



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

MAY 3, 2007

NOTICE is hereby given that the annual and special meeting (the "Meeting") of shareholders of **CCL INDUSTRIES INC.** (the "Corporation") will be held at the corporate offices of the Corporation at Suite 800, 105 Gordon Baker Road, Willowdale, Ontario M2H 3P8, at 4:00 p.m. (Toronto time), on Thursday, May 3, 2007 for the following purposes:

1. to receive the 2006 Annual Report of the Corporation containing the audited consolidated financial statements of the Corporation for the financial years ended December 31, 2006 and December 31, 2005, and the auditor's report thereon;
2. to elect eleven directors;
3. to re-appoint the auditor and authorize the directors to fix the auditor's remuneration;
4. to consider and, if deemed advisable, to approve, with or without variation, the amended Employee Stock Option Plan of the Corporation, the text of which is set forth as Exhibit 1 to the accompanying Management Information Circular and incorporated herein by reference; and
5. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

By Order of the Board of Directors,

B.I. Sirota
Secretary

Toronto, Ontario
March 13, 2007

NOTES TO NOTICE OF ANNUAL AND SPECIAL 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, P.O. Box 721, Agincourt, ON M1S 0A1 for delivery by the last business day before the Meeting or for deposit with the Chairman at the Meeting. Proxies may also be returned by personal delivery to CIBC Mellon, 320 Bay Street, Banking Hall Level, Toronto, Ontario, or by fax to (416) 368-2502.
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 20, 2007. Accordingly, shareholders registered on the books of the Corporation at the close of business on March 20, 2007 are entitled to notice of the Meeting.
5. A copy of the 2006 Annual Report of the Corporation containing the financial statements referred to in this notice accompanies this notice.



MANAGEMENT INFORMATION CIRCULAR OF CCL INDUSTRIES INC.

SOLICITATION OF PROXIES AS OF MARCH 13, 2007 FOR USE AT THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 3, 2007

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF CCL INDUSTRIES INC. (THE "CORPORATION" OR THE "COMPANY") FOR USE AT THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS of the Corporation (the "Meeting") to be held at the corporate offices of the Corporation at Suite 800, 105 Gordon Baker Road, Willowdale, Ontario M2H 3P8, at 4:00 p.m. (Toronto time), on Thursday, May 3, 2007 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, P.O. Box 721, Agincourt, ON M1S 0A1 in time for use at the Meeting. An addressed envelope with the postage prepaid accompanies this Management Information Circular and may be used for such purpose. Proxies may also be returned by personal delivery to CIBC Mellon, 320 Bay Street, Banking Hall Level, Toronto, Ontario, or by fax to (416) 368-2502. 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 mailing the completed form of proxy addressed to the Secretary of the Corporation, c/o CIBC Mellon Trust Company, Attention Proxy Department, P.O. Box 721, Agincourt, ON M1S 0A1, by delivering the form of proxy personally to CIBC Mellon, 320 Bay Street, Banking Hall Level, Toronto, Ontario, or by faxing it to (416) 368-2502 at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) thereof, or by delivering it to the Chairman or the Secretary of the Meeting at the beginning of the Meeting or any adjournment(s) thereof.

REVOCAION OF PROXIES

A proxy may be revoked by a holder of Class A voting shares (or, if such shareholder is a corporation, by a duly authorized officer or attorney thereof) by depositing an instrument in writing executed by the shareholder or by such shareholder's attorney authorized in writing (or, if the shareholder is a corporation, by an officer or attorney thereof authorized in writing) either with the Secretary of the Corporation at the Corporation's registered office at Suite 800, 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 Information Circular; (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, and (iii) on the approval of the amended Employee Stock Option Plan of the Corporation, in favour of such approval.** 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 Information 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 Information 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

The Board of Directors has established March 20th, 2007 as the record date for the Meeting (the "record date"). As of the date of hereof, there are issued and outstanding 2,378,496 Class A voting shares and 30,237,447 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 that exercises control or direction over 2,241,880 Class A voting shares, being 94.3% 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 eleven (11). Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote for the election of the eleven (11) 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 Environment 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 February 28th, 2007.

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, 2006
			Class A Shares	Class B Non-voting Shares	Deferred Share Units for Class B Non-voting Shares	
PAUL J. BLOCK New York, USA Director (Member of Human Resources Committee and Audit Committee)	Chairman and CEO of Proteus Capital Associates (an investment banking firm), Operating Partner of Behrman Capital (a private equity firm). Prior to December 2006, principal of Sea Change Group and President of Versadial, a Sea Change Company (private equity firms).	November 6, 1997	Nil	2,300	Nil	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	1,609	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, 2006
			Class A Shares	Class B Non-voting Shares	Deferred Share Units for Class B non-voting shares	
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	nil	no change
MICHAEL T. COWHIG Massachusetts, USA, Director	Corporate Director. Prior to December 2006, President, Global Technical and Manufacturing, The Procter & Gamble Company (consumer products company). Prior to 2004, President, Global Technical and Manufacturing, The Gillette Company (personal care products company). Prior to 2002, Senior Vice President, Global Supply Chain and Business Development, The Gillette Company.	February 22, 2007	nil	nil	nil	
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	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, 2006
			Class A Shares	Class B Non-voting Shares	Deferred Share Units for Class B non-voting shares ⁽⁵⁾	
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⁾	nil	no change
STUART W. LANG Ontario, Canada Director (Member of Environment and Health & Safety Committee)	Corporate Director. Prior to January 31, 2006, President of CCL Label International, a division of the Corporation.	May 23, 1991	nil	10,610 ⁽³⁾	nil	no change
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.	October 27, 2005	nil	345,000 ⁽⁴⁾	nil	Acquired 120,000 Class B non-voting shares in restricted share units in February of 2007
DOUGLAS W. MUZYKA Shanghai, Peoples' Republic of China Director	President of DuPont Greater China and DuPont China Holding, Co. Ltd. (manufacturing company). Prior to July of 2006, Vice President and General Manager of DuPont Nutrition and Health, and President and Chief Executive Officer of E.I. DuPont Canada Company. Prior to January of 2003, President and General Manager of DuPont Mexico.	June 8, 2006	nil	nil	1,280	

