



**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF
CCL INDUSTRIES INC.**

MAY 5, 2005

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 5, 2005 for the following purposes:

1. to receive the 2004 Annual Report of the Corporation containing the audited consolidated financial statements of the Corporation for the financial years ended December 31, 2004 and December 31, 2003, and the auditor's report thereon;
2. to elect nine directors;
3. to re-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,

B.I. Sirota
Secretary

Toronto, Ontario
March 16, 2005

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, Attention: Proxy Department, 200 Queen's Quay East, Unit #6, Toronto, Ontario, M5A 4K9 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, 2005. Accordingly, shareholders registered on the books of the Corporation at the close of business on March 17, 2005 are entitled to notice of the Meeting.
5. A copy of the 2004 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 16, 2005 FOR USE AT THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 5, 2005

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 5, 2005 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, Attention: Proxy Department, 200 Queen's Quay East, Unit #6, Toronto, Ontario, M5A 4K9, 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, Attention Proxy Department, 200 Queen's Quay East, Unit #6, Toronto, Ontario, M5A 4K9, or 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 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; (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 judgment, 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 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 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 SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As of March 17, 2005, (the "record date") there were issued and outstanding 2,439,187 Class A voting shares and 30,101,056 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 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 91.9 % of the issued and outstanding shares of that class on the date hereof (see Note 3 under "Election of Directors"). Donald G. Lang, director, President and Chief Executive Officer of the Corporation and Stuart W. Lang, director and President of CCL Label International, a division of the Corporation, each control 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 nine (9). Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote for the election of the nine (9) 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.

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 Health & Safety Committee (the "Committees"), but does not have an Executive Committee. Members of the 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, Province/State and Country of Residence 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⁾		Changes in Equity Position since March 18, 2004
			Class A	Class B	
PAUL J. BLOCK New York, USA Director (also Chairman of Human Resources Committee and Member of Audit Committee)	Chairman and CEO of Proteus Capital Associates (an investment banking firm), principal of Sea Change Group and President of Versadial, a Sea Change Company (private equity firms).	November 6, 1997	Nil	2,300	Acquired 2,300 Class B non- voting shares
SUSAN J. COOK Ohio, USA Director (also Member of Human Resources Committee)	Vice President, Human Resources, of Eaton Corporation, (diversified manufacturing company) since 1995.	July 29, 2004	Nil	Nil	Nil

Name, Province/State and Country of Residence 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⁾		Changes in Equity Position since March 18, 2004
			Class A	Class B	
DERMOT G. COUGHLAN Ontario, Canada Director (also Member of Audit Committee and 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	Nil	No change
JON K. GRANT Ontario, Canada 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	Nil	5,000	Acquired 4,000 Class B non-voting shares
JEAN-RENÉ HALDE ⁽⁴⁾ Ontario, Canada Director (also Chairman of Nominating and Governance Committee and Member of Environment and Health & Safety Committee)	Chairman and Chief Executive Officer of Experlead Corporation (a company offering advisory services to senior management and corporate boards) since September 2003; prior to January, 2003, President and Chief Executive Officer of Irwin Toy Limited (toy manufacturing); prior to 2001, President and Chief Executive Officer of Livgroup Investments Ltd. (holding company).	May 2, 2001	Nil	3,000	No change

Name, Province/State and Country of Residence 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⁾		Changes in Equity Position since March 18, 2004
			Class A	Class B	
DONALD G. LANG Ontario, Canada Director and President and Chief Executive Officer of the Corporation	President and Chief Executive Officer of the Corporation since 2000; prior to 2000, President and Chief Operating Officer of the Corporation.	May 23, 1991	150 ⁽³⁾	47,500 ⁽³⁾	No change
STUART W. LANG West Yorkshire, United Kingdom Director and President of CCL Label International, a division of the Corporation	President of CCL Label International, a division of the Corporation; prior to 2002, President of CCL Label Canada, a division of the Corporation.	May 23, 1991	Nil	610 ⁽³⁾	No change
THOMAS C. PEDDIE Ontario, Canada Director (also Chairman of the Audit Committee)	Senior Vice President and Chief Financial Officer of Corus Entertainment (media company) since 1999.	June 4, 2003	Nil	Nil	No change
LAWRENCE G. TAPP British Columbia, Canada Director (also Member of Audit Committee and Nominating and Governance Committee)	Corporate Director; prior to 2003 Dean of the Richard Ivey School of Business, University of Western Ontario.	December 8, 1994	Nil	2,500	Acquired 1,500 Class B non-voting shares

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) Further biographical data in respect of each director are set forth under the heading "Description of Incumbent Board" below.
- (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.
- (4) Jean-René Halde was an executive officer and director of Irwin Toy Limited, a private corporation, on December 2, 2002, when it applied for and obtained an Order under the Companies' Creditors Arrangement Act for creditor protection, and resigned as officer and director on January 15, 2003 when an interim receiver was appointed.

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, 2004, the chief executive officer, the chief financial officer and the three other most highly compensated executive officers of the Corporation.

2004 Summary Compensation Table

Name and Principal Position As at December 31, 2004	Year	Annual Compensation			Long Term Compensation Awards		All Other Compensation (\$)
		Salary (\$)	Bonus ⁽¹⁾ (\$)	Other Annual Compensation ⁽²⁾ (\$)	Securities Under Options (#)	LTIP Payouts (\$)	
Donald G. Lang <i>President and Chief Executive Officer</i>	2004	480,000	307,200	--	70,000	--	16,500
	2003	465,750	292,025	--	70,000	--	15,500
	2002	450,000	810,000	--	70,000	--	13,500
Steven W. Lancaster <i>Executive Vice President and Chief Financial Officer</i>	2004	280,000	116,480	9,388	25,000	--	16,500
	2003	260,000	135,850	11,110	25,000	--	15,500
	2002	250,000	375,000	9,397	25,000	--	13,500
Geoffrey T. Martin <i>President, CCL Label & Plastic Packaging Divisions</i>	2004	US 390,000	US 608,400	US 3,939	15,000	US 2,670,000	--
	2003	US 349,750	US 353,437	US 2,414	15,000	--	--
	2002	US 312,000	US 468,000	US 3,954	12,000	--	--
Paul Cummings <i>President, CCL Custom Manufacturing Division</i>	2004	US 321,500	US 143,164	--	10,000	--	--
	2003	US 312,000	US 140,400	--	10,000	--	--
	2002	US 280,000	US 314,000	US 2,117	61,400	--	--
Rami E. Younes <i>President, Container Division</i>	2004	350,000	353,080	9,388	10,000	--	16,500
	2003	339,500	311,321	11,110	12,000	--	15,500
	2002	328,000	261,908	9,397	12,000	--	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) 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 designed 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. Under the terms of the LTIP, an income target has been established for the applicable Division for a three-year period, which represents significant improvement over the actual results for a base year. If the target is achieved, the designated members of the divisional management team will receive bonus payments based on a percentage of the cumulative income improvement over the three-year period. In

2003, the Corporation established LTIPs maturing in December 2005 for the executives of the Container Division and the Plastic Packaging Division, including their respective Presidents. An LTIP created for the executives of the Label Division, including its President, Geoffrey Martin, matured on December 31, 2004. A new replacement LTIP based on similar principles for the executives of the Label Division is presently under consideration by the Board. The following table sets forth the current LTIPs 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 (\$)
Rami Younes	Not applicable	January 2003 to December 2005	Nil	U.S. 445,000	U.S. 445,000

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, 2004, 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. Options granted in 2004 do not vest during the first year following their grant, and vest progressively thereafter throughout their five-year term. 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. Please refer to the section entitled “Report of the Human Resources Committee” set forth below for additional details.

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, 2004, no stock appreciation rights (“SARs”) were granted to Named Executive Officers and as at December 31, 2004, no SARs were outstanding. Details of options granted to and exercised by Named Executive Officers during the financial year ended December 31, 2004 are shown in the two tables set out below.

