

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

MAY 4, 2006

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 4, 2006 for the following purposes:

1. to receive the 2005 Annual Report of the Corporation containing the audited consolidated financial statements of the Corporation for the financial years ended December 31, 2005 and December 31, 2004, 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.

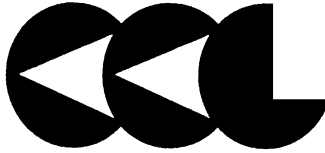
By Order of the Board of Directors,

Toronto, Ontario
March 16, 2006

B.I. SIROTA
Secretary

NOTES TO NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

1. Holders of Class B non-voting shares of the Corporation are not entitled to vote on any matters proposed for consideration at the Meeting.
2. Registered holders of Class A voting shares who are unable to be present at the Meeting in person are requested to specify on the accompanying form of proxy the manner in which the shares represented thereby are to be voted and to date, sign and return the same in the enclosed, return postage prepaid envelope provided for that purpose to the Secretary of the Corporation, c/o CIBC Mellon Trust Company, 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 16, 2006. Accordingly, shareholders registered on the books of the Corporation at the close of business on March 16, 2006 are entitled to notice of the Meeting.
5. A copy of the 2005 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, 2006
FOR USE AT THE ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 4, 2006

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 4, 2006 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; and (ii) on the reappointment of KPMG LLP, Chartered Accountants as the auditor of the Corporation, in favour of such reappointment, and to authorize the directors to fix the remuneration of the auditor. A simple majority of the Class A voting shares voted on any resolution is required to carry any matter proposed to be placed before the Meeting for a vote.

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

VOTING BY NON-REGISTERED SHAREHOLDERS

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

- (i) in the name of an intermediary (an “Intermediary”) (which may include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans) that the Non-Registered Holder deals with in respect of the shares; or
- (ii) in the name of a clearing agency (such as The 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 16, 2006, (the "record date") there were issued and outstanding 2,421,784 Class A voting shares and 30,142,759 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 92.6% of the issued and outstanding shares of that class on the date hereof (see Note 3 under "Election of Directors"). Donald G. Lang, director, Vice Chairman and Chief Executive Officer of the Corporation and Stuart W. Lang, director, 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 or her successor is duly elected unless prior thereto the director resigns or the director's office becomes vacant by reason of death or other cause.

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.

<u>Name, Province/State and Country of Residence and Position with the Corporation and Significant Affiliates</u>	<u>Principal Occupation(2)</u>	<u>Director Since</u>	<u>Approximate number of shares beneficially owned directly or indirectly or over which control or direction is exercised(1)</u>		<u>Changes in Equity Position since March 16, 2005</u>
			<u>Class A</u>	<u>Class B</u>	
PAUL J. BLOCK New York, USA Director (Member 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	no change
SUSAN J. COOK Ohio, USA Director (Chair of Human Resources Committee and Member of the Nominating and Governance Committee)	Vice President, Human Resources, of Eaton Corporation (diversified manufacturing company).	July 29, 2004	nil	nil	no change
DERMOT G. COUGHLAN Ontario, Canada Director (Member of Audit Committee and Human Resources Committee)	Corporate Director; Chairman and CEO of Derland Holdings Inc. (private investment holding company).	May 23, 1991	2,000	nil	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 16, 2005
			Class A	Class B	
JON K. GRANT Ontario, Canada Director and Chairman (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	no change
DONALD G. LANG Ontario, Canada Director and Vice Chairman and Chief Executive Officer of the Corporation	Vice Chairman and Chief Executive Officer of the Corporation since May 2005. Prior thereto, President and Chief Executive Officer of the Corporation.	May 23, 1991	150 ⁽³⁾	115,770 ⁽³⁾	Acquired 67,500 Class B non-voting shares
STUART W. LANG Ontario, Canada Director	Corporate Director. Prior to January 31, 2006, 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	10,610 ⁽³⁾	Acquired 10,000 Class B non-voting shares
GEOFFREY T. MARTIN Massachusetts, USA Director and President and Chief Operating Officer of the Corporation	President and Chief Operating Officer of the Corporation. Prior to May, 2005, Vice President of the Corporation and President of CCL Label, a Division of the Corporation. Prior to April, 2001, Senior Group Vice President, Worldwide Converting Graphic and Specialty Tapes of Avery Dennison Corporation (label manufacturer and materials supplier).	October 27, 2005	nil	225,000	Acquired 200,000 Class B non-voting shares in restricted share units ⁽⁴⁾

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 16, 2005
			Class A	Class B	
THOMAS C. PEDDIE Ontario, Canada Director (Chairman of the Audit Committee)	Senior Vice President and Chief Financial Officer of Corus Entertainment (media company).	June 4, 2003	nil	nil ⁽⁵⁾	no change
LAWRENCE G. TAPP British Columbia, Canada Director (also Chairman of Nominating and Governance Committee and Member of Audit Committee)	Corporate Director. Prior to 2003, Dean of the Richard Ivey School of Business, University of Western Ontario.	December 8, 1994	nil	2,500	no change

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 and is given as of March 15, 2006.
- (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) Mr. Martin was granted 200,000 Class B non-voting shares in restricted share units that vest as to 120,000 units upon the achievement of certain performance milestones, and as to 80,000 units on the fifth anniversary of the grant, so long as he continues to be employed by the Corporation.
- (5) As of the date hereof, Mr. Peddie owns 2,661.08 units under the Corporation’s Deferred Share Unit Plan as described below under the title “Securities Authorized for Issuance Under Equity Compensation Plans”.

Description of Incumbent Board

The following is 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, together with a list of their other directorships.