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, 2006
			Class A Shares	Class B Non-voting Shares	Deferred Share Units for Class B non-voting shares ⁽⁵⁾	
THOMAS C. PEDDIE Ontario, Canada Director (Chairman of the Audit Committee)	Senior Vice President and Chief Financial Officer of Corus Entertainment Inc. (media company).	June 4, 2003	nil	nil	4,893	no change
LAWRENCE G. TAPP British Columbia, Canada Director (Chairman of the 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	807	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 February 28th, 2007.
- (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) In January of 2005, Mr. Martin was granted 200,000 Class B non-voting shares in restricted shares that vest as to 120,000 shares upon the achievement of certain performance milestones up to December 31, 2007, and as to 80,000 shares on the fifth anniversary of the grant, so long as he continues to be employed by the Corporation. In February of 2007, Mr. Martin was granted a further 120,000 Class B non-voting shares in restricted shares that vest in December of 2010.
- (5) Deferred Share Units in the accounts of directors as of February 28th, 2007.

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 Limited, Mr. Grant is currently Chair of the Ontario Biodiversity Council and Vice Chair and director of the board of Agricore United. He is past Chair of Laurentian Bank of Canada, Canada Lands Company, Scott Paper Limited, Atlas Cold Storage, 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. Mr. Block is also Operating Partner of Behrman Capital, a director of the China Retail Fund and a director of the Shanghai-Syracuse University International School of Business. Specific expertise that Mr. Block brings to the Board includes marketing, international commerce, 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 17-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 Limited, 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.

Michael T. Cowhig – Mr. Cowhig held positions of progressive responsibility with The Gillette Company (now Procter and Gamble) since 1968, most recently as President, Global Technical and Manufacturing. He holds a Bachelor of Science degree in Industrial Management from Boston College and Master of Business Administration degree from Babson College. He is a director of Newell Rubbermaid Corporation, a director of Wilson's Leather Corporation and he sits on the supervisory board of Braun GmbH, the German subsidiary of Procter and Gamble. Mr. Cowhig brings to the Board his long technical and manufacturing experience in the personal care products industry and his experience in supply chain management.

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 since 1982, 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 Company in 1982, moving through positions of progressive responsibility and gaining depth of industry knowledge. As a result, Mr. Lang brings to the Board wide experience in the technology, manufacture and markets of the label industry as well as a thorough knowledge of the important Label Division of the Corporation.

Geoffrey T. Martin – Mr. 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, Container and Tube 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.

Douglas W. Muzyka – Mr. Muzyka is President of DuPont Greater China and DuPont China Holding Co. Ltd. and, since joining the DuPont organization as a research scientist in 1985, Mr. Muzyka has held numerous key management roles within the company in Hong Kong, the USA, Mexico and Canada. Mr. Muzyka holds bachelor's, master's and doctorate degrees in chemical engineering from the University of Western Ontario. To complement his strong operational and administrative skills, Mr. Muzyka also brings to the board considerable experience in new plant start-ups and new venture development in international venues.

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 ATS Automation, a director of Talisman Energy, Chairman and director of Mainstreet Equities Corporation and Chairman and director of Softchoice Corporation. Mr. Tapp has served as a Chairman and director of Call-Net Sprint and as a Chairman and director of Husky Injection Molding Systems Ltd. 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.

AMENDMENT OF EMPLOYEE STOCK OPTION PLAN

The Meeting has been called in part, to consider and if thought fit, to approve certain amendments to the Corporation's Employee Stock Option Plan (the "Plan"). These amendments arise from recent changes to the policies of the Toronto Stock Exchange (the "TSX") in respect of the possible expiry of stock options during voluntary restricted trading periods and in respect of the ability of a board of directors to make subsequent amendments to stock option plans.

The Corporation prohibits its directors, officers and employees from trading in its securities with knowledge of any material information concerning the Corporation, which has not been disclosed to the public. As it may be difficult from time to time for an individual to determine if he or she is in possession of material non-public information, particularly as it relates to financial results, the Corporation has identified certain preferred trading periods during which these personnel are generally permitted to trade in securities of the Corporation and has identified certain restricted periods during which these personnel cannot trade in securities of the Corporation. The restriction on trading includes a prohibition on exercising a stock option. As a result of these voluntarily imposed restricted trading or 'blackout' periods, an optionholder may be unable to exercise an option prior to its expiry, should the expiry date fall within a blackout period imposed by the Corporation. In June 2006, staff of the TSX published a notice (the "TSX Notice") which indicated that TSX-listed companies should not be penalized for maintaining good corporate governance practices, such as voluntary blackout periods and that the TSX would accept, subject to shareholder approval being obtained, amendments to stock option plans to allow for a brief extension to an exercise period of an option where the expiry date of the option would otherwise be within or immediately following a blackout period. The Board of Directors has approved an amendment to the Plan, as set out in section 7 of Article III of the Plan that will permit options to remain

exercisable for up to ten business days following the termination of a trading blackout period. A copy of the Plan, as amended and restated to include this amendment and the amendments discussed below, is attached as Exhibit 1 to this Circular. Exhibit 1 has been blacklined to reflect all changes to the Plan approved by the Board of Directors.