Options Grants During 2004

Name	Securities, Under Options Granted (#)	% of Total Options Granted to Employees In 2004	Exercise or Base Price (\$/Security)	Market Value Of Securities Underlying Options On the Date of Grant (\$/Security)	Expiration Date
Donald G. Lang	70,000	37.0%	\$17.74	\$17.74	Dec. 1, 2009
Steven W. Lancaster	25,000	13.2%	\$17.74	\$17.74	Dec. 1, 2009
Geoffrey T. Martin	15,000	7.9%	\$17.74	\$17.74	Dec. 1, 2009
Paul Cummings	10,000	5.3%	\$17.74	\$17.74	Dec. 1, 2009
Rami E. Younes	10,000	5.3%	\$17.74	\$17.74	Dec. 1, 2009

NOTES:

- (1) The Corporation has adopted a 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 Executive Vice President & Chief Financial Officer.
- (2) Options are granted at the market value of Class B non-voting shares at the time of the grant.

Aggregate Options Exercised During 2004 and 2004 Year-End Option Values

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options at Year End (#)		Value of Unexercised in-the-Money Options at Year End (\$)	
			Exercisable/Unexercisable	Exercisable/Unexercisable	Exercisable/Unexercisable	Exercisable/Unexercisable
Donald G. Lang	--	--	473,000	174,500	2,850,455	278,520
Steven W. Lancaster	--	--	106,250	60,250	611,800	86,525
Geoffrey T. Martin	--	--	50,950	41,050	331,388	108,692
Paul Cummings	8,000	73,600	99,300	28,700	277,788	58,592
Rami E. Younes	--	--	106,700	26,800	679,703	38,662

No repricing of outstanding options has occurred in the course of 2004, nor to the date of this circular.

Executive Share Purchase Plan

The Corporation adopted, effective November 8, 1999, an executive share purchase plan (the "ESPP"), which was discontinued in December 2001. The purpose of the ESPP was to assist senior officers and executives of the Corporation and its subsidiaries to invest in Class B non-voting shares of the Corporation through the provision by the Corporation of loans, 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. No shares were acquired under the ESPP during the financial year ended December 31, 2004. For particulars of loans outstanding thereunder from the financial year ended December 31, 2004, please see

"Table of Indebtedness of Directors, Executive Officers and Senior Officers Under Securities Purchase Programs".

Supplemental Retirement Benefits of Messrs Lang, Lancaster, Cummings 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

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, and with Mr. Cummings and Mr. Lancaster as of January 1, 1998. These agreements provide for an annual benefit of 2% for each year 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 (in the aggregate referred to as "Remuneration" in the Supplemental Retirement Benefits table set fourth above). 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 2003 Summary Compensation Table, above) and the balance is unfunded. For the purpose of calculating the pension payment, pensionable service for Mr. Lang was 23 years, for Mr. Lancaster was 27 years, for Mr. Cummings was 31 years and for Mr. Younes was 24 years, as of December 31, 2004.

The Corporation maintains a "Deferred Compensation Plan" for Mr. Martin, pursuant to which it contributes a maximum annual company contribution of 9% of base salary and bonus. The Deferred Compensation Plan is a defined contribution plan. Contributions to the said plan are fully vested and accrue interest at the rate of 1.5% above the amount paid on United States Treasury Bills from time to time.

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 US\$300,000 per annum subject to yearly review. In 2004, Mr. Martin's base salary was US\$390,000. 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.

Composition of the Human Resources Committee

During the financial year of the Corporation ending December 31, 2004, 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. Jon K. Grant, and since October 27, 2004, Ms. Susan J. Cook. All members of the Human Resources Committee are independent, outside, unrelated directors.

Report On Executive Compensation

The Human Resources Committee establishes executive compensation policies, which include long and short-term incentives, 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. In setting policy, the Human Resources Committee relies upon recommendations of senior executive officers of the Corporation and makes reference to other comparable corporate situations and the advice of independent consultants.

Compensation Policies

The Corporation's compensation policies have been structured so as to provide a total compensation package of base salary and performance-based compensation including cash incentive bonuses and stock options. The compensation package reflects the Corporation's business structure and focuses on performance. Policies are set based on current market conditions and the desire to attract and retain executives of high quality.

Each year the Human Resources Committee reviews the compensation of the President and Chief Executive Officer and other executive officers relative to performance and market factors.

Base Salaries

Base salaries are determined using comparative 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 independent 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 level and industry sectors. Salaries of officers of the Corporation who reside and work in the United States are set with consideration given to the US market. The Human Resources Committee also reviews the achievement of the documented individual objectives of the President and Chief Executive Officer and reports its findings to the Board of Directors with its recommended salary adjustment.

Cash Incentives

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 in 2004 for officers of the Corporation ranged from 28% to 100% 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 before unusual items and excluding gains on currency translation and accounting changes. Full bonus is paid when year over year growth of earnings per share shows at least 5% improvement over the prior year and could be paid at up to a maximum of three times the target when earnings per share growth reaches or exceeds 30%. The bonus awarded for 2004 to Mr. Donald Lang was paid at \$307,200, and the bonus to Mr. Lancaster was paid at \$116,480. Divisional Presidents' annual cash bonus is based on attainment of budgeted operating income plus or minus an 18% credit or penalty calculated on changes in net cash flow relative to budget. Bonuses for Messrs Paul Cummings, Geoffrey Martin, and Rami Younes were paid at US\$143,164, US\$608,400 and CDN\$353,080 respectively as a result of the performance of their divisions.

Long-term incentive plans (LTIPs) have been designed to encourage superior performance at the business unit level and to reward senior executives for income growth within their business over a three-year period. As of 2004, LTIPs are in place for three of the Corporation's business units.

Stock-Based Incentives

The Corporation's stock based plans were established to motivate and reward senior executives for actions that enhance shareholder value. The Option Plan provides an annual award to executive officers of the

Corporation as recommended by the President and Chief Executive Officer and approved by the Board of Directors and to the President and CEO and Directors based on recommendations from the Human Resources Committee and on the Corporation's policy. The policy establishes the amount of options that may be awarded based on the performance of the Corporation and the individual executive, which may range from zero to 70,000 options. The Human Resources Committee also considers the terms and conditions that will attach to such grants subject to the terms of the plan as described under the heading "Options and Stock Appreciation Rights Granted to or Exercised By Named Executive Officers". The number of participants in this program was significantly reduced in 2002. The Corporation also established a one-time Executive Share Purchase Plan for certain senior executives in 1999 to 2001 and provided interest-free loans to assist these executives in 1999 to 2001 with the purchase of shares of the Corporation and to increase the alignment of executives to the Corporation's shareholders. In 2004 the Human Resources Committee recommended the approval of stock options for the President and Chief Executive Officer and for executive officers and directors of the Corporation based on the policy and considering the performance of the Corporation. The term of the options granted in 2004 was reduced to five years from ten years, and the said options vest at the rate of one quarter per year following the initial 12-month period. The amount and terms of outstanding options and shares are taken into account when determining whether and how many new option grants should be made.

Compensation of the President and Chief Executive Officer

The Human Resources Committee reviews the compensation of the President and CEO relative to performance and market factors. For the year ending December 31, 2004, Mr. Lang's compensation consisted of a base salary and awards under the Corporation's annual incentive and stock option plans. In determining Mr. Lang's compensation, the Committee considered his performance in meeting financial and other objectives as well as market compensation levels. To identify market compensation, the Committee reviewed compensation of CEOs leading publicly traded manufacturing companies of a similar size and scope as the Corporation. The Committee uses the median of market information as the policy line to determine the appropriate compensation levels.

For the year 2004, Mr. Lang's base salary was \$480,000. He was eligible to receive a salary increase January 1, 2005 based on performance and market conditions.

The annual incentive plan is paid on growth in earnings per share before unusual items. Target bonus is paid if growth in earnings per share achieves 5%. In 2004 the plan was changed to exclude the effect of currency translation to provide recognition for actual operating performance. Mr. Lang's target bonus is paid at 100% of base salary. The annual incentive payment for 2004 for Mr. Lang was paid at 64% of target bonus (64% of base salary), namely \$307,200. The 2004 incentive plan payment was paid in accordance with the plan provisions and is based on improvement of earnings per share, before unusual items and excluding the effect of currency translation.

Stock options are granted to provide a long term incentive congruent with share price improvement. Mr. Lang was awarded an option on 70,000 Class B non-voting shares in December 2004 at the market value of \$17.74. In recommending this grant, the Committee considered the number of options eligible for granting under the plan guidelines, CEO performance and market data described above.