Jon K. 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., 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, the board of trustees of the Nature Conservancy of Canada and the board of governors of Trent University. Mr. Grant is a graduate of the Richard Ivey School of Business at the University of Western Ontario.

Paul J. 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. Revlon’s 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 J. 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 G. 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 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.

Donald G. Lang — Mr. Lang is Vice Chairman and CEO of the Corporation and has held positions of progressive responsibility in the Corporation and its subsidiaries over a period of 24 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 business graduate degree (HBA) from the Richard Ivey School of Business of the University of Western Ontario. Mr. Lang is also a member of the board of AGF Management Ltd. and the board of ColepCCL, in which the Corporation holds an equity interest. Mr. Lang brings to the Board his intimate knowledge of the Corporation, including its key people, customers and markets.

Stuart W. Lang — Prior to his retirement as an officer of the Corporation on January 31, 2006, Mr. Lang was President of CCL Label International, and was headquartered in England. Mr. Lang has a bachelor's degree in chemical engineering from Queen's University at Kingston, Ontario. Following a very successful early career with the Edmonton Eskimos of the Canadian Football League, Mr. Lang became involved in the Corporation's label division in 1982, moving through positions of progressive responsibility and gaining depth of industry knowledge. As a result, Mr. Lang brings to the Board wide experience in the technology, manufacture and markets of the label industry as well as a thorough knowledge of the important label division of the Corporation.

Geoffrey T. Martin — Geoffrey T. Martin joined CCL as President of the Label Division in April 2001. In May 2005 he assumed the role of President and COO of the Corporation. In his new position he is responsible for all of the Corporation's operating units including the Label, Aluminum Container and Plastic Packaging businesses. Educated in the U.K., Mr. Martin is an international business leader with a proven track record in turnarounds, mergers and acquisitions. Mr. Martin has extensive experience building greenfield businesses in both consumer and industrial markets. Prior to joining the Corporation, he was the Senior Group Vice President, Worldwide Converting Graphic and Specialty Tapes with Avery Dennison Corporation. Mr. Martin brings to the Board his thorough industry knowledge and his understanding and appreciation of operating issues as well as his first hand experience in mergers and acquisitions and the integration of newly acquired facilities.

Thomas C. 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, lead director of Wescast Industries, a director of Talisman Energy, and a director of Mainstreet Equities. Mr. Tapp has served as a director and Chairman of Call-Net Sprint and as a director of Husky Manufacturing. He 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.

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, 2005, the chief executive officer, the chief financial officer and the three other most highly compensated executive officers of the Corporation. The table also includes data pertaining to Paul Cummings, who would have been a Named Executive Officer if he had continued to be employed by the Corporation at the end of the 2005 financial year.

2005 Summary Compensation Table

Name and Principal Position As at December 31, 2005	Year	Annual Compensation			Long Term Compensation Awards			All Other Compensation (3) (\$)
		Salary (\$)	Bonus (1) (\$)	Other Annual Compensation (2) (\$)	Securities Under Options (#)	Shares or Units Subject to Resale Restrictions (#)	LTIP Payouts (\$)	
Donald G. Lang <i>Vice Chairman and Chief Executive Officer</i>	2005	500,000	1,375,000	—	70,000	—	—	18,000
	2004	480,000	307,200	—	70,000	—	—	16,500
	2003	465,750	292,025	—	70,000	—	—	15,500
Steven W. Lancaster <i>Executive Vice President and Chief Financial Officer</i>	2005	300,000	536,250	10,249	25,000	—	—	18,000
	2004	280,000	116,480	9,388	25,000	—	—	16,500
	2003	260,000	135,850	11,110	25,000	—	—	15,500
Geoffrey T. Martin <i>President and Chief Operating Officer</i>	2005	U.S.418,125	U.S.828,750	U.S. 6,892	25,000	200,000	—	—
	2004	U.S.390,000	U.S.608,400	U.S. 3,939	15,000	—	U.S.2,670,000 ⁽⁵⁾	—
	2003	U.S.349,750	U.S.353,437	U.S. 2,414	15,000	—	—	—
Rami E. Younes <i>President, Container Division</i>	2005	360,500	603,387	10,249	15,000	—	U.S.445,000	18,000
	2004	350,000	353,080	9,388	10,000	—	—	16,500
	2003	339,500	311,321	11,110	12,000	—	—	15,500
Richard J. Zakaib <i>Senior Vice President, Corporate Development</i>	2005	271,300	261,126	10,249	25,000	—	—	86,640 ⁽⁶⁾
	2004	263,400	59,001	9,388	25,000	—	—	16,500
	2003	248,400	72,682	11,110	25,000	—	—	15,500
Paul Cummings <i>Former President, CCL Custom Manufacturing Division⁽⁴⁾</i>	2005	U.S.151,708	—	—	—	—	—	U.S.2,625,561 ⁽⁷⁾
	2004	U.S.321,500	U.S.143,164	—	10,000	—	—	—
	2003	U.S.312,000	U.S.140,400	—	10,000	—	—	—

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.
- (4) Paul Cummings, former President of the Corporation’s Custom Manufacturing division, ceased to be employed by the Corporation upon the completion of the sale of the division on May 17, 2005.
- (5) This was the three-year payout amount for the aggregate LTIP plan covering 2002 to 2004.
- (6) The amount includes a cash payment of \$68,640 by the Corporation to repurchase outstanding options.
- (7) Payments made to Mr. Cummings in respect of the sale of the Corporation’s North American Custom Manufacturing Division including an incentive payment of US\$515,000, a cash payment of US\$769,084 to repurchase outstanding options and US\$1,314,567 paid to retire 50% of the commuted value of Mr. Cummings’ accrued pension benefit.