The TSX has in the past also permitted a board of directors to make certain amendments to options and option plans without shareholder approval, provided that the TSX deemed such amendments to be non-material in nature. The TSX Notice indicated that commencing June 30, 2007, all stock option plans would require detailed amending provisions approved by shareholders, failing which all amendments, even those amendments previously viewed by the TSX as being of a minor or housekeeping nature, would require shareholder approval. While the Corporation has no present intention to further amend the Plan, circumstances may arise from time to time, whether as a result of changes to regulatory, administrative or commercial requirements or practices, that may require in the discretion of the Board of Directors, that the Plan be amended. Under Article VIII of the amended Plan, certain types of amendments will continue to require shareholder approval. Specifically, amendments to: (i) reduce the exercise price of an outstanding option granted under the Plan, (ii) extend the expiry date of an outstanding option (other than in respect of a blackout period as described above or in the event of the optionholder's death, disability, retirement or other cessation of employment), (iii) increase the permitted level of insider participation under the Plan, (iv) increase the number of Class B non-voting shares reserved under the Plan, (v) add any additional categories of persons eligible to participate under the Plan, and (vi) change the assignability of options (other than amendments, if any, to allow for the transfer of an option to a registered retirement savings plan, a registered retirement income fund or to other similar plans), will require approval by the Board of Directors and by shareholders. All other amendments to the Plan could be made at the discretion of the Board of Directors. For example, the Board's discretion will include, without limitation, authority to make amendments to: (i) alter, extend or accelerate the vesting provisions of options, (ii) clarify any ambiguity, inconsistency or omission in the Plan and other amendments of a clerical or housekeeping nature, (iii) alter the termination provisions of an option or of the Plan, provided that such change does not entail an extension beyond the expiry date of such option, (iv) modify the mechanics of exercise, (v) add a financial assistance provision, and (vi) add a cashless exercise feature.

The Plan has also been amended to specify the discretion available to the Human Resources Committee of the Board to amend the vesting and termination provisions of an option upon an optionholder ceasing to be employed by the Company or by a subsidiary of the Company.

The TSX requires that the amended Plan be approved by a majority of the votes cast at the Meeting. Unless a choice is otherwise specified, it is intended that the Class A voting shares represented by the proxies hereby solicited will be voted in favour of the resolution set forth in Schedule A hereto approving the amendments to the Plan. Management recommends a vote "For" the resolution approving the amended Plan.

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, 2006, 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 Rami Younes, who would have been a Named Executive Officer if he had continued to be employed by the Corporation at the end of the 2006 financial year.

2006 Summary Compensation Table

Name and Principal Position as at December 31, 2006	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>	2006	550,000	1,113,426	--	70,000	--	--	--
	2005	500,000	1,375,000	--	70,000	--	--	18,000
	2004	480,000	307,200	--	70,000	--	--	16,500
Steven W. Lancaster <i>Executive Vice President and Chief Financial Officer</i>	2006	309,000	531,393	13,684	25,000	--	--	--
	2005	300,000	536,250	10,249	25,000	--	--	18,000
	2004	280,000	116,480	9,388	25,000	--	--	16,500
Geoffrey T. Martin <i>President and Chief Operating Officer</i>	2006	US\$445,000	US\$593,452	US\$ 7,893	25,000	--	--	--
	2005	US\$418,125	US\$828,750	US\$ 6,892	25,000	200,000	--	--
	2004	US\$390,000	US\$608,400	US\$ 3,939	15,000	--	⁽⁵⁾ US\$2,670,000	--
Lalitha Vaidyanathan <i>Senior Vice President of Finance and Administration & IT, CCL Operations</i>	2006	US\$250,000	US\$262,500	--	--	--	--	--
	2005	US\$230,000	US\$262,000	--	--	--	--	--
	2004	US\$210,000	US\$126,000	--	--	--	⁽⁵⁾ US\$1,000,000	--
Richard J. Zakaib <i>Senior Vice President, Corporate Development</i>	2006	280,000	226,870	13,684	25,000	--	--	--
	2005	271,300	261,126	10,249	25,000	--	--	⁽⁶⁾ 86,640
	2004	263,400	59,001	9388	25,000	--	--	16,500
Rami E. Younes ⁽⁴⁾ <i>President, Container Division</i>	2006	360,500	--	13,684	--	--	--	--
	2005	360,500	603,387	10,249	15,000	--	US\$445,000	18,000
	2004	350,000	353,080	9,388	10,000	--	--	16,500

NOTES:

- (1) Bonus amounts are paid in cash in the year following the fiscal year in which they were earned.
- (2) Perquisites and other personal benefits do not exceed the lesser of \$50,000 and 10% of the total of the annual salary and bonus for the above named officers. The amounts in this column relate to taxable benefits on employee loans only.
- (3) Amounts shown under "All Other Compensation" represent pension plan contributions by the employer, except as otherwise indicated. Please refer to the section entitled "Pension and Retirement Agreements of Named Executive Officers" below.
- (4) The employment of Mr. Rami Younes, former President of the Corporation's Container Division, ended on March 31, 2006. This table was completed on the basis of a continuation of salary and certain benefits following termination of his employment. Certain matters concerning the termination of employment are not yet resolved, and consequently, this table does not necessarily reflect the final status of his outstanding share options.
- (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.