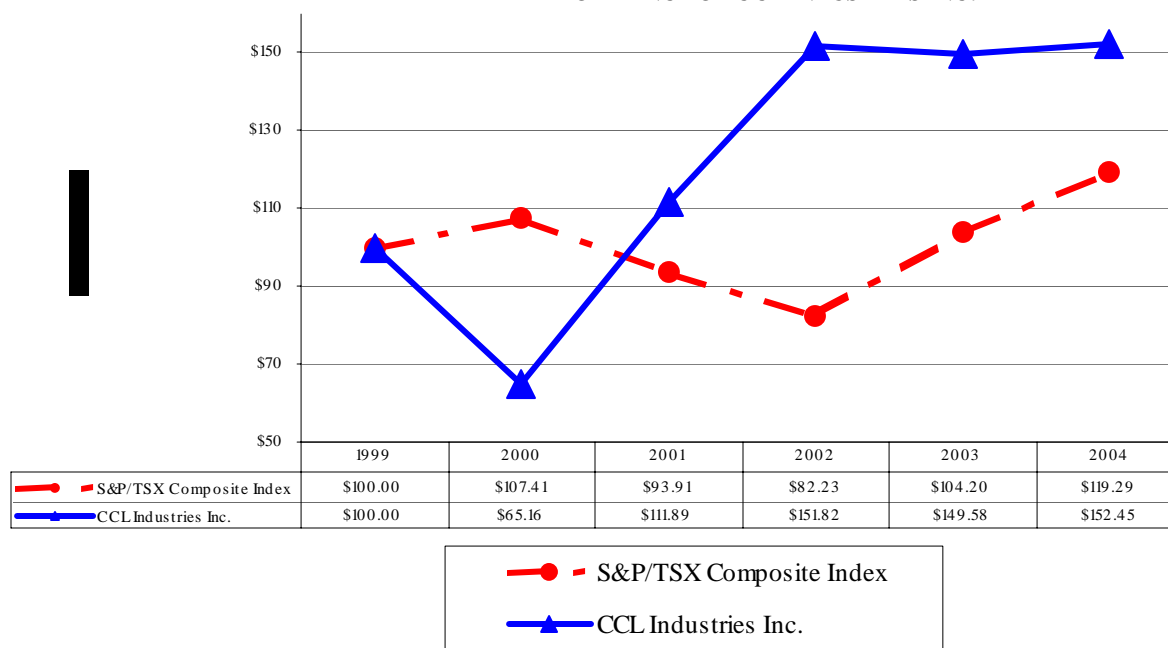
Succession Planning

The Human Resources Committee meets on an annual basis to formally review the Corporation's succession planning process and the specific plans for the President and Chief Executive Officer and for certain positions designated by the Human Resources Committee and the President and Chief Executive Officer.

Submitted by the Committee:

Paul J. Block, Chairman
Susan J. Cook
Dermot G. Coughlan
Jon K. Grant

PERFORMANCE OF CCL INDUSTRIES INC.



Note: The Household Goods Index in which the Corporation had previously been classified has been discontinued. The Corporation is now classified in the new category of "Materials - Containers / Packaging".

Performance Graph

The preceding 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 that would provide a relevant comparison of the performance of the Corporation's shares with that of its peer group. 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 \$18.80 on the Toronto Stock Exchange on December 31, 2004.

Compensation of Directors

During the financial year ended December 31, 2004, 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 \$33,000 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 \$5,000 except for the Chairman of the Audit Committee, who receives an annual retainer of \$7,500. 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 in the business of the Corporation. Directors were paid the foregoing sums in the currency of their place of residence. No directors received options to purchase Class B non-voting shares in 2004, pursuant to the Option Plan. Donald Lang and Stuart Lang received no fees in their capacity as directors, and received options only in their capacity as officers of the Corporation.

Securities Authorized for Issuance Under Equity Compensation Plans

The Corporation has adopted a deferred share unit ("DSU") Plan, which was approved by the shareholders of the Corporation on May 6, 2004.

Under the terms of the DSU Plan, non-employee members of the Corporation's Board of Directors may elect to receive, in lieu of cash remuneration which would otherwise be payable to such directors or any portion thereof, DSU. A DSU is a bookkeeping entry credited to an account maintained for each eligible director having the same value as the fair market value of a Class B non-voting share of the Corporation's capital stock on the date of issue of the DSU, but which cannot be redeemed or paid-out until such time as the director ceases to be a director. A DSU entitles the holder to receive, on a deferred payment basis, either the number of Class B non-voting shares of the Corporation equating to the number of his or her DSUs, or, alternatively, at the election of the Corporation, a cash amount equal to the fair market value of an equal number of Class B non-voting shares of the Corporation on the redemption date. 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 to redeem his or her DSUs. For purposes of the DSU Plan, "fair market value" at any date will equal the closing value of Class B non-voting shares of the Corporation on the Toronto Stock Exchange on the trading day preceding the issue date of the DSUs or the date of notification of redemption of the DSUs, as applicable.

Class B non-voting shares required to satisfy redemptions of DSUs in shares under the terms of the DSU Plan will be purchased in the open market by the Corporation for redeeming holders of DSUs. The DSU Plan is unfunded.

A copy of the DSU Plan is available upon request in writing to the Senior Vice President, Human Resources and Corporate Communications of the Corporation at 105 Gordon Baker Road, Toronto, Ontario, M2H 3P8.

The following table sets forth the number of Class B non-voting shares subject to outstanding share options and the number of Class B non-voting shares available for issuance under future options as of December 31, 2004.

Securities Authorized for Issuance Under Equity Compensation Plans

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	2,156,000	\$14.08	864,900
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	2,156,000	\$14.08	864,900

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

The following tables set forth the indebtedness (other than routine indebtedness as defined in the Regulation to the *Securities Act (Ontario)*) incurred by all current and former directors, officers and employees of the Corporation and its subsidiaries for the purchase of securities of the Corporation and for other purposes as of February 28, 2005.

Aggregate Indebtedness (\$)

Purpose	To the Corporation or its Subsidiaries	To Another Entity
Share purchases	\$1,803,939	Nil
Other	\$269,294	Nil

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

Name and Principal Position	Involvement of Corporation or Subsidiary	Largest Amount Outstanding During 2004	Amount Outstanding as at February 28, 2005	Financially Assisted Securities Purchases During 2004	Security for Indebtedness	Amount Forgiven During 2004
Akhil Bhandari <i>Vice President, Information Technology and Chief Information Officer</i>	Issuer (lender)	\$241,550	\$241,550	Nil	25,000 CCL Class B non-voting shares	Nil
Steven W. Lancaster <i>Executive Vice President & Chief Financial Officer</i>	Issuer (lender)	\$341,624	\$341,624	Nil	25,000 CCL Class B non-voting shares	Nil
Geoffrey T. Martin <i>President – CCL Label Division</i>	Subsidiary (lender)	US\$158,810	US\$158,810	Nil	25,000 CCL Class B non-voting shares	Nil
Janis M. Wade <i>Senior Vice President, Human Resources and Corporate Communications</i>	Issuer (lender)	\$341,624	\$341,624	Nil	25,000 CCL Class B non-voting shares	Nil
Rami E. Younes <i>President – CCL Container Division</i>	Issuer (lender)	\$341,624	\$341,624	Nil	25,000 CCL Class B non-voting shares	Nil
Richard Zakaib <i>Senior Vice President, Corporate Development</i>	Issuer (lender)	\$341,624	\$341,624	Nil	25,000 CCL Class B non-voting shares	Nil

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.

Directors' and Officers' Liability Insurance

As of July 8, 2004, 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 2004 was \$281,750. 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"). 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 Chairman of the Board and of the President and Chief Executive Officer of the Corporation. The Board of Directors has also approved a policy of business conduct and ethics, referred to as a "code of conduct", and a formal, written communications and public disclosure policy.