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 executives 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 payment of US\$445,000 was made to Mr. Younes in respect of the plan ending in 2005. No LTIP payments were made to the Plastic Packaging Division for the said period. An LTIP was established in 2005 for the executives of the Label Division, including its President, Geoffrey Martin, as well as for the executives of the Container Division and the Plastics Division. With Mr. Martin's appointment to President and Chief Operating Officer on May 17th, 2005, his LTIP was revised to a restricted stock plan, which provides 120,000 Class B non-voting shares, which vest after three years based on improvement in earnings per share, and 80,000 Class B non-voting shares which vest at the end of five years if Mr. Martin remains employed by the Corporation. 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 (\$)
Geoffrey Martin	200,000 restricted Class B non-voting shares	January 2005 to December 2007 as to 120,000 shares; January 2005 to December 2009 as to 80,000 shares	nil	C\$5,532,400	C\$5,532,400

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, 2005, 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 and officers 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. Since 2004, Directors have been and continue to be excluded from participation in the Option Plan. Options granted under the Option Plan are for a term not exceeding five years. Options granted in 2005 do not vest during the first year following their grant, and vest progressively thereafter throughout their five-year term. As of December 31, 2005, the number of Class B non-voting shares reserved for issuance under the Option Plan is 2,610,850. The total number of outstanding options under the Option Plan as of December 31, 2005 represents 5.7628% of the total number of outstanding Class B non voting shares.

Stock option grants are considered on an annual basis as part of the compensation review for executive officers. Grants are determined based on ranges, which have been established by the Corporation based on the executive's position and with consideration for individual and corporate 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, 2005, no stock appreciation rights (“SARs”) were granted to Named Executive Officers and as at December 31, 2005, no SARs were outstanding. Details of options granted to and exercised by Named Executive Officers during the financial year ended December 31, 2005 are shown in the two tables set out below.

The Corporation entered into a restricted stock agreement with Mr. Martin in 2005 pursuant to which Mr. Martin has been granted 200,000 restricted share units for Class B non-voting shares. Under the agreement, 120,000 of the share units vest after three years based on the Corporation’s achievement of certain performance goals. The remaining 80,000 restricted share units will vest after five years if Mr. Martin continues to be an employee of the Corporation until that time. The “target” amount set forth in the foregoing table assumes that the performance objectives will be achieved.

Options Grants During 2005

Name	Securities, Under Options Granted (#)	% of Total Options Granted to Employees In 2005	Exercise or Base Price (\$/Security)	Market Value Of Securities Underlying Options On the Date of Grant (\$/Security)	Expiration Date
Donald G. Lang	70,000	28.6%	\$27.70	\$27.70	Nov. 30, 2010
Steven W. Lancaster	25,000	10.2%	\$27.70	\$27.70	Nov. 30, 2010
Geoffrey T. Martin	25,000	10.2%	\$27.70	\$27.70	Nov. 30, 2010
Rami E. Younes	15,000	6.1%	\$27.70	\$27.70	Nov. 30, 2010
Richard Zakaib	25,000	10.2%	\$27.70	\$27.70	Nov. 30, 2010
Paul Cummings	nil	nil	nil	nil	na

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 Vice Chairman & Chief Executive Officer, the President & Chief Operating Officer, the Executive Vice President & Chief Financial Officer, the Senior Vice President, Corporate Development, and certain other officers of the Corporation.
- (2) Options are granted at the market value of Class B non-voting shares at the time of the grant.

Aggregate Options Exercised During 2005 and 2005 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
Donald G. Lang	67,500	\$1,343,250	478,500	171,500	\$7,094,165	\$1,173,935
Steven W. Lancaster	59,000	\$ 820,000	71,250	61,250	\$ 935,488	\$ 419,263
Geoffrey T. Martin	—	—	70,850	46,150	\$1,125,817	\$ 255,914
Rami E. Younes	12,500	\$ 162,234	105,100	30,900	\$1,619,559	\$ 187,881
Richard Zakaib	—	—	57,950	58,050	\$ 834,566	\$ 386,495
Paul Cummings	—	—	28,700	—	\$ 344,157	—

No repricing of outstanding options has occurred in the course of 2005, 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, 2005. For particulars of loans outstanding thereunder from the financial year ended December 31, 2005, please see “Table of Indebtedness of Directors, Executive Officers and Senior Officers Under Securities Purchase Programs”.

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

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
550,000	110,000	165,000	220,000	275,000	330,000
600,000	120,000	180,000	240,000	300,000	360,000

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, with Mr. Cummings and Mr. Lancaster as of January 1, 1998 and with Mr. Zakaib as of February 2, 2001. 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 2005 Summary Compensation Table, above) and the balance is unfunded. For the purpose of calculating the pension payment, pensionable service for Mr. Lang was 24 years, for Mr. Lancaster was 28 years, for Mr. Cummings was 32 years, for Mr. Zakaib was 22 years and for Mr. Younes was 25 years, as of December 31, 2005. Mr. Cummings ceased to be employed by the Corporation upon the sale of the North American Custom Manufacturing Division in May 2005. The Corporation paid Mr. Cummings 50% of the commuted value of his pension benefit entitlement.

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 annual 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 became employed as the President of the Corporation’s Label Division, amended in 2005 to reflect his promotion to President and Chief Operating Officer of the Corporation. The following is a summary of the terms of the agreement with Mr. Martin. The agreement provides for an annual base salary subject to yearly review. In 2005, Mr. Martin’s base salary was US\$418,125. Mr. Martin is entitled to participate in the Corporation’s Senior Management Incentive Plan Bonus Program and LTIP 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.