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 Stock 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 cash bonus payments based on a percentage of the cumulative income improvement over the three-year 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 Tube Division. At present, no LTIP has been established for the Container Division. With Mr. Martin's appointment to President and Chief Operating Officer on May 17th, 2005, his cash LTIP was

replaced with 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. On February 22, 2007, Mr. Martin was granted a further 120,000 Class B non-voting shares as restricted shares vesting on December 31, 2010, based on the Company's performance and Mr. Martins continuing employment. The following tables set forth the current LTIPs granted and outstanding to Named Executive Officers, and LTIP payouts made to Named Executive Officers in the most recently completed financial year.

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 (\$)
L. Vaidyanathan	nil	2005 to 2007	nil	US\$720,000	US\$960,000

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

The Corporation has an Employee Stock Option Plan (the "Option Plan") the terms of which, together with particulars of options granted to and exercised by Named Executive Officers during the financial year ended December 31, 2006, 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 2006 do not vest during the first year following their grant, and vest progressively thereafter throughout their five-year term. The number of Class B non-voting shares reserved for issuance under the Option Plan is 2,520,300. The total number of outstanding options under the Option Plan as of December 31, 2006 was 1,799,350, representing 6.0% 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 on Executive Compensation" set forth below for additional details.

The Option Plan permits the participant to exercise vested or unvested options for ninety days following the termination of employment unless this period is extended at the discretion of the Human Resources Committee. In the discretion of the Board of Directors, subject to certain conditions and for a limited period of time, the Option Plan allows for the exercise of outstanding options in the event of a change of control of the Company, whether the option holder is terminated as a consequence or not.

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, 2006, no stock appreciation rights ("SARs") were granted to Named Executive Officers and as at December 31, 2006, no SARs were outstanding. Details of options granted to and exercised by Named Executive Officers during the financial year ended December 31, 2006 are shown in the two tables set out below.

A proposal to amend the Option Plan is to be placed before the Meeting. Please refer to the section entitled "Amendment of Employee Stock Option Plan", above, and to Exhibit 1 to this information circular.

Options Grants During 2006

Name	Securities, Under Options Granted (#)	% of Total Options Granted to Employees In 2006	Exercise or Base Price (\$/Security)	Market Value Of Securities Underlying Options On the Date of Grant (\$/Security)	Expiration Date
Donald G. Lang	70,000	41.2%	\$28.45	\$28.45	December 7, 2011
Steven W. Lancaster	25,000	14.7%	\$28.45	\$28.45	December 7, 2011
Geoffrey T. Martin	25,000	14.7%	\$28.45	\$28.45	December 7, 2011
Richard J. Zakaib	25,000	14.7%	\$28.45	\$28.45	December 7, 2011

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.
- (3) Due to the CEO's controlling position of the voting shares of the Corporation, his capital gains on exercised options are taxed as ordinary income, whereas the capital gains realized on the exercise of options by other executives of the Corporation are accorded capital gains treatment under Canadian tax laws.

Aggregate Options Exercised During 2006 and 2006 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	--	--	545,000	175,000	\$7,431,000	\$590,100
Steven W. Lancaster	--	--	95,000	62,500	\$1,093,650	\$210,750
Geoffrey T. Martin	--	--	87,000	55,000	\$1,205,795	\$131,475
Lalitha Vaidyanathan	--	--	9,000	--	\$142,380	--
Richard J. Zakaib	--	--	78,500	62,500	\$966,230	\$210,750
Rami E. Younes ⁽¹⁾	--	--	105,100	30,900	\$1,579,621	\$176,139

NOTES:

- (1) The employment of Mr. Rami Younes terminated on March 31, 2006. The foregoing table was completed based on the status of Mr. Younes' options immediately prior to March 31, 2006. Certain matters concerning the termination of employment are not yet resolved, and consequently, this table does not necessarily reflect the final status of his outstanding share options.

No repricing of outstanding options has occurred in the course of 2006, 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 have been acquired under the ESPP since it was discontinued on December 31, 2001. For particulars of loans outstanding thereunder for the financial year ended December 31, 2006, please see the table entitled "Indebtedness of Directors, Executive Officers and Senior Officers Under Securities Purchase Programs".

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

Remuneration (\$)	Years of Service and Annual Pension (\$)				
	10	15	20	25	30 and Over
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 ("SERP"s) with Mr. Lang and Mr. Younes as of January 1, 1996, with 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 forth 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 until December 31, 2005, at which time the executives were transferred to a defined benefit plan (see "All Other Compensation" in the "2006 Summary Compensation Table", above) and the balance is unfunded. For the purpose of calculating the pension payment, pensionable service for Mr. Lang was 25 years, for Mr. Lancaster was 30 years, for Mr. Zakaib was 24 years and for Mr. Younes was 26 years, as of December 31, 2006. Mr. Younes ceased to be employed by the Corporation on March 31, 2006.

The Company's estimated accrued benefit obligation for SERPs for present and past executives as of December 31, 2006 was \$14,315,000. This accrued benefit obligation is calculated using the method described by the Canadian Institute of Chartered Accountants Standards in measuring pension obligations and is based on the best estimate of future events that affect the cost of pensions; including assumptions about salary adjustments and the executive's continuing employment with the Company. The accrued benefit obligation for SERP pension benefits for the Vice Chairman and CEO was estimated at \$1,688,000 as at December 31, 2005 and \$1,871,000 at December 31, 2006. The calculation for the amounts reported above use actuarial assumptions that are consistent with those used for calculating accrued pension benefit

obligations as disclosed in the Company's 2005 and 2006 consolidated financial statements. As the assumptions reflect the Company's best estimate of future events, the values shown may not be directly comparable to similar estimates of pension liabilities that may be disclosed by other companies.

The 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. Mr. Martin's contributions to the plan are fully vested. The Company's contributions to the said plan are vested. The contributions accrue interest at the rate of 1.5% above the amount paid on United States twenty-year Treasury Bills from time to time.

