for change or cost savings. Fees incurred by the Corporation in 2002 totalled $997,000 for audit fees and a further $231,000 for audit related fees, as well as $390,000 in fees paid to KPMG for services other than audit services. The external auditor is ultimately accountable to the Board of Directors and its Audit Committee. The Audit Committee monitors the adequacy of the financial resources of the Corporation and the quality of the asset side of the balance sheet of the Corporation. The Audit Committee periodically reviews and monitors the adequacy and operations of the Corporation's management information systems. Where so requested by the Board of Directors, the Audit Committee will review high exposure areas and report accordingly. Within the mandate of the Audit Committee is the detailed review of the management proxy circular, the Annual Information Form, and the Management Discussion and Analysis. In addition, the Audit Committee monitors the activities of the Corporation's Pension Committee.

The Board, in Committee, has reviewed and adopted the concepts of "financial literacy" (defined as the ability to read and understand a balance sheet, an income statement and a cash flow statement and the notes attached thereto) and "accounting or related financial expertise" (defined as the ability to analyze and interpret a full set of financial statements, including the notes attached thereto, in accordance with Canadian generally accepted accounting principles) set forth in the Joint Committee Report, and has satisfied itself that its Audit Committee meets the test of being composed of directors possessing financial literacy, with at least one member of the Committee possessing accounting or related financial expertise.

The charter of the Audit Committee is reviewed and reassessed annually.

The Human Resources Committee currently consists of five outside, unrelated directors as of the date hereof, and following the Meeting, it is anticipated that the Committee will consist of four outside, unrelated directors. The mandate of this committee is to consider and recommend executive compensation programs including base salaries, short term and long term incentives, bonuses, stock options, pension and perquisite programs, and to review whether these programs are linked with the Corporation's business strategy and performance. The Human Resources Committee annually considers and recommends corporate salary guidelines, and the performance of corporate officers concerning congruency between performance and compensation. The Human Resources Committee annually considers and approves the compensation packages for principal corporate officers and considers and recommends the compensation package of the CEO. The committee monitors succession planning measures so that appropriate successors are being developed for the CEO and senior executives and reviews any changes to executive staff reporting directly to the CEO. The committee also assists the Chair with the establishment, monitoring and evaluation of objectives and standards of performance for the CEO. In addition, the committee annually reviews the compensation of directors.

The Nominating and Governance Committee consists as of the date hereof of four directors, three of whom are outside and unrelated directors and Stuart W. Lang, who is an inside, related director. Following the Meeting, it is anticipated that the Committee will consist of three outside, unrelated directors. Whereas the Report recommends that the committee nominating prospective directors be composed entirely of outside and unrelated directors, the present composition of the Nominating and Governance Committee reflects the nature of the Corporation as a company with a significant shareholder, and applies Stuart Lang's experience in issues of corporate governance. Nevertheless, impartiality has been demonstrated because all of the candidates proposed by the committee as directors since it was established have been outside, unrelated directors. The Board of

Directors has considered its size, and has determined that an appropriate composition is between eight and twelve directors. The mandate of this committee includes leading the process of soliciting nominations, screening and recommending of candidates for directorship, the recommendation to the full board of individual directors for membership in the various committees of the Board of Directors, and facilitating the process of evaluation of the Board of Directors and its committees. The committee makes use of its own resources and engages the services of a recruitment firm to identify appropriate candidates for directorship. Monitoring the Corporation's program for the orientation and education of new directors is also within the committee's mandate. As part of its general responsibility over governance issues within the Corporation, the committee maintains the currency of the Corporation's Statement of Governance Policies through an ongoing review process. Assessment of the performance of the Board of Directors, is generally undertaken on bi-annual basis. An evaluation of this sort was carried out in the autumn of 2002 using an outside consulting firm. The evaluation was based on a questionnaire followed by in depth personal interviews of the directors and senior management and included an analysis of their comments and recommendations based on this analysis. This evaluation program, presented to and discussed by the full Board, constitutes a disciplined process for determining, in light of the opportunities and risks facing the Corporation, what competencies, skills and personal qualities should be sought in new Board members to add value to the Corporation.