The compliance of the Corporation's governance practices with the governance guidelines of The Toronto Stock Exchange (the "TSX"), set forth in Section 474 of the TSX Company Manual is discussed in the table

below. On January 16, 2004, the Ontario Securities Commission (the “OSC”) promulgated draft guidelines for good corporate governance in Multilateral Instrument 58-201 and disclosure requirements in Multilateral Instrument 58-101, and on October 29, 2004, it published and proposed revisions to these guidelines and disclosure requirements under proposed National Policy 58-201 (the “Policy”) and proposed National Instrument 58-101 (the “Instrument”), which are anticipated to supersede the governance guidelines of the TSX. As of the date of this document, the governance policies and practices of the Corporation continue to be determined by the requirements set forth in the TSX Company Manual. The Audit Committee requirements, however, are regulated by the OSC under Multilateral Instrument 52-110 Audit Committees. The following tables provide commentary on the compliance by the Corporation with the requirements established by the TSX Company Manual, with the principal requirements of the Policy and Instrument and with Multilateral Instrument 52-110.

TSX GOVERNANCE GUIDELINES	DOES CCL COMPLY?	COMMENTS
1. Board of Directors should explicitly assume responsibility for stewardship of the corporation.	Yes	See the charter of the Board of Directors of the Corporation set forth below.
1(a) Board of Directors should specifically assume responsibility for the adoption of a strategic planning process.	Yes	See the charter of the Board of Directors of the Corporation set forth below.
1(b) Board of Directors should specifically assume responsibility for the identification of principal business risks, and implementation of risk management systems.	Yes	See the charter of the Board of Directors of the Corporation and of its Audit Committee set forth below.
1(c) Board of Directors should specifically assume responsibility for succession planning, including appointing, training and monitoring senior management.	Yes	See the charters of the Board of Directors of the Corporation and the Human Resources Committee set forth below.
1(d) Board of Directors should specifically assume responsibility for a communications policy.	Yes	The Board of Directors has adopted a formal written communications and public disclosure policy, which is reviewed annually and updated as appropriate.
1(e) Board of Directors should specifically assume responsibility for the integrity of internal control and management information systems.	Yes	See the charters of the Board of Directors of the Corporation and its Audit Committee set forth below.
2. Majority of directors should be “unrelated”, meaning independent of management and free from any interest and any business or other relationship which could reasonably be perceived to materially interfere with the directors’ ability to act with a view to the best interests of the Corporation, other than interests and relationships arising from shareholding. If a corporation has a “significant shareholder” the board should include a number of directors who do not have interests in or relationships with either the corporation or the significant shareholder. A “significant shareholder” is a shareholder with the ability to exercise a majority of the votes for the election of the Board of Directors.	Yes	The Board has nine directors, seven of whom are unrelated directors and two of whom are related directors. Both of the related directors are inside directors. The Corporation has a significant shareholder, 1291228 Ontario Inc., of which Donald G. Lang and Stuart W. Lang are directors, officers and shareholders. The interests of other shareholders are fairly reflected in that seven of the nine directors have no interests in or relationships with the Corporation or significant shareholder. All directors nominated since 1992 have been unrelated, outside directors.
3. Board to determine and disclose for each director whether he or she is unrelated, and how that conclusion was reached.	Yes	Please refer to the table set forth below under “Composition of Board and Committees”. The Board has determined that Donald G. Lang and Stuart W. Lang are related directors, being officers of the Corporation. The Board has determined that all other directors on the Board are unrelated, in that they are independent of management and are free from any interest and any business or other

TSX GOVERNANCE GUIDELINES	DOES CCL COMPLY?	COMMENTS
		relationship which could reasonably be perceived to materially interfere with the directors' ability to act with a view to the best interests of the Corporation, other than interests and relationships arising from shareholding.
4. Appoint a committee of outside directors responsible for appointment of new nominees and ongoing assessment of directors.	Yes	The Nominating and Governance Committee of the Board is made up of three outside, unrelated directors and is charged with these responsibilities through its charter, set forth below.
5. Implement a process for assessing the effectiveness of the board of directors, its committees and the contribution of individual directors.	Yes	The Nominating and Governance Committee of the Board discharges these responsibilities as described under the heading "Board Evaluation", below.
6. Provide orientation and education programs for new recruits to the Board of Directors.	Yes	The Nominating and Governance Committee of the Board is charged with this responsibility through its charter.
7. Examine size of Board of Directors, with a view to improving effective decision-making and, if appropriate, undertake a program to reduce the number of directors.	Yes	The Board of Directors has examined its size and determined that its size is within a range appropriate to the needs of the Corporation.
8. Review adequacy and form of compensation of directors to ensure compensation reflects risks and responsibilities.	Yes	The form and quantum of the Directors' compensation are reviewed by the Human Resources Committee of the Board of Directors on an annual basis and adjusted as appropriate.
9. Committees should generally be composed of outside directors a majority of whom are unrelated.	Yes	All Committees of the Board of Directors are composed of outside and unrelated directors. Please refer to the tables set forth below under the heading "Composition of Board and Committees".
10. Appoint a committee responsible for developing an approach to corporate governance issues.	Yes	The Nominating and Governance Committee monitors emerging best governance practices on an ongoing basis and updates the Corporation's governance policies at regular intervals.
11(a) Define limits to management's responsibilities by developing position descriptions for the Board of Directors and the President and Chief Executive Officer.	Yes	The Board of Directors and the President and Chief Executive Officer have delineated the respective responsibilities of the Board of Directors as reflected in its charter and the President and Chief Executive Officer as set forth under the heading "Role of the President and Chief Executive Officer", below.
11(b) Board of Directors should approve or develop corporate objectives which the President and Chief Executive Officer is responsible for meeting.	Yes	The Board adopts annually a strategic plan for the Corporation, which the President and Chief Executive Officer is responsible for achieving.
12. Establish procedures to enable the Board of Directors to function independently of management.	Yes	There is separation between the Chairman of the Board and the President and Chief Executive Officer. The Chairman of the Board and the Chair of each Committee of the Board are outside, unrelated directors. Prior to each meeting of the Board and its Committees, there is a private session restricted to outside directors from which inside directors and management are excluded to permit outside directors to discuss any matters of concern <i>in camera</i> . Members of the Board have latitude to bring forward matters of concern to them for discussion at meetings and to amend meeting agendas.
13. Establish an audit committee composed		The Audit Committee consists of four

TSX GOVERNANCE GUIDELINES	DOES CCL COMPLY?	COMMENTS
of a minimum of three directors, each of whom must be independent, with specifically defined roles and responsibilities. The Committee is to have direct access to external and internal auditors, and its responsibilities include a supervisory function over the effectiveness of the design and function of management's systems of internal control.	Yes	independent directors, and its specific roles and responsibilities are set forth in its charter, set forth below. The Audit Committee has a direct relationship with and access to the internal and external auditors of the Corporation. The Audit Committee directly monitors implementation and operation of management's systems of internal control.
14. Implement a system to enable individual directors to engage outside advisors at the Corporation's expense.	Yes	The Corporation's Statement of Governance Policies permits individual directors to retain at the Corporation's expense the services of such professional advisors as they may feel necessary or appropriate for the discharge of their responsibilities.

The following table addresses the Corporation's compliance with the governance principles set forth in the Policy and the Instrument.