The Corporation maintains a Deferred Compensation Plan for certain executives in the United States, of which Ms. Vaidyanathan is a participant, pursuant to which it contributes an annual company contribution of 4% of base salary and annual bonus. The Deferred Compensation Plan is a defined contribution plan. The terms of Ms. Vaidyanathan's Deferred Compensation Plan are similar to those of other executives in the United States. The plan's rules provide for immediate vesting on death, disability, or change of control.

Employment Contracts, Change in Responsibilities and Termination of Employment

The Corporation does not have a written contract of employment with its Vice Chairman and CEO. Accordingly, there are no automatic provisions respecting termination or a change in control.

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. Ms. Vaidyanathan does not have a formal contract of employment. The Corporation entered into a written contract of employment with Mr. Zakaib on January 17, 2001, pursuant to which he was appointed Vice President Corporate Development of the Corporation. The following is a summary of the terms of the said employment agreements. The agreements provide for an annual base salary subject to yearly review. In 2006, Mr. Martin's base salary was US\$445,000, Ms. Vaidyanathan's base salary was US\$250,000, and Mr. Zakaib's base salary was C\$280,000. The Named Executive Officers are entitled to participate in the Corporation's Senior Management Incentive Plan Bonus Program and certain long term incentive programs, as described above. The Named Executive Officers are entitled to standard benefits of the type normally available to executive officers. The agreements may be terminated for cause as defined in the agreements and they may be otherwise terminated on 24 months' notice. Ms. Vaidyanathan, who does not have a formal employment agreement, has a commitment from the Company that in the event of termination without cause, she will receive up to six months' salary continuation. The agreements contain standard non-competition and non-solicitation provisions.

The employment of Mr. Rami Younes, former President of the Container Division, terminated on March 31, 2006. Mr. Younes had no written employment agreement with the Corporation. Mr. Younes' salary and certain of his employment benefits have been continued throughout the 2006 financial year, as set forth in the "2006 Summary Compensation Table" above, pending resolution of certain matters in connection with the termination of employment. Accordingly, the final status of Mr. Younes' stock options as set forth in such table and elsewhere in this circular may change as a result of the resolution of such matters.

Compensation of Chief Executive Officer

The following table presents a summary of the aggregate cash value of the compensation received by the Vice Chairman and Chief Executive Officer in the 2006 and 2005 calendar years.

COMPENSATION	2006	2005
Base Salary	\$550,000	\$500,000
Bonus	\$1,113,426	\$1,375,000
Total Cash Compensation	\$1,663,426	\$1,875,000
Value of option grants as at each year end ⁽¹⁾	\$413,000	\$415,100
Total Direct Compensation	\$2,076,426	\$2,290,100
Other annual compensation ⁽²⁾	--	\$18,000
Pension Service and Compensation Cost ⁽³⁾	\$199,000	\$162,000
Total	\$2,275,426	\$2,470,100

NOTES:

- (1) Represents value of underlying securities applying the Black Scholes valuation method.
- (2) Please refer to "2006 Summary Compensation Table" for details.
- (3) Represents the pension expense attributable to Mr. Lang based on the actuarial assumptions used to determine the Company's pension expense for 2006 and 2005.

Composition and Independence of the Human Resources Committee

During the financial year of the Corporation ending December 31, 2006, 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. All members of the Human Resources Committee are independent directors. No member of the Compensation Committee is now nor has been in the last three years an employee of the Company, an executive of any sister or subsidiary company, associated with any firm that provides legal, auditing or consulting services to the Company, related through kinship to the CEO or any of the named executive officers, nor related through any significant material relationship other than the foregoing to the Company or any of its executive officers or senior employees. Although Mr. Block, Mr. Grant and Mr. Coughlan have all been CEOs of various unrelated companies, neither Mr. Grant nor Mr. Coughlan served as a CEO within the last three years. During the last fiscal year, the Company has engaged Watson Wyatt International, Inc. and Buck Consultants as compensation consultants. Please refer to the paragraph entitled "Human Resources Consulting Fees" below for a discussion of consulting services provided and fees paid.

Report On Executive Compensation

The Human Resources Committee establishes executive compensation policies, which include long and short-term incentives, and oversees the Employee Stock Option Plan 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 the advice of independent consultants, makes reference to market and survey data, considers input from senior management and aligns compensation programs with the decentralized operating philosophy of the Company.

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.

In 2006, the Human Resources Committee retained Buck Consulting to complete a thorough review of the Company's compensation programs for its executives. This included a market comparison of total compensation including base salary and short and long term incentives. The comparison was conducted with consideration to the geographic markets in which the executives are located, and the scope of responsibilities of executives of comparable companies within the manufacturing sector and the S&P/TSX Composite Index. Executive compensation programs were also reviewed considering external competitiveness and internal equity as well as the requirements for any regulatory compliance.

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 2006 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. Target 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%. For 2006, the bonus awarded and paid to Mr. Donald Lang was \$1,113,426, the bonus to Mr. Lancaster was \$531,393, the bonus to Mr. Martin was US\$593,452, the bonus to Ms. Vaidyanathan was US\$262,500 and the bonus to Mr. Zakaib was \$226,870. Divisional executives' annual cash bonus is based on attainment of budgeted operating income, which can be increased or reduced for exceeding or missing their operating income plan.

Cash 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 2006 and for 2007, LTIPs were in place for the Label Division and the Tube Division.

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 and provided interest-free loans to assist these executives from 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 2006, 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 2006 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.