The Corporation has also entered into an employment agreement dated January 17, 2001 with Mr. Zakaib pursuant to which he has been appointed as the Vice-President Corporate Development of the Corporation. The following is a summary of the terms of the agreement with Mr. Zakaib. The agreement provides for a base salary of \$231,000. In 2005, Mr. Zakaib’s base salary was \$271,300. Mr. Zakaib 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. The agreement may be terminated for cause as defined in the agreement and be otherwise terminated with a severance period of 24 months. The agreement contains standard non-competition and non-solicitation provisions.

Compensation of Chief Executive Officer

The following table presents a summary of the compensation received by the Vice Chairman and Chief Executive Officer in the 2005 calendar year.

COMPENSATION	VALUE (\$)
Base Salary	500,000
Bonus	1,375,000
Other annual compensation (1)	18,000
Value of 2005 option grants as at December 31, 2005 (2)	415,100
Total Compensation	2,308,100

Notes:

(1) Please refer to Summary Compensation Table for details.

(2) Represents value of underlying securities applying the Black Scholes valuation method.

Composition of the Human Resources Committee

During the financial year of the Corporation ending December 31, 2005, the Human Resources Committee of the Board of Directors of the Corporation (the "Human Resources Committee") consisted of Ms. Susan J. Cook (Chair), Mr. Paul J. Block, Mr. Dermot G. Coughlan and Mr. Jon K. Grant. Prior to May 5, 2005, Mr. Block was chair of the Human Resources Committee. 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 Vice Chairman and Chief Executive Officer, and all officers of the Corporation 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 Vice Chairman 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 Vice Chairman and Chief Executive Officer and reports its findings to the Board of Directors with its recommended salary adjustment.

Annual 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 2005 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 Vice Chairman and Chief Executive Officer and other corporate executives based on year over year improvement in earnings per share before unusual items and excluding gains or losses on currency translation and accounting changes. Full bonus is paid when year over year growth of earnings per share before unusual items and excluding gains or losses on currency translation and accounting changes shows a 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 2005 to Mr. Donald Lang was paid at \$1,375,000, the bonus to Mr. Lancaster was paid at \$536,250, and the bonus to Mr. Zakaib was paid at \$261,126. 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 average working capital compared to the prior year. Bonuses for Messrs Geoffrey Martin, and Rami Younes were paid at U.S.\$828,750, and \$603,387 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. For 2005, LTIPs were in place for the Label Division and the aluminum container business. For 2006, LTIPs are in place for the Label Division and Mr. Martin.

Stock-Based Incentives

The Corporation's stock based plans were established to motivate and reward senior executives for actions that enhance shareholder value. The Stock Option Plan provides an annual award to executive officers of the Corporation as recommended by the Vice Chairman and Chief Executive Officer and approved by the Board of Directors on recommendation from the Human Resources Committee and in accordance with 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. This program was discontinued in 2001. In 2005 the Human Resources Committee recommended the approval of stock options for the Vice Chairman and Chief Executive Officer and for executive officers of the Corporation based on the policy and considering the performance of the Corporation. The term of the options granted in 2005 was five 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 Vice Chairman and Chief Executive Officer

The Human Resources Committee reviews the compensation of the Vice Chairman and Chief Executive Officer relative to performance and market factors. For the year ending December 31, 2005, Mr. Lang's compensation consisted of a base salary of \$500,000 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 specific financial targets and other qualitative objectives as well as comparable market compensation levels. Mr. Lang received a salary increase as of January 1, 2006 based on his achievement of certain annual objectives, which included financial targets, strategy execution, stakeholder communication and succession planning. Financial targets include earnings per share, cash flow, debt to total capital and return on equity. To identify market compensation, the Committee reviewed surveys prepared by compensation consultants reflecting compensation of Chief Executive Officers 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.

The annual incentive plan is paid on growth in earnings per share before unusual items and excluding gains or losses on currency translation and accounting changes. Target bonus is paid if growth in earnings per share (before unusual items and excluding gains or losses on currency translation and accounting changes) achieves 5%. In 2005 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 2005 for Mr. Lang was paid at 275% of target bonus (275% of base salary), amounting to \$1,375,000.

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 2005 at the market value of \$27.70 per share. In recommending this grant, the Committee considered the number of options eligible for granting under the plan guidelines, performance of the Chief Executive Officer and market data described above.