OSC GOVERNANCE GUIDELINES	DOES THE CORPORATION COMPLY?	COMMENTS
<i>Board Composition</i>		
The Board should be composed of a majority of independent directors	Yes	The seven unrelated directors are independent based on the definition of independent directors set out in Multilateral Instruments 52-110 and 58-101
Independent board members should hold separate, regularly scheduled meetings at which members of management are not in attendance	Yes	There is provision for a meeting of independent Directors immediately prior to each meeting of the Board and its Committees.
The Chairman should be an independent director; where this is not appropriate, an independent director may be appointed to act as "lead director"	Yes	The Chairman, Jon Grant, is independent.
<i>Board Mandate</i>		
The Board should adopt a written mandate in which it explicitly assumes responsibility for the stewardship of the Corporation, including responsibility for:	Yes	Each of the listed items is specifically provided for in the mandate of the Board. In addition, the Board and each of its Committees have a "cyclical agenda" that raises discussion concerning each of these mandated responsibilities at regular intervals in its yearly calendar of activities. In this regard, the Board reviews and approves strategic, business and capital plans, taking into account the opportunities and risks confronting the company. It reviews principal risks facing the company and pursues the implementation by management of appropriate systems to manage these risks. The Board, through the Human Resources Committee,
(a) satisfying itself of integrity of CEO and other senior officers, and that these individuals create a culture of integrity throughout organization;	Yes	
(b) adopting a strategic planning process and approving, at least annually, a strategic plan which takes into account opportunities	Yes	

and risks of business;		monitors the development and implementation of management succession and development programs.
(c) identifying principal risks of business, and ensuring implementation of appropriate systems to manage these risks;	Yes	In addition, it has adopted a formal written communications and public disclosure policy, which is reviewed annually and updated as appropriate.
(d) succession planning (including appointing, training and monitoring senior management);	Yes	The Board also reviews control and information systems. Responsibility for developing the Corporation's approach to corporate governance has been delegated to the Nominating and Governance Committee, with ultimate approval remaining with the Board.
(e) adopting a communication policy for the Corporation;	Yes	
(f) ensuring integrity of internal control and management information systems;	Yes	
(g) developing the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation (this responsibility may be delegated to a corporate governance committee comprised of a majority of independent directors, with remaining members being "non-management" directors)	Yes	
The mandate should set out decisions requiring prior Board approval	Yes	The Board's mandate lists actions requiring Board approval.
The mandate should set out measures for receiving feedback from shareholders	Yes	Refer to the text of the Board mandate
The mandate should set out the Board's expectations of management	Yes	Refer to the text of the Board mandate and under the heading "Board's Expectations of Management" appearing below.

Position Descriptions		
<p>(a) The Board should develop position descriptions for directors, including Chairman of Board and chairman of each Board Committee;</p> <p>(b) The policy should also develop a position description for the CEO which includes delineating management's responsibilities;</p> <p>(c) The Board should develop or approve corporate goals and objectives that the CEO is responsible for meeting</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>(a) Responsibilities of Directors, Board Chair and Committee Chairs are set out in Statement of Governance Policies.</p> <p>(b) Responsibilities of CEO set out in the Statement of Governance Policies and include the delineation of management responsibilities.</p> <p>(c) Responsibilities of the Human Resources Committee, in consultation with the Board Chair.</p>
Orientation and Continuing Education		
<p>The governance policy should ensure that all new directors receive comprehensive orientation and should provide continuing education opportunities for all directors</p>	<p>Yes</p>	<p>Pursuant to the Corporation's Statement of Governance Policies, upon election to Board, new directors receive a comprehensive orientation package including material to assist them in familiarizing themselves with the Corporation. The Nominating and Governance Committee is responsible for developing programs of continuing education for directors.</p>
Code of Business Conduct and Ethics		
<p>The Board should adopt a written code of business conduct and ethics ("Code") applicable to directors, officers and employees which addresses:</p> <p>(a) conflicts of interest;</p> <p>(b) protection and proper use of corporate assets and opportunities;</p> <p>(c) confidentiality of corporate information;</p> <p>(d) fair dealing with the Corporation's shareholders, customers, suppliers, competitors and employees;</p> <p>(e) compliance with laws, rules and regulations;</p> <p>(f) reporting of any illegal or unethical behavior</p>	<p>Yes</p>	<p>A Code of Business Conduct and Ethics within the contemplation of the policy has been adopted, and addresses all listed areas of concern.</p>

The Board should be responsible for monitoring compliance with the Code; any waivers from the Code granted for the benefit of directors or senior officers should be granted only by the Board (or a Board committee)	Yes	The Human Resources Committee has responsibility for the monitoring of the operation of the Code and the granting of any waivers of compliance, which are to be reported regularly to the Board.
Nomination of Directors		
The Board should appoint a nominating committee composed entirely of independent directors	Yes	Nominating and Governance Committee composed of three independent directors.
The nominating committee should have a written charter establishing the committee's: (a) purpose (b) responsibilities (c) member qualifications (d) member appointment and removal (e) structure (f) operations (including any authority to delegate to individual members and subcommittees) (g) manner of reporting to the Board	Yes	The Charter of the Nominating and Governance Committee is set forth in this circular, and addresses all of the listed issues.
The nominating committee should be given authority to engage and compensate any outside advisor it determines to be necessary to permit it to carry out its duties	Yes	Nominating and Governance Committee has this authority.
The Board should develop the following two-step process prior to nominating or appointing individuals as directors: 1. consider what competencies and skills the Board as a whole should possess; 2. assess what competencies and skills each existing director possesses, considering the Board as a group, with each individual making his/her own contribution; attention should be paid to personalities and other qualities of each director	Yes	The Nominating and Governance Committee has developed a matrix of skills and competencies represented on the Board and identified such other skills and competencies as may be under represented. These are used as the basis of further recruitment efforts.
The Board should consider the appropriate size for the Board, with a view to facilitating effective decision-making	Yes	The Board considers it's size annually as part of its cyclical agenda.

The nominating committee should be responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for next annual meeting of shareholders	Yes	This is addressed by the Nominating and Governance Committee on an ongoing basis.
In making its recommendations, the nominating committee should consider: (a) competencies and skills that the Board considers necessary for Board, as a whole, to possess; (b) competencies and skills that the Board considers each existing director to possess; (c) competencies and skills each new nominee will bring to the boardroom	Yes	The Nominating and Governance Committee applies this procedure on an ongoing basis.
Compensation		
The Board should appoint a compensation committee composed entirely of independent directors	Yes	The Human Resources Committee of the Corporation is composed only of independent directors
The compensation committee should have a written charter establishing the committee's (a) purpose (b) responsibilities (c) member qualifications (d) member appointment and removal (e) structure (f) operations (including any authority to delegate to individual members or subcommittees) (g) the manner of reporting to Board	Yes	Please refer to the Charter of the Human Resources Committee set forth below in this circular, which address all of the listed criteria
The compensation committee should be given authority to engage and compensate any outside advisor it determines to be necessary to permit it to carry out its duties	Yes	The Human Resources Committee has this authority.

The Committee must recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services	Yes	Please refer to the Audit Committee charter set forth below
The Committee must recommend to the Board the compensation of the external auditor	Yes	Please refer to the Audit Committee charter set forth below
The Committee must be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services, including the resolution of disagreements between management and the external auditor regarding financial reporting	Yes	Please refer to the Audit Committee charter set forth below
The Committee must pre-approve all non-audit services to be provided to Corporation or any subsidiary by the external auditor (but may delegate to one or more independent members the authority to pre-approve non-audit services)	Yes	The Board has adopted a written pre-approval policy for non-audit services to be rendered by the Corporation's external auditor. Please refer to the Audit Committee charter set forth below
The Committee must review the Corporation's financial statements, Management's discussion and analysis ("MD&A") and annual and interim earnings press releases before public disclosure thereof	Yes	Please refer to the Audit Committee charter set forth below
The Committee must be satisfied that adequate procedures are in place for the review of the public disclosure of financial information extracted or derived from financial statements, other than the public disclosure referred to immediately above, and must periodically assess the adequacy of those procedures	Yes	Please refer to the Audit Committee charter set forth below
The Committee must establish procedures for the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls, or auditing matters	Yes	Please refer to the Audit Committee charter. Also, there are established procedures for reporting infractions set forth in the Code of Business Conduct and Ethics
The Committee must establish procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters	Yes	Please refer to the Audit Committee charter. Also, there are established procedures for reporting infractions set forth in the Code of Business Conduct and Ethics meeting these requirements
The Committee must review and approve hiring policies regarding partners, employees and former partners and employees of the	Yes	Please refer to the Audit Committee charter

present and former external auditor		
Authority		
The Committee must have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties	Yes	The Audit Committee has this authority. Please refer to the Audit Committee charter
The Committee must have the authority to set and pay the compensation for any advisors employed by it	Yes	The Audit Committee has this authority. Please refer to the Audit Committee charter
The Committee must have the authority to communicate directly with the internal and external auditors	Yes	The Audit Committee has this authority. Please refer to the Audit Committee charter
Reporting Obligations		
The Corporation must include in its Annual Information Form (“AIF”) the required disclosure (set out in Form 52-110F1 of the Audit Committee Rule)		Please refer to the Corporation’s 2005 AIF dated February 17, 2005.
If management solicits proxies from shareholders for the purpose of electing directors, the Corporation must include in its management information circular a cross-reference to the sections in the AIF that contain the required audit committee disclosure.		Please refer to Item 14 of the Corporation’s 2004 AIF dated February 17, 2005

The Charter of the Board

The following is the mandate of the Board. Certain responsibilities may be delegated to Committees of the Board.