In 2005, the cash LTIP for Mr. Martin was replaced with a restricted stock plan. This change was made to reflect Mr. Martin's new responsibilities as President and Chief Operating Officer for the Corporation. This plan provides 120,000 Class B non-voting shares of the Corporation, which vest at the end of 2007, based on the achievement of growth targets in earnings per share. A further 80,000 restricted Class B non-voting shares vest at the end of 2009, based on retention.

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, 2006, Mr. Lang's compensation consisted of a base salary of \$550,000 and awards under the Corporation's annual cash incentive plan and the Employee Stock Option Plan. 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, 2007, 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 book capital and return on equity. As part of its review of the compensation of the CEO, the Committee considers the performance of the Company and the CEO when setting compensation levels. 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 cash 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%. (See "Annual Cash Incentives", above.) Mr. Lang's target bonus is paid at 100% of base salary. The annual incentive payment for 2006 for Mr. Lang was paid at 206% of target bonus (100% of base salary), amounting to \$1,113,426.

Stock options are granted to provide a long-term incentive congruent with share price improvement. (See "Stock-based Incentives", above.) Mr. Lang was awarded an option on 70,000 Class B non-voting shares in December 2006 at the market value of \$28.45 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.

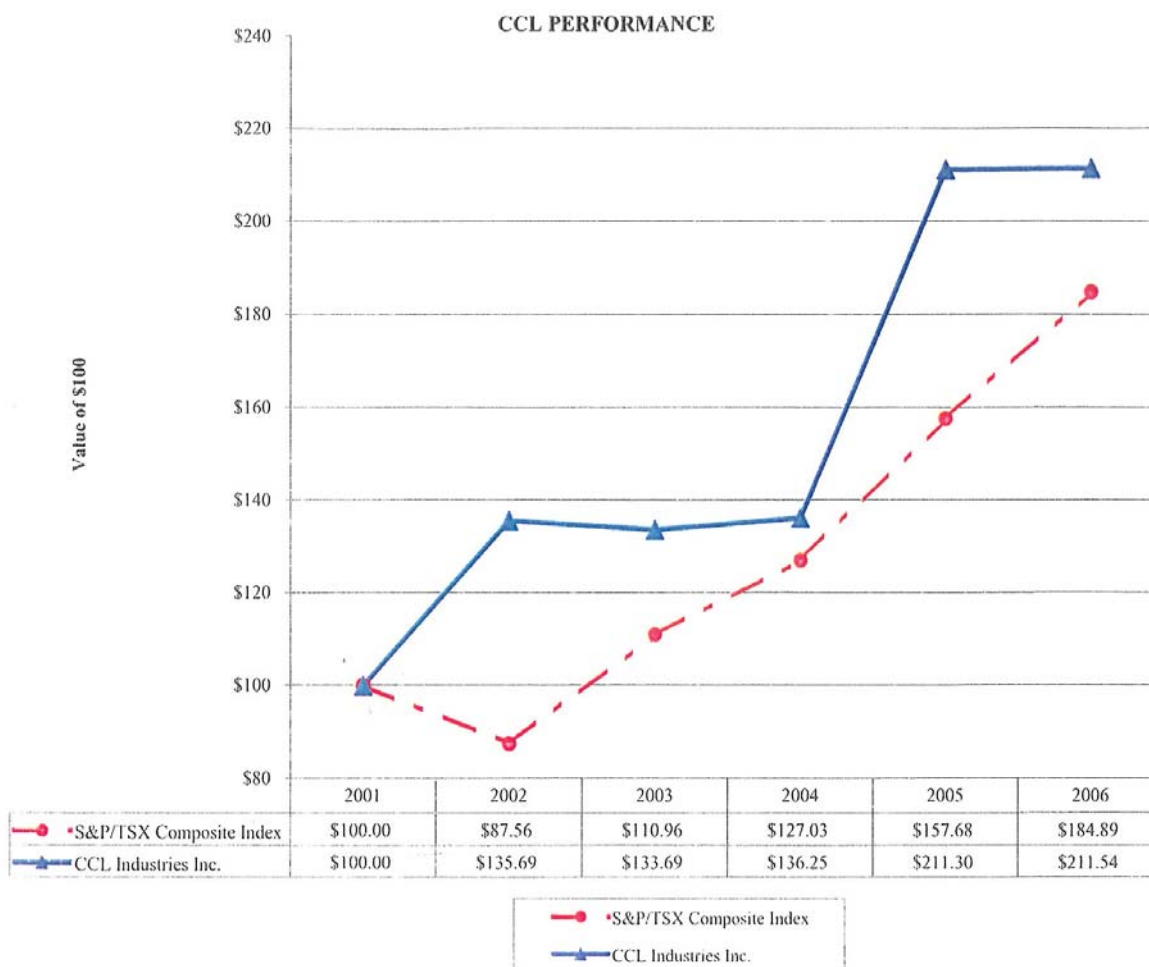
Succession Planning

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 Graph



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".

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 \$28.37 on the Toronto Stock Exchange on December 29, 2006.

Compensation of Directors

During the financial year ended December 31, 2006, 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 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 2006. Donald Lang, Stuart Lang and Geoffrey Martin received no fees in their capacity as directors, and Donald Lang and Geoffrey Martin received options only in their capacity as officers of the Corporation. The Company has no retirement policy or retirement compensation plan for directors. The following table sets forth the fees paid to the independent directors of the Corporation in the 2006 calendar year. Directors who are also officers or employees of the Corporation do not receive directors' fees.