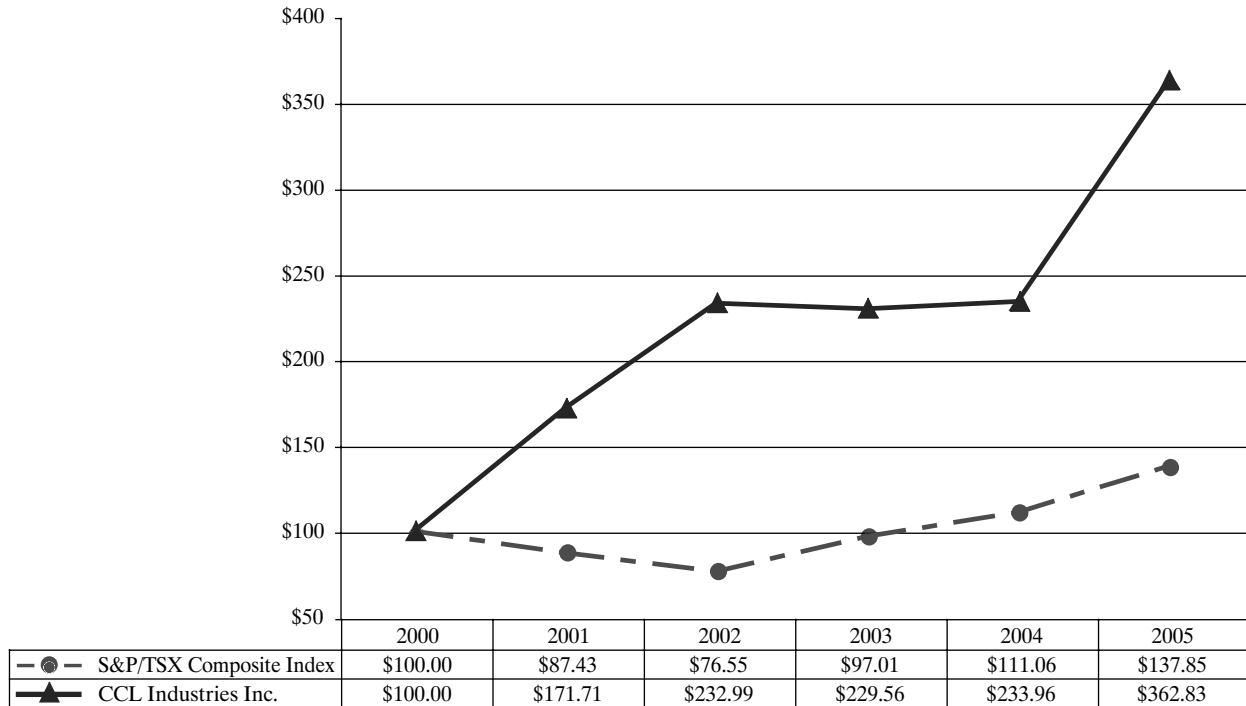
Succession Planning

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

Submitted by the Committee:

Susan J. Cook, Chair
Paul J. Block
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 \$28.75 on the Toronto Stock Exchange on December 31, 2005.

Compensation of Directors

During the financial year ended December 31, 2005, director’s fees were paid to the directors of the Corporation other than Donald Lang, Stuart Lang and Geoffrey Martin on the basis of a retainer of \$40,000 per annum (\$33,000 per annum prior to May 5, 2005) 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 compensation was granted to Directors in the form of options to purchase Class B non-voting shares in 2005. Donald Lang, Stuart Lang and Geoffrey Martin received no fees in their capacity as directors, and received options only in their capacity as officers of the Corporation. The following table sets

forth the fees paid to the independent Directors of the Corporation in the 2005 calendar year. Directors who are also officers or employees of the Corporation do not receive Directors' fees. Mr. Jean-René Halde, formerly a Director of the Corporation, resigned his office on September 6, 2005.

Director	Fees Received
Jon Grant	\$ 150,000
Paul Block	US\$78,000
Susan Cook	US\$64,000
Dermot Coughlan	\$ 79,000
Jean-René Halde	\$ 60,000
Thomas Peddie*	\$ 64,500
Lawrence Tapp	\$ 68,000

* Mr. Peddie received his fees in DSUs. The amount shown reflects the aggregate of the amounts credited to Mr. Peddie's DSU account on the dates for payment of directors' fees during 2005.

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.

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	1,733,950	\$16.55	876,900
Equity compensation plans not approved by securityholders	nil	nil	nil
<i>Total</i>	1,733,950	\$16.55	876,900

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, 2006.

Aggregate Indebtedness (\$)

Purpose	To the Corporation or its Subsidiaries	To Another Entity
Share purchases	\$1,792,743	nil
Other	nil	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 2005	Amount Outstanding as at February 28, 2006	Financially Assisted Securities Purchases During 2005	Security for Indebtedness	Amount Forgiven During 2005
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 and Chief Operating Officer</i>	Issuer (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 from 1999 to 2001 with respect to the Executive Share Purchase Plan, which was discontinued in 2001. 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, 2005, 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 2005 was \$272,342.33. 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 Vice Chairman and Chief Executive Officer of the Corporation. The Board of Directors has also approved a code of business conduct and ethics, and a formal, written communications and public disclosure policy. The full text of the Statement of Governance Policies and the code of business conduct and ethics may be viewed on the Corporation's web site at www.cclind.com.

On June 30, 2005, the Canadian Securities Administrators published National Policy 58-201 — *Corporate Governance Guidelines* and disclosure requirements in National Instrument 58-101 — *Disclosure of Corporate Governance Practices* (the "Instrument"). The requirements of the Instrument are set forth in the table below. The audit committee requirements are regulated by Multilateral Instrument 52-110 — *Audit Committees*.

INSTRUMENT REQUIREMENTS	COMMENTS
Disclose the identity of directors who are independent.	Paul J. Block, Susan J. Cook, Dermot G. Coughlan, Jon K. Grant, Thomas C. Peddie, and Lawrence G. Tapp.
Disclose the identity of directors who are not independent, and describe the basis for that determination.	<p>Donald G. Lang, Stuart W. Lang and Geoffrey T. Martin.</p> <p>The Corporation has a significant shareholder, 1291228 Ontario Inc., of which Donald G. Lang and Stuart W. Lang are directors, officers and shareholders. Donald G. Lang is Vice Chairman and CEO of the Corporation, and Stuart W. Lang has a direct family relationship with him.</p> <p>Geoffrey T. Martin is the President and Chief Operating Officer of the Corporation.</p>
Disclose whether or not a majority of directors are independent.	Yes.
If a director is presently a director of any other issuer that is a reporting issuer in a Canadian jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Donald G. Lang — AGF Management Ltd.; Jon K. Grant — Atlas Cold Storage Ltd., Agricore United, AXA (Canada) Insurance; Lawrence G. Tapp — A.T.S. Automation, Wescast Industries, Talisman Energy
Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year.	Prior to each meeting of the board and its committees, there is a private session restricted to independent directors from which non-independent directors and management are excluded to permit independent directors to discuss any matters of concern <i>in camera</i> . Members of the board have latitude to bring forward matters of concern to them for discussion at meetings and to amend meeting agendas. Please refer to the table set forth under the title "Attendance at Meetings" below.
Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities.	<p>The chairman, Jon Grant, is independent. The role of the chairman is to oversee the board as a whole, and his responsibilities include:</p> <ul style="list-style-type: none"> (i) approving the agendas for, scheduling and chairing meetings of the directors and shareholders of the Corporation; (ii) Monitoring whether the Board Committees are working effectively; (iii) Acting as an advisor and sounding board to the Vice Chairman and CEO; (iv) Providing a link between Management and the Board, and between the Board and the shareholders; and (v) Monitoring whether the Board is receiving timely information of appropriate quality before, during and after Board meetings.