- Advocate and support the best interests of the Corporation.
- Review and approve strategic, business and capital plans for the Corporation, monitor management’s execution of such plans and require appropriate action to be taken when performance falls short of goals, and review at least annually a strategic plan which takes into account the opportunities and risks of the business.
- Review 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.
- Satisfy itself of the integrity of the President and CEO, and other senior officers, and that these individuals create a culture of integrity throughout the Company.
- Review the principal risks of the Corporation’s business and pursue the implementation by management of appropriate systems to manage such risks.
- Review measures implemented and maintained by the Corporation to ensure compliance with statutory and regulatory requirements.
- Select, evaluate, and compensate the President and CEO.
- Monitor the practices of management against the Corporation’s disclosure policy to ensure appropriate and timely communication of material information concerning the Corporation 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.
- Implement 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.
- Consider Board size with a view to facilitating effective decision-making.
- 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 composed of independent, non-management Directors.
- Discharge such other duties as may be required in the good stewardship of the Corporation.

In addressing its mandate, the Board's authority includes the following approvals:

- Strategic plan, annual business and capital plans
- Annual financial statements and auditors' 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
- Appointment/succession/dismissal of the President and CEO
- Compensation and incentive arrangements for the President and CEO and those officers reporting directly to him
- Employment/termination agreements for corporate officers reporting directly to the President and CEO
- Recommendation of Auditors to the Shareholders
- Proxy circular, Management's Discussion & Analysis and Annual Information Form
- Appointment of Chair
- Major policies

Charter of the Audit Committee

The Audit Committee is composed of a minimum of three independent directors, each of whom must be financially literate. The term "*financially literate*" is defined to mean 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 Corporation's financial statements. Each member of the Audit Committee is *financially literate*. The Audit Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors engaged by it, and to communicate directly with the internal and external auditors. The charter of the Audit Committee is reviewed annually and revised as appropriate.

The mandate of the Audit Committee of the Board is set forth below. References to "Auditor" signify the auditor appointed by the shareholders of the Corporation from time to time.

- Review the quality and acceptability of the accounting policies, principles and practices of the Corporation.
- Review the quarterly and year-end financial statements, the annual and interim Management's Discussion and Analysis, and earnings press releases of the Corporation before the Corporation publicly discloses this information, and report its findings for approval to the Board. In addition, the Audit Committee shall review the annual management proxy circular and the annual information form of the Corporation and report to the Board accordingly.
- 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 Corporation's public disclosure of

financial information extracted or derived from the Corporation's financial statements, other than the public disclosure stated immediately above, and periodically assess the adequacy of the those procedures.

- Ensure that the prescribed disclosure regarding the Audit Committee is contained in the Corporation's Annual Information Form.
- Monitor the timely communication of accurate financial information regarding the Corporation 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 Corporation, 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 Corporation, 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 Corporation or its subsidiary entities by its Auditor. Authority to pre-approve non-audit services may be delegated to one or more independent members, provided that the pre-approval is presented to the full Audit Committee at its first scheduled meeting following such pre-approval.
- 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 Corporation 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 Corporation regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- Review and approve the Corporation's hiring policies regarding partners and employees and former partners and employees of the present and former Auditor of the Corporation.
- Review and monitor the adequacy and integrity of the Corporation's management information systems.
- Monitor the adequacy of financial resources.
- Review the quality of the asset side of the balance sheet of the Corporation.
- Review risks facing the Corporation.
- Review and assess the adequacy of the charter of the Audit Committee on an annual basis.

KPMG LLP is the Auditor of the Corporation. During the 2004 fiscal year, the Corporation paid \$1,223,000 in fees to KPMG LLP related to audit activities and \$748,000 in fees related to non-audit activities. Non-audit services may be rendered to the Corporation by its auditor with express approval by the Audit Committee of the Board. The Board of Corporation has adopted a policy for pre-approval of non-audit services rendered to the Corporation by KPMG LLP from time to time.

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 Corporation's needs and practices in the selection, evaluation and compensation of officers and employees. Qualifications for membership in the Human Resources Committee include status as an independent director and 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 three directors appointed by the Board. The Chairman 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 requirements of the Corporation. 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 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 and recommend executive compensation programs including base salaries, short-term and long-term incentives, bonuses, security-based compensation, pension and perquisite programs. These programs should be linked with the Corporation'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 consider and recommend corporate salary guidelines.
- In consultation with the Chair of the Board, review and approve the corporate goals and objectives relevant to the compensation of the President and CEO, evaluate his performance in light of those corporate goals and objectives and make recommendations to the Board with respect to his compensation level based on this evaluation.
- Approve any changes to officers reporting directly to the President and CEO.
- Annually consider and approve the compensation packages for senior corporate officers and inform the Board accordingly.
- Make recommendations to the Board with respect to non-CEO incentive compensation and equity-based plans
- Annually review the performance of officers reporting directly to the President and CEO relative to performance and compensation.
- Consider and approve employment and termination agreements for officers reporting directly to the President and CEO.
- Review annually and recommend any changes in the compensation for directors.
- Approve pension plan amendments that do not materially alter plan liabilities or reflect changes in the Corporation's policy towards retirement benefits, and recommend to the Board for approval those amendments that reflect material changes.
- Review and recommend for approval by the Board any newly created pension plans, registered or unregistered, or the wind up of any existing plan.
- Monitor the activities of the Pension Committee. Annually review funding and administration of the Corporation's pension plans and fund performance as reported by the Pension Committee and approve any material changes to the Corporation's Statement of Investment Policies and Goals, which governs pension fund investment strategy.
- Compensation advisors in respect of executive compensation may be retained only by or at the direction of the Human Resources Committee or the Board. No officer or employee may retain such consultants on his or her own initiative.
- Review executive compensation disclosure before the Company publicly discloses this information.
- Monitor the operation of the Corporation's Code of Business Conduct and Ethics, consider and approve any waivers of compliance with the Code and report regularly to the full Board concerning same.
- Review and reassess the adequacy of the charter of the Human Resources Committee on an annual basis.

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 Corporation'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 two directors appointed by the Board. The Chairman 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 requirements of the Corporation. Minutes of the meetings of the Committee are provided to the Board by the Chairperson of the Committee, who reports on the activities of the Committee at Board meetings. The Nominating and Governance Committee has the authority to engage and compensate any outside advisor it determines to be necessary to carry out its duties. 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 and 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 to be sought in candidates for directorship that would be helpful to the Board and as well as a list of potential candidates for directorship responsive to such matrix.
- Propose new nominees for directorship to the full Board, as required.
- 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 Corporation's compliance with the governance and disclosure guidelines of the TSX and the OSC.
- Annually assess the adequacy of the Corporation's Statement of Governance Policies and its Disclosure Policy, and to propose any appropriate amendments to the Board.
- Review and reassess the adequacy of the charter of the Nominating and Governance Committee on an annual basis.

Charter of the Environment and Health & Safety Committee

The purpose of the Environment and Health & Safety Committee is to provide a forum for detailed discussion, examination and review of the Corporation's needs and practices in matters pertaining to regulatory compliance in the areas of environmental control and occupational health & safety and to consider and approve new measures, practices and procedures in these areas. Qualifications for membership in the Environment and Health & Safety Committee include status as an independent director and an interest in matters of environmental protection and occupational health & safety. Members of the Committee are selected and removed by a vote of the Board. The structure of the Committee consists of a Chairperson appointed by the Board and one director. The Chairman 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 requirements of the Corporation. The Chairperson of the Committee reports on the activities of the Committee at Board meetings. The Environment and Health & Safety Committee has the authority to engage and compensate any outside advisor it determines to be necessary to carry out its duties. The mandate of the Environment and Health & Safety ("EHS") Committee of the Board is as follows:

- Review regularly the EHS auditing procedure in place to monitor the effectiveness of compliance systems and procedures, and amend audit protocols as needed.
- 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.
- Confirm that all of the Corporation's operations have appropriate written contingency plans to deal with EHS incidents.
- Require that the Corporation have a documented system requiring the prompt reporting of significant events as defined in the contingency plan posted in the Corporation's intranet from time to time.
- Require annual commitment to EHS policy from senior management.
- Review status of significant environmental issues on an on-going basis.
- Review environmental liabilities and assessment of reserve requirements annually, and provide comment to the Audit Committee as necessary.
- Review and reassess the adequacy of the charter of the EHS.