The Environment and Health & Safety Committee consists of four directors, two being unrelated and outside directors, one being a related, outside director and one being a related, inside director. Following the Meeting, it is anticipated that the committee will consist of two outside, unrelated directors and one outside related director. The committee reviews the environmental and health & safety auditing procedure in place to monitor the effectiveness of compliance systems and procedures, and amends the auditing protocols as needed. It reviews significant compliance and other issues brought forward by the Corporation's Environmental and Health & Safety officer. It directs senior management to take any necessary corrective steps and report back on completion. The committee monitors that all company operations have appropriate, written contingency plans to deal with any environmental or health & safety incidents. The committee requires that the Corporation have a documented system requiring the prompt reporting of any significant events to the office of the CEO or to his direct reports. The committee reviews the status of any significant environmental issues on an on-going basis. The committee also reviews potential environmental exposures and assesses the adequacy of reserves, providing comment to the Audit Committee as necessary.

The Board of Directors met nine times in the preceding calendar year. In the same period, the Audit Committee met five times, the Human Resources Committee met six times, the Nominating and Governance Committee met seven times and the Environmental and Health & Safety Committee met three times. Overall director attendance at Board and Committee meetings held over the course of 2002 was 92.6%. Compensation of directors is detailed in the section entitled "Compensation of Directors", set forth above.

The Corporation has designated two senior officers to facilitate the dissemination of information to shareholders of the Corporation and other interested parties and to receive feedback from them. The Senior Vice President and Chief Financial Officer has responsibility for communicating financial information of the Corporation to shareholders, the media and the investment community, and for receiving and responding to inquiries and comments from them. The Senior Vice President, Human Resources and Corporate Communications shares responsibility with the Senior Vice President and Chief Financial Officer for developing the Corporation's annual report to its shareholders, for disseminating general information concerning the activities of the Corporation, for receiving, and for responding to general comments and inquiries concerning the Corporation from shareholders and others. The Corporation 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. Meetings with analysts and institutional shareholders held at the conclusion of quarterly reporting periods are accessible in person by conference call on a dial-in basis to interested members of the public. Current information concerning the Corporation and its performance is available on the Corporation's website, and interested members of the public may submit inquiries by e-mail through the Corporation's website, which are addressed for response by the senior management of the Corporation. In addition, questions and comments are solicited at the Corporation's annual meeting of shareholders.

The Corporation has a written policy, reviewed annually, 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 Corporation's securities by officers and employees of the Corporation. To help prevent selective disclosure, the policy requires employees to direct all outside inquiries to the Senior Vice President and Chief Financial Officer or to the Senior Vice President Human Resources and Corporate Communications. In addition, trading in the Corporation's securities by Corporation'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 Corporation's securities.

The Board of Directors charges management to achieve the goals set forth in the strategic plan of the Corporation, which the Board of Directors reviews for approval annually. The Board of Directors further monitors management's administration of the affairs of the Corporation and requires management to provide it with timely information in sufficient detail to enable the Board of Directors to appropriately discharge its own responsibilities.

The Statement of Governance Policies provides that any director may in appropriate circumstances, engage an outside advisor at the expense of the Corporation. This right may be exercised in consultation with the Chairman and in accordance with established procedures.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There are no material transactions involving the Corporation or any of its subsidiaries in which any of its officers or directors, any proposed management nominee as a director, any shareholder holding 10% of the votes attached to the shares of the Corporation, or any associate or affiliate of any of the foregoing had any interest currently pending or concluded, whether direct or indirect, since the date of the last Management Proxy Circular of the Corporation.

SHAREHOLDER PROPOSALS FOR THE 2004 ANNUAL MEETING

The Corporation will review shareholder proposals intended to be included in proxy material for the 2004 Annual Meeting of Shareholders which are received by the Corporation at its offices at 105 Gordon Baker Road, Willowdale, Ontario, M2H 3P8, Attention: Secretary, by no later than December 31, 2003.

AVAILABILITY OF DOCUMENTS

Copies of the following documents are available without charge to shareholders upon written request to the Secretary of the Corporation at 105 Gordon Baker Road, Willowdale, Ontario, M2H 3P8:

(i) the 2002 Annual Report to the Shareholders containing the consolidated financial statements for the year ended December 31, 2002 together with the accompanying report of the auditors;

(ii) this Management Information Circular; and

(iii) the Corporation's most recent Annual Information Form.

GENERAL

The information contained herein is given as of March 20, 2003, unless otherwise noted. The contents and the sending of this Management Proxy Circular have been approved by the directors of the Corporation.

DATED at Toronto, this 20th day of March, 2003.

By Order of the Board of Directors,

B.I. Sirota,
Secretary