INSTRUMENT REQUIREMENTS	COMMENTS
Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.	Please refer to the table appearing under the title "Attendance at Meetings" set forth below.
Disclose the text of the boards' written mandate.	Please see the board's mandate, set forth below under the title "Charter of the Board".
Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee.	Yes — the position descriptions for the chair and the chair of each board committee are set out in the Statement of Governance Policies.
Disclose whether or not the board and Chief Executive Officer ("CEO") have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.	Yes — the position description for the CEO is set out in the Statement of Governance Policies.
Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer's business.	Upon election to the board, new directors receive a comprehensive orientation package including material to assist them in familiarizing themselves with the Corporation.
Briefly describe what measures, if any, the board takes to provide continuing education for its directors.	The Nominating and Governance Committee is responsible for developing programs of continuing education for directors. Subject to availability, such programs may include plant visits, attendance at industry association conventions and trade shows, formal courses and presentations by expert speakers.
<p>Disclose whether or not the board has adopted a written code of business conduct and ethics for the directors, officers and employees. If the board has adopted a written code:</p> <p>(i) disclose how a person or company may obtain a copy of the code;</p> <p>(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and</p> <p>(iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.</p>	<p>Yes, the board has adopted a written code for its directors, officers and employees.</p> <p>(i) a copy of the code may be viewed on the Corporation's website at www.cclind.com or it may be obtained by contacting Secretary of the Corporation at 105 Gordon Baker Road, Suite 800, Willowdale, M2H 3P8.</p> <p>(ii) The monitoring of compliance with the code is within the mandate of the Human Resources Committee, which is also responsible for administering and granting any waivers in respect of the code. The Committee receives the report of the Senior Vice President Human Resources and Corporate Communications regarding any matters or issues involving the code.</p> <p>(iii) Not applicable.</p>

INSTRUMENT REQUIREMENTS	COMMENTS
Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.	Should any matter arise in which a director has a material interest, he or she is expected to declare his or her interest and absent himself or herself from the discussion and voting over such matter.
Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.	The board and the CEO have reviewed and approved the code and management has been charged with the responsibility of distributing and promulgating the code amount the Corporation's employees. Distribution of the code is accompanied by explanatory presentations, and each employee is asked to acknowledge in writing that he/she has read the code and agrees to abide by its terms. The code establishes an anonymous, company-wide "ethics hotline" for reporting breaches of the code and any issues relating to accounting and financial wrong-doing.
Describe the process by which the board identifies new candidates for board nomination.	The Nominating and Governance Committee has developed a matrix of skills and competencies 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.
Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.	Yes, the Nominating and Governance Committee is composed entirely of independent directors.
If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	Please see the text of the charter set forth below under the title "Charter of the Nominating and Governance Committee".
Describe the process by which the board determines the compensation for the issuer's directors and officers.	The Human Resources Committee is responsible for determining the compensation for the Corporation's directors and officers. Compensation is determined using comparative data and considering the level of experience and the performance of the individual. The Committee makes use of comparative total compensation data received from independent consulting firms. Where appropriate, bonuses are paid as a percentage of salary based on the achievement of certain targets. Please refer to the Report of the Compensation Committee, set forth above for a detailed discussion.
Disclose whether or not the board has a compensation committee composed entirely of independent directors.	Yes, the Human Resources Committee is composed entirely of independent directors.
If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	Please refer to the mandate of the committee set forth under the title "Charter of the Human Resources Committee" set forth below.

INSTRUMENT REQUIREMENTS	COMMENTS
<p>If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.</p>	<p>Watson Wyatt Worldwide, Inc. was retained to provide comparative salary information. Watson Wyatt has also been retained in 2005 to consult on pension matters and provide specific information relating to the Corporation's pension expenses.</p>
<p>If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>Environment and Health & Safety Committee, the function of which 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 and safety and to consider and approve new measures, practices and procedures in these areas. For further details, please see the mandate of the committee set forth under the title "Charter of the Environment and Health & Safety Committee", below.</p>
<p>Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments.</p>	<p>The Nominating and Governance Committee initiates, every second year (or more frequently, as the board may determine from time to time), an assessment of the board as a whole, which assessment may include an evaluation of the board committees and of each individual director. In addition, the board annually assesses the performance of the vice chairman and CEO and the board chair. As part of a second, informal assessment, the chairman meets one-on-one with each director annually to solicit the director's views on the effectiveness of the board, the committees and the individual directors and to receive the director's recommendations.</p>

Audit Committee

For disclosure regarding the Corporation's audit committee, please refer to the section entitled "Item 13 — Audit Committee" in the Corporation's 2005 Annual Information Form. To obtain a copy of the Annual Information Form, please refer to the information set forth under the title "Additional Information" below.