Composition of Board and Committees

The OSC has released for comment certain governance guidelines, which are intended to replace those of the TSX. Until such time as the OSC finalizes its corporate governance guidelines, the guidelines of the TSX will continue to apply. The OSC has defined "independence" in relation to directors serving on the audit committees to mean directors who have no direct or indirect, material relationship with the issuer. For these purposes, a "material relationship" is a relationship, which could, in the view of an issuer's board, reasonably interfere with the exercise of a director's independent judgment.

It is the policy of the Corporation that the Board should have between 8 and 12 directors, the actual number to be established by the Board from time to time, the present number of directorships being nine. The Board presently has a majority of outside, unrelated and independent directors and will seek to maintain a ratio of unrelated to related directors of 2/3 or greater. The roles of the President and CEO and the Chair of the Board are separate, and the Chair is an outside and unrelated director. The following table identifies the classifications of affiliation for each director, in the determination of the Board of Directors. A “board interlock” occurs where there are reciprocal directorships between the boards of two companies, as when a member of one corporation’s board sits on the board of another corporation, while another director of that other corporation sits on the board of the first corporation, other than in a parent/subsidiary situation. There are no board interlocks involving the Corporation’s Board of Directors and the Board of Directors of any other corporation. The following table sets forth the Board’s determination of each director’s affiliation.

DIRECTOR	RELATED	UNRELATED	OUTSIDE	INSIDE	INDEPENDENT
P. Block		X	X		X
S. Cook		X	X		X
D. Coughlan		X	X		X
J. Grant		X	X		X
J-R Halde		X	X		X
D. Lang	X			X	
S. Lang	X			X	
T. Peddie		X	X		X
L. Tapp		X	X		X

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 Occupational Health & Safety Committee
P. Block	X	C		
S. Cook		X		
D. Coughlan	X	X		
J. Grant		X	X	C
J-R Halde			C	X
D. Lang				
S. Lang				
T. Peddie	C			
L. Tapp	X		X	

The Role of the Chair

The Chair of the Board, who is an independent director, is elected by the directors annually following the annual general meeting of shareholders of the Corporation. Specific duties of the Chair include:

- Approving the agendas for, scheduling, and chairing meetings of the directors and of the shareholders of the Corporation.
- Managing the affairs of the Board.
- Monitoring whether the Board Committees are working effectively.
- Acting as an advisor and sounding board to the President and CEO.
- Providing a link between Management and the Board, and between the Board and the shareholders.
- Monitoring whether the Board is receiving timely information of appropriate quality, before, during and after Board meetings.
- Reviewing and approving the travel and entertainment expenses of the President and CEO.

The performance of the Chair is formally reviewed annually against agreed objectives and criteria by the Chair of the Human Resources Committee.

Expectation of Directors

Directors are expected to be loyal to the Corporation and exercise care, diligence and skill in their dealings on behalf of the Corporation. They must have adequate time available to serve on the Board and should be willing to commit to an active term of 5 years, although there is no specific time frame designated for Board membership. Full attendance is critical to the ongoing performance of the Board. It is therefore expected that directors will make every effort to attend all Board meetings. Qualities sought in Board members include integrity, a track record of business success, leadership, fairness, decisiveness, and an active and committed interest in the work of a director.

Share Ownership Requirements

Each director is expected to acquire shares or deferred share units of the Corporation valued by the market as at the date of the director's initial appointment or election at not less than 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 Corporation throughout the period of his or her directorship. For these purposes, the date of initial appointment or election of those directors who were on the Board on December 4, 2003 is deemed to be December 4, 2003. 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 shares representing the amount of the increase at market value as of the date of such increase. The President and CEO, who is also a director, but who receives no retainer as a director, is expected to acquire within three years of his appointment and to hold throughout his term of office, as a minimum, shares of the Corporation of a value equal to his base salary on the date of his appointment to office.

Attendance at Meetings

The following table sets forth attendance data for meetings of the Board of Directors and Committees of the Board of Directors during the 2004 calendar year. Compensation of directors is detailed in the section entitled "Compensation of Directors", set forth above.

	BOARD	AUDIT COMMITTEE	HUMAN RESOURCES COMMITTEE	NOMINATING & GOVERNANCE COMMITTEE	ENVIRONMENT AND HEALTH & SAFETY COMMITTEE	Percentages
Number of Meetings	8	4	6	5	4	
P. Block	8	4	6	na	na	100%
S. Cook (1)	2	na	2	na	na	100%
D. Coughlan	8	4	6	na	na	100%
J. Grant	8	na	5	5	4	96%
J-R Halde	7	na	na	5	4	94%
D. Lang	8	na	na	na	na	100%
S. Lang	7	na	na	na	na	88%
T. Peddie	8	4	na	na	na	100%
L. Tapp (2)	6	4	2	2	Na	78%
Percentages	94%	100%	91%	92%	100%	

Notes: (1) Ms Cook was appointed to the Board in July, 2004, and to the Human Resources Committee in October, 2004.

(2) Mr. Tapp left the Human Resources Committee and joined the Nominating and Governance Committee on May 6, 2004.

Procedure for Recruiting new Directors

The Nominating and Governance Committee, as part of its mandate, develops and maintains a matrix of experience, specific knowledge and skills possessed by members of the Board to determine such unrepresented fields as would benefit the overall strength of the Board. This matrix is then applied in the process for reviewing possible candidates for the Board. The Committee may use the Board's own resources for identifying possible candidates for directorship, or it may use the services of an executive recruitment firm. Candidates of interest are interviewed by the Chairman of the Board, the Chairman of the Committee and the President and Chief Executive Officer. The qualifications of Candidates under serious consideration are reviewed by the full Board.

Board Evaluation

Every second year (or with such greater frequency as the Board may from time to time deem appropriate), the Nominating and Governance Committee initiates an evaluation of the Board. The scope of such evaluation, together with an evaluation plan and methodology, are determined by the Nominating and Governance Committee, and may (but need not in every instance) include an evaluation of the performance of all or any of the Committees and of the individual directors. The evaluation of the Board is conducted primarily through the administration of a questionnaire, followed by interviews with individual directors. The findings of the evaluation are presented to the Board as a whole in the form of a report by the Chair of the Nominating and Governance Committee, which reviews the findings of the evaluation and proposes any action that might be taken to improve performance. The Nominating and Governance Committee may retain the services of outside experts for the purpose of conducting the Board evaluation, or it may rely upon its own resources. In addition to the foregoing, the Chairman of the Board meets each year with each director in one-on-one discussion to review the effectiveness of the Board's Committees and individual directors.

Role of the President and Chief Executive Officer

The President and Chief Executive Officer is appointed by and answerable to the Board for every aspect of the direct management and administration of the Corporation. The primary responsibilities of the President and Chief Executive Officer include the following:

- Developing and recommending to the Board a long term strategy and vision for the Corporation;
- Developing corporate financial targets, and responsibility for investments and all acquisition strategy and activities for recommendation to the Board;
- Developing and recommending to the Board viable rolling 3 year strategic plans and annual business plans and budgets that support the Corporation's long-term strategy;
- Monitoring the performance of the Corporation against the strategic plan, the business plan, the capital plan and the budgets and reporting to the Board on such performance at meetings of the Board;
- Ensuring that the day-to-day business affairs of the Corporation are appropriately managed;
- Striving to achieve the Corporation's financial and operating goals and objectives;
- Ensuring, as part of his or her overall responsibility for human resources strategy, that the Corporation has an effective management team below the level of the President and Chief Executive Officer and has an active plan for its development, succession and compensation;
- Striving to achieve for the Corporation a strong competitive position within its industries;
- Formulating and overseeing the implementation of major corporate policies; and
- Serving as the chief spokesperson for the Corporation, representing the Corporation to the financial community, industry groups, key customers, representatives of government and regulatory agencies and the general public.