The Charter of the Board

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

- Advocate and support the best interests of the Company.
- Annually review and approve strategic, business and capital plans for the Company, monitor management's execution of such plans and require appropriate action to be taken when performance falls short of goals; review at least annually a strategic plan which takes into account the opportunities and risks of the business.
- 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 Vice Chair and CEO, and other senior officers, and that these individuals create a culture of integrity throughout the Company.
- Identify and review the principal risks of the Company's business and pursue the implementation by management of appropriate systems to manage such risks.
- Review measures implemented and maintained by the Company to ensure compliance with statutory and regulatory requirements.
- Select, evaluate, and compensate the Vice Chair and CEO.
- Monitor the practices of management against the Company's disclosure policy to ensure appropriate and timely communication of material information concerning the Company to its shareholders.
- Monitor overall safety and environmental programs.
- Monitor the development and implementation of programs for management succession and development which programs include training and monitoring senior management.
- Monitor the evaluation and compensation of senior management.
- Develop or approve selection criteria for new candidates for directorship.
- 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.
- Develop and review as part of the Board's Governance Policy, the expectations and responsibilities of Directors, including basic duties and responsibilities with respect to attendance at Board Meetings and advance review of meeting materials.
- Discharge such other duties as may be required in the good stewardship of the Company.

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

Financial Approvals:

- Strategic plan, annual business and capital plans
- Annual financial statements and 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

Human Resources Approvals:

- Appointment/succession/dismissal of Vice Chair and CEO
- Directly or by delegation to the Human Resources Committee:
 - (a) compensation and incentive arrangements for Vice Chair and CEO and those officers reporting directly to him; and
 - (b) employment/termination agreements for corporate officers reporting directly to the CEO.

Administration and Compliance Approvals:

- Appointment of Board Committees and their Chairs
- Nomination of Directors
- Recommendation of 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 principal purpose of the Audit Committee is to provide a forum for detailed discussion, examination and review of the Company's auditing needs, financial reporting, and information systems activities and the selection, instruction, evaluation and compensation of external and internal auditors of the Company and external providers of financial and information management systems services to the Company. Qualifications for membership in the Audit Committee include status as an independent Director, financial literacy and an interest in supervising the financial management and reporting of the Company. Members of the Committee are selected and removed by a vote of the Board. The structure of the Committee consists of a Chairperson and three Directors appointed by the Board. In accordance with OSC requirements, the Audit Committee must be composed of a minimum of three Directors of the Company, each of whom must be independent and "Financially Literate", meaning possessed of the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements. The Executive Vice President and CFO acts as staff facilitator to the Committee. The Chairperson of the Committee directs the operations of the Committee through the establishment of the agenda for meetings, which are called at regular intervals and as may be required to meet the requirements of the Company. The

Chairperson of the Committee reports on the activities of the Committee at Board meetings. The Audit Committee has the authority to engage, instruct and compensate, at the Company's expense, any outside advisor it determines to be necessary to carry out its duties and to communicate directly with the internal and external auditors. The mandate of the Audit Committee of the Board is as follows:

- Review the quality and acceptability of the accounting policies, principles and practices of the Company.
- Review the quarterly and year-end financial statements, Management's Discussion and Analysis, and earnings press releases of the Company before the Company publicly discloses this information, and report its findings for approval to the Board. In addition, the Audit Committee shall review the annual management proxy circular and the annual information form of the Company 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 Company's disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure stated immediately above, and periodically assess the adequacy of the those procedures.
- Ensure that the prescribed disclosure regarding the Audit Committee is contained in the Company's Annual Information Form.
- Monitor the timely communication of accurate financial information regarding the Company to the shareholders.
- Evaluate and recommend to the Board the Auditor to be nominated to prepare or issue an audit report or perform other audit, review or attestation services for the Company, and the compensation of the Auditor. Ensure that the Auditor reports directly to the Audit Committee.
- Monitor the independence of the Auditor, and assume direct responsibility for overseeing the work of the Auditor engaged to prepare or issue an audit report or perform other audit, review or attestation services for the Company, including the resolution of disagreements between Management and the Auditor regarding financial reporting and communicate directly with the Auditor for the discussion and review of any issues as appropriate. In addition, the Audit Committee shall require and receive from time to time the written confirmation of the Auditor as to its independent status and as to its good standing with the Canadian Public Accountability Board.
- Pre-approve all non-audit services to be provided to the Company or its subsidiary entities by its Auditor. Authority to pre-approve non-audit services may be delegated to one or more independent members, 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 Company and provide direction and guidance to the internal auditors.
- Where there are unsettled issues raised by the Auditor that do not have a material affect on the annual audited financial statements, require that there be a written response identifying a course of action that would lead to their resolution.
- Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- Review and approve the Company's hiring policies regarding partners and employees and former partners and employees of the present and former Auditor of the Company.
- Review and monitor the adequacy and integrity of the Company's management information systems.

- Monitor the adequacy of financial resources.
- Review the quality of the asset side of the balance sheet of the Company.
- Review risks facing the Company.
- Review and assess the adequacy of the charter of the Audit Committee on an annual basis.

Charter of the Human Resources Committee

The principal purpose of the Human Resources Committee is to provide a forum for detailed discussion, examination and review of the Company's needs and practices in the selection, evaluation 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 Senior Vice President Human Resources and Corporate Communications acts as secretary and staff facilitator to the Committee. The Chairperson of the Committee directs the operations of the Committee through the establishment of the agenda for meetings, which are called at regular intervals and as may be required to meet the requirements of the Company. The Chairperson of the Committee reports on the activities of the Committee at Board meetings. The Human Resources Committee has the authority to engage and compensate, at the Company's expense, any outside advisor it determines to be necessary to carry out its duties. The mandate of the Human Resources Committee of the Board is as follows:

- Consider 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 Company's business strategy and performance.
- Monitor succession planning to encourage the development of appropriate successors for the Vice Chair 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 Vice Chair 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 Vice Chair 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 Vice Chair and CEO relative to performance and compensation.
- Consider and approve employment and termination agreements for officers reporting directly to the Vice Chair 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 Company'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 Company's pension plans and fund performance as reported by the Pension Committee and approve any

material changes to the Company'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.
- Review and reassess the adequacy of the charter of the Human Resources Committee on an annual basis.
- Monitor the operation of the Company's Code of Business Conduct and Ethics, consider and approve any waivers of compliance with the Code and report to the full Board concerning same.

Charter of the Nominating and Governance Committee

The purpose of the Nominating and Governance Committee is to provide a forum for detailed discussion, examination and review of the Company's needs in the selection of Directors and the formation of the Committees of its Board as well as of its governance policies and practices. Qualifications for membership in the Committee include status as an independent Director and an interest in the development of corporate governance practices and procedures. Members of the Committee are selected and removed by a vote of the Board. The structure of the Committee consists of a Chairperson and two Directors appointed by the Board. The Secretary and General Counsel of the Company acts as secretary and staff facilitator to the Committee. The Chairperson of the Committee directs the operations of the Committee through the establishment of the agenda for meetings, which are called at regular intervals and as may be required to meet the requirements of the Company. 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, at the Company's expense, 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. Propose new nominees for directorship to the full Board, as required.
- Develop and maintain a matrix of the skills, competencies and requirements represented on the Board and those to be sought in candidates for directorship that would be helpful to the Board and the Company, as well as a list of potential candidates for directorship responsive to such matrix of skills and needs, and consider whether each new nominee can devote sufficient time and resources to his or her duties as a Board member.
- Annually recommend membership of the Board Committees and their respective Chairs to the Board for approval.
- Monitor the orientation and training of new Directors, and provide guidance for the establishment and operation of a continuing education program for Directors.
- Facilitate the assessment of the performance of the Board, its Committees and of individual Directors through the administration of a periodic assessment exercise, and present the results to the Board.
- Annually assess the Company's compliance with the governance and disclosure guidelines of TSX and the OSC.
- Annually assess the adequacy of the Company'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 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 Company operations have appropriate written contingency plans to deal with EHS incidents.
- Require that the Company have a documented system requiring the prompt reporting of significant events as defined in the CCL contingency plan posted in the Company’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.
- Approve the winners of the annual EHS Awards.
- Review and reassess the adequacy of the charter of the EHS Committee on an annual basis.

Composition of Board and Committees

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 independent directors and will seek to maintain a ratio of independent to non-independent directors of $\frac{2}{3}$ or greater. The roles of the Vice Chairman and CEO and the Chairman of the Board are separate, and the Chairman is an independent director. 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 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	X		
S. Cook		C	X	
D. Coughlan	X	X		
J. Grant		X	X	C
T. Peddie	C			
L. Tapp	X		C	

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 Vice Chairman 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 2005 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 . . .	9	4	6	3	3	
P. Block	8	4	6	na	na	94.7%
S. Cook (1)	8	na	6	na	na	93.3%
D. Coughlan	8	4	6	na	na	94.4%
J. Grant	9	na	6	3	3	100%
D. Lang	9	na	na	na	na	100%
S. Lang	9	na	na	na	na	100%
G Martin (2)	2	na	na	na	na	100%
T. Peddie	8	4	na	na	na	92.3%
L. Tapp	8	4	na	3	na	93.8%
Percentages	93.2%	100%	100%	100%	100%	96.5%

NOTES:

- (1) Ms. Cook was appointed to the Nominating and Governance Committee on October 27, 2005.
- (2) Mr. Martin was appointed to the Board on October 27, 2005.

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 Vice Chairman 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 Vice Chairman and Chief Executive Officer and the 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. In addition to the foregoing, the Corporation has established a “Disclosure Committee” made up of key persons within the Corporations internal flow of information to review and verify the information to be disclosed in the Corporations news releases and regulatory filings. 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. The Corporation’s news releases are also posted to its website at www.cclind.com. Meetings with analysts and institutional shareholders held at the conclusion of quarterly reporting periods are accessible by conference call on a dial-in basis to interested members of the public.

The 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 Vice Chairman 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.

External Auditor Service Fees

The auditor of the Corporation is KPMG LLP. The aggregate audit fees paid to KPMG related to the audit of the annual consolidated financial statements and the review of the interim financial statements of the Corporation were \$1,283,600 in 2005 and \$1,072,000 in 2004. The aggregate fees for assurance and related services by KPMG LLP that are reasonably related to the performance of audit or review of the financial statements that are not subsumed in the foregoing sentence related to the audit of the Company's pension plans, the report on compliance with debt covenants and advice on new accounting standards in connection with the 2005 audit were \$23,000 in 2005 and \$151,000 in 2004. Fees paid to KPMG LLP for tax compliance, tax advice and planning in the Corporation's Canadian and international operations were \$637,000 in 2005 and \$435,000 in 2004. Fees paid to KPMG LLP for actuarial consulting services to the Corporation and assistance in establishing foreign subsidiaries were \$239,000 in 2005 and \$313,000 in 2004.

SHAREHOLDER PROPOSALS FOR THE 2007 ANNUAL MEETING

The Corporation will review shareholder proposals intended to be included in proxy material for the 2007 annual meeting of shareholders which are received by the Corporation at its offices at 105 Gordon Baker Road, Willowdale, Ontario, M2H 3P8, Attention: Corporate Secretary, by no later than January 31, 2007.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com and on the Corporation's website at www.cclind.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, 2005.

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, or, following distribution of these materials, they may be obtained from the SEDAR website at www.sedar.com:

- (i) the 2005 Annual Report to the Shareholders containing the consolidated financial statements for the year ended December 31, 2005 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, 2006, 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, 2006.

By Order of the Board of Directors,

Per: B.I. SIROTA,
Secretary