The performance of the President and CEO is formally reviewed annually against agreed objectives and criteria by the Chairman in conjunction with the Board of Directors.

Code of Conduct

The Board has adopted a code of business conduct and ethics (the “Code”), which has been reviewed by the Nominating and Governance Committee, and which is monitored as to its operation by the Human Resources Committee. Among the many issues that it covers, the Code addresses conflicts of interest, confidential proprietary information, compliance with laws and insider trading. The Code establishes an anonymous “ethics hotline” for reporting breaches of the Code and any issues relating to accounting and financial wrongdoing. The Code is distributed to new employees, and its observance is monitored through periodic requirements that employees acknowledge having received and reviewed the text of the Code. The Code is reviewed and updated on a periodic basis. There have been no waivers from the applicability of the Code granted in the reporting period. A copy of the Code can be obtained by writing to the Corporation’s Secretary at the head office of the Corporation.

Disclosure and Communications Policy

The Corporation has designated three senior officers to facilitate the dissemination of information to shareholders of the Corporation and other interested parties and to receive feedback from them. The President and Chief Executive Officer and Executive Vice President and Chief Financial Officer have 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 President and Chief Executive Officer and Executive Vice President and Chief Financial Officer for developing the Corporation’s annual report to its shareholders, and for disseminating general information concerning the activities of the Corporation. 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.

The Corporation 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 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 President and Chief Executive Officer, and the Executive 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. In addition, directors are required to advise the senior management of the Corporation of any intended trade in the Corporation’s securities, so that a determination can be made as to whether the timing of the trade would be appropriate in view of the Corporation’s policy concerning timely disclosure of material information.

Measures for Receiving Shareholder Feedback

Current information concerning the Corporation and its performance is available on the Corporation’s website at www.cclind.com, and interested members of the public may submit comments and inquiries by e-mail through the Corporation’s website. Inquiries 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.

Board’s Expectations of Management

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.

Description of Incumbent Board

A list of the incumbent directors of the Corporation, which includes more detailed disclosure of their background and experience that they bring to the Board is set forth below, together with a list of their other directorships.

Jon Grant – Mr. Grant is the Chairman of the Corporation. An Officer of the Order of Canada, Mr. Grant brings the benefit of long experience in marketing, packaging and corporate governance. A retired Chairman and CEO of Quaker Oats Company of Canada, Mr. Grant is currently Chair of the board of Atlas Cold Storage Ltd., Chair of the board of trustees of the Nature Conservancy of Canada, Vice-Chair of the board of Agricore United and a director of AXA (Canada) Insurance. He is past chair of Laurentian Bank of Canada, Canada Lands Company, Scott Paper Limited and the Board of Governors of Trent University. Mr. Grant is a graduate of the Richard Ivey School of Business.

Paul Block – 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 has proven most valuable as the Corporation pursues penetration into foreign markets. Its sales base draws 60% from the U.S. and 20% from Europe, and the Corporation is pursuing growth in these markets. Mr. Block is also a director of the China Retail Fund and the Shanghai Syracuse University International School of Business. Specific expertise that Mr. Block brings to the board include marketing, international commerce, strategy development and packaging industry knowledge.

Susan Cook – Ms Cook is Vice President Human Resources of Eaton Corporation, a global, diversified industrial manufacturing company. Prior to 1995, she was Vice President Human Resources at Tandem Computers, Inc. Before joining Tandem in 1988, Ms. Cook had a seventeen year career in human resources at IBM Corporation. Ms. Cook has an MBA in Personnel Management from Loyola University and a BA from the University of Colorado. Ms Cook has been a member of the Human Resources Committee of the American Electronic Association. She has been involved with the Human Resources Policy Association and currently sits on its board of directors. She is also a member of the board of the Center for Advanced Human Resources Studies at Cornell University. Ms. Cook's expertise in matters of human resources enhances the effectiveness of the Board in this important area.

Dermot Coughlan – Mr. Coughlan, former CEO of Derlan Industries, is a Fellow of the Chartered Association of Certified Accountants of the U.K. He is a director with extensive skill and experience in operating diverse, international manufacturing operations. These skills have proven very helpful over a number of years during which Mr. Coughlan has served as Chairman of the Corporation's Audit Committee and participated in detailed discussion of matters of corporate development and finance. Mr. Coughlan is a member of and has served on the board of the Chief Executives Organization, in addition to a number of community and private boards. He brings to the Board experience in manufacturing, business strategy and international merger and acquisition activity.

Jean-René Halde – Mr. Halde has held CEO roles with a number of leading Canadian companies since 1979, including Metro-Richelieu Inc., Culinar Inc., Livingston Group Inc. (later Livgroup Investments Inc.) and Irwin Toy Limited; he is presently CEO of Experlead Corporation, an advisory service firm to senior management and Boards. Mr. Halde is also Chairman of OMERS Capital Partners and Academic Director of the Montreal Directors Education Programme of the Institute of Corporate Directors. He brings expertise in the areas of strategy, manufacturing, logistics and governance; in his career, he has dealt with many of the Corporation's major customers. He was educated at the University of Western Ontario (MA, ec.) and the Harvard Business School (MBA).

Donald G. Lang – Mr. Lang is President and CEO of the Corporation and has held positions of progressive responsibility in the Corporation and its subsidiaries over a period of 23 years, during which period Mr. Lang has developed deep experience in all facets of the Corporation's industries, operations and markets, as well as in the practical aspects of corporate development and finance. Mr. Lang holds a degree in commerce from the University of Western Ontario. Mr. Lang is a member of the boards of ColepCCL and IntraPac, in which the Corporation holds equity interests. Mr. Lang brings to the Board his intimate knowledge of the Corporation, including its key people, customers and markets.

Stuart W. Lang – Mr. Lang is President of CCL Label International, and is 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 Corporation's label division, moving through positions of progressive responsibility and gaining in depth industry knowledge. As a result, Mr. Lang brings to the Board wide experience in the technology, manufacture and markets of the label industry as well as a thorough knowledge of the important label division of the Corporation.

Thomas Peddie – Mr. Peddie is Senior Vice-President and CFO of Corus Entertainment Inc., a publicly traded company listed on the TSX and on the New York Stock Exchange. 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 Corporation, 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.

Lawrence G. Tapp - Mr. Tapp acquired extensive experience in the printing and packaging industries in international markets similar to those served by the Corporation as Vice Chairman and CEO of Lawson Mardon Group Limited. Mr. Tapp is also Chairman and director of A.T.S. Automation and Call-Net Sprint, lead director of Westcast Industries and director of Talisman Energy. Mr. Tapp has served on the board of Husky Moulding, and has recently retired after seven years as Dean of Richard Ivey School of Business at the University of Western Ontario. Mr. Tapp brings to the board his international experience in printing, manufacturing, strategic planning, finance and governance.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Gene Dorsch, the former President of the Plastic Packaging division and a former Vice President of the Corporation who retired from his office on May 14, 2004, holds a material interest in the equity of CCL Dispensing Systems, LLC, ("CCL Dispensing") a limited liability company of which the Corporation holds 70% of the equity. CCL Dispensing supplies plastic caps and closures to subsidiaries of the Corporation. Apart from the foregoing, 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% or more 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 2006 ANNUAL MEETING

The Corporation will review shareholder proposals intended to be included in proxy material for the 2006 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, 2005.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information regarding the Corporation is provided in the Corporation's comparative consolidated financial statements and Management's Discussions and Analysis ("MD&A") for the financial year ended December 31, 2004.

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 2004 Annual Report to the Shareholders containing the consolidated financial statements for the year ended December 31, 2004 together with the accompanying report of the auditors;

- (ii) MD&A pertaining to the Corporation's comparative consolidated financial statements;
- (iii) this Management Proxy Circular; and
- (iv) the Corporation's most recent Annual Information Form.

GENERAL

The information contained herein is given as of March 16, 2005, unless otherwise noted. The contents and the distribution of this Management Proxy Circular have been approved by the directors of the Corporation.

DATED at Toronto, this 16th day of March, 2005.

By Order of the Board of Directors,

**Per: B.I. SIROTA,
Secretary**