Director	Fees Received in Cash	Fees Received in DSUs ⁽¹⁾	Total Fees
Jon Grant	\$150,000	\$0	\$150,000
Paul Block	US\$62,000	\$0	US\$62,000
Susan Cook	US\$25,000	\$45,609	US\$70,609
Dermot Coughlan	\$61,000	\$0	\$61,000
Douglas Muzyka	\$5,000	\$36,321	\$41,321
Thomas Peddie	\$0	\$62,929	\$62,929
Lawrence Tapp	\$45,000	\$22,898	\$67,898

NOTE:

- (1) Several directors received all or part of their fees in deferred share units ("DSUs") as described below. The amount shown reflects the aggregate of the amounts credited to such directors' DSU accounts on the dates for payment of directors' fees during 2006, and is valued in Canadian dollars.

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 (the "DSU Plan").

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, the number of DSUs equivalent to such cash remuneration. A DSU is a bookkeeping entry equivalent to one Class B non-voting share. The number of DSUs credited to an account maintained for each eligible director is calculated by dividing cash remuneration by 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. DSUs 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 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, Suite 800, Toronto, Ontario M2H 3P8.

Securities Authorized for Issuance Under Equity Compensation Plans

	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	1,799,350	\$17.79	720,950
Equity compensation plans not approved by securityholders	nil	nil	nil
<i>Total</i>	1,799,350	\$17.79	720,950

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 Form 51-105F5) 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, 2007.

Aggregate Indebtedness (\$)

Purpose	To the Corporation or its Subsidiaries	To Another Entity
Share purchases	\$1,551,574	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 2006	Amount Outstanding as at February 28, 2007	Financially Assisted Securities Purchases During 2006	Security for Indebtedness	Amount Forgiven During 2006
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
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
Rami Younes <i>former President of CCL Container Division</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 ten year loans, and are otherwise repayable within 18 months of termination of employment without cause or at the time of disposal of the shares purchased, whichever is earlier.

Directors' and Officers' Liability Insurance

As of July 8, 2006, 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 2006 was \$265,343.35. 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". 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 requirements for audit committees 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, Michael T. Cowhig, Jon K. Grant, Douglas W. Muzyka, 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, 1281228 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.	A majority of the directors are independent.
If a director is presently a director of any other issuer that is a reporting issuer in a Canadian jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Michael T. Cowhig – Newell Rubbermaid Corporation, Wilson’s Leather Corporation; Donald G. Lang – AGF Management Ltd.; Jon K. Grant – Agricore United; Lawrence G. Tapp – ATS Automation, Talisman Energy, SoftChoice Corporation, Mainstreet Equities Corporation.
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 or immediately following 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> . 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 K. 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’s 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 board's written mandate.	Please see the Board's mandate, set forth below under the title "The Charter of the Board".
Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee.	The position descriptions for the 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.	The position description for the CEO is set out in the Statement of Governance Policies, which is available on the Corporation's website, at www.cclind.com .
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 and its business operations.
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>The Board has adopted a written code of business conduct and ethics 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, Ontario M2H 3P8.</p> <p>(ii) The monitoring of compliance with the code is within the mandate of the Human Resources Committee, which is also responsible for administering and granting any waivers in respect of the code. The Human Resources Committee and the Audit Committee receive the report of the Senior Vice President, Human Resources and Corporate Communications regarding any matters or issues involving the code.</p> <p>(iii) Not applicable.</p>
Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.	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.

INSTRUMENT REQUIREMENTS	COMMENTS
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 of business conduct and ethics and management has been charged with the responsibility of distributing and promulgating the code among 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 wrongdoing.
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, which may be conducted by the Committee through informal channels and through the use of recruitment agencies.
Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.	The Board has a Nominating and Governance Committee composed entirely of independent directors.
If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	Please see the text of the charter 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 Nominating and Governance Committee is responsible for determining the compensation of directors and the Human Resources Committee is responsible for determining the compensation for the Corporation's 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 on Executive Compensation", set forth above for a detailed discussion.
Disclose whether or not the board has a compensation committee composed entirely of independent directors.	The Board has a Human Resources Committee, which fulfills the role of a compensation committee. It is composed entirely of independent directors.
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 2006 to consult on pension matters and provide specific information relating to the Corporation's pension expenses. Buck Consultants were also retained during 2006 to complete a thorough review of the Company's executive compensation programs.</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>The Board has an Environment and Health & Safety Committee, the function of which is to provide a forum for detailed discussion, examination and review of the 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), a formal assessment of the Board as a whole, which assessment may include an evaluation of the Board Committees and of each individual director. The Chairman then meets one-on-one with each director annually in a peer review to review the formal assessment, solicit the director's views on the effectiveness of the Board, the Committees and the individual directors and to receive each director's recommendations. In addition, the Board annually assesses the performance of the Chairman of the Board and the Vice Chairman and CEO.</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 2006 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

Board Committees

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

Charter of the Audit Committee

The principal purpose of the Audit Committee is to provide a forum for detailed discussion, examination and review of the Company's auditing needs, financial reporting and information systems activities and the selection, instruction, evaluation and compensation of external and internal auditors of the Company and external providers of financial and information management systems services to the Company. Qualifications for membership in the Audit Committee include independent status pursuant to Multilateral Instrument 52-110 ("MI 52-110"), 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 MI 52-110, the Audit Committee must be composed of a minimum of three Directors, 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 Audit Committee has the authority to engage, instruct, compensate 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 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.
- 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 mandate of the Nominating and Governance Committee of the Board is as follows:

- Lead the process of recruiting, interviewing and recommending candidates to the Board. Propose new nominees for directorship to the full Board, as required.
- Develop and maintain a matrix of the skills, competencies and requirements represented on the Board and those to be sought in candidates for directorship that would be helpful to the Board and the Company, as well as a list of potential candidates for directorship responsive to such matrix of skills and needs, and consider whether each new nominee can devote sufficient time and resources to his or her duties as a Board member.
- Annually recommend membership of the Board Committees and their respective Chairs to the Board for approval.
- Monitor the orientation and training of new Directors, and provide guidance for the establishment and operation of a continuing education program for Directors.
- Facilitate the assessment of the performance of the Board, its Committees and of individual Directors through the administration of a periodic assessment exercise, and present the results to the Board.
- Annually assess the Company's compliance with the governance and disclosure guidelines of the OSC.
- Review annually and recommend any changes in the compensation for Directors.
- Annually assess the adequacy of the Company's Statement of Governance Policies and its Disclosure Policy, and 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 (“EHS”) 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 EHS 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 Committee consists of a Chairperson appointed by the Board and one director. The mandate of the 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 .
- 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

The Board presently has eight independent directors out of a total of eleven directors, and the Company will seek to maintain a ratio of independent to non-independent directors of 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 Health & Safety Committee
P. Block	X	X		
S. Cook		C	X	
D. Coughlan	X	X		
J. Grant		X	X	C
S. Lang				X
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. The total value as of the date of this circular of the direct and indirect holdings of the Vice Chairman and CEO in the equity of the Company, including the value of shares, DSUs, restricted share units and any other share equivalents, exceeds his base salary.

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 2006 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	7	4	5	6	3	
P. Block	7	3	4	na	na	87.5%
S. Cook	5	na	3	4	na	66.7%
D. Coughlan	5	3	3	na	na	68.8%
J. Grant	7	na	5	6	3	100%
D. Lang	7	na	na	na	na	100%
S. Lang	3	na	na	na	1 ⁽¹⁾	50%
G Martin	7	na	na	na	na	100%
D. Muzyka ⁽²⁾	3	na	na	na	na	100%
T. Peddie	7	4	na	na	na	100%
L. Tapp	7	4	na	6	na	100%
Percentages	87.9%	87.5%	75.0%	88.9%	100%	86.3%

NOTES:

(1) Mr. Stuart Lang became a member of the Environment and Health & Safety Committee in August of 2006.

(2) Mr. Muzyka was appointed to the Board on June 8, 2006. Mr. Cowhig was appointed to the Board on February 22, 2007.

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 the 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 Corporation's internal flow of information to review and verify the information to be disclosed in the Corporation's 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, the Executive Vice President and Chief Financial Officer or 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, Chartered Accountants. 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 \$1,283,000 in 2005 and \$1,388,400 in 2006. 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 annual audit were \$23,000 in 2005 and \$48,100 in 2006. 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 \$689,900 in 2006. Fees paid to KPMG LLP for actuarial consulting services to the Corporation and assistance in establishing foreign subsidiaries were \$239,000 in 2005 and \$283,700 in 2006.

Human Resources Consulting Fees

The Corporation has retained the services of Watson Wyatt Worldwide, Inc. and Buck Consultants to advise the Board with respect to executive compensation, pension investment and administration. Fees paid during 2006 to Watson Wyatt and Buck Consultants for compensation consulting services were C\$53,263 and US\$45,449, respectively.

SHAREHOLDER PROPOSALS FOR THE 2008 ANNUAL MEETING

The Corporation will review shareholder proposals intended to be included in proxy material for the 2008 annual meeting of shareholders which are received by the Corporation at its offices at 105 Gordon Baker Road, Suite 800, Willowdale, Ontario M2H 3P8, Attention: Corporate Secretary, by no later than January 31, 2008.

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 Discussion and Analysis ("MD&A") for the financial year ended December 31, 2006.

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, Suite 800, Willowdale, Ontario M2H 3P8, or, following distribution of these materials, they may be obtained from the SEDAR website at www.sedar.com:

- (i) the 2006 Annual Report to the Shareholders containing the consolidated financial statements for the year ended December 31, 2006 together with the accompanying report of the auditors;
- (ii) MD&A pertaining to the Corporation's comparative consolidated financial statements;
- (iii) this Management Information Circular; and
- (iv) the Corporation's most recent Annual Information Form.

GENERAL

The information contained herein is given as of March 13th, 2007, unless otherwise noted. The contents and the distribution of this Management Information Circular have been approved by the directors of the Corporation.

DATED at Toronto, this 13th day of March, 2007.

By Order of the Board of Directors,

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

Schedule "A"

Employee Stock Option Plan

RESOLVED THAT the CCL Industries Inc. (the "Corporation") Employee Stock Option Plan, as amended and restated (the "Plan") and in the form attached as Exhibit 1 to the management proxy circular of the Corporation prepared in connection with the meeting of shareholders of the Corporation at which the Plan is to be considered, is hereby authorized and approved.

EXHIBIT 1

CCL INDUSTRIES INC.

EMPLOYEE STOCK OPTION PLAN

ARTICLE I - DEFINITIONS

In addition to the other terms defined herein, when used in this Plan, unless the context otherwise requires:

- (a) **"Act"** means the Securities Act (Ontario) as the same may be amended, re-enacted or replaced from time to time;
- (b) **"Associates"** shall have the meaning given to it under the Act;
- (c) **"Company"** shall mean CCL Industries Inc.;
- (d) **"Directors"** and **"Board of Directors"** shall each mean the Board of Directors of the Company for the time being and reference without more to action by the Directors or by the Board of Directors shall mean action by the Directors as a Board;
- (e) **"Holder"** shall mean a person to whom an Option or Options have been or are granted under the Plan;
- (f) **"Human Resources Committee"** shall mean the human resources committee of the Board of Directors as the same may be constituted from time to time and any committee in succession to the human resources committee;
- (g) **"Insider"** means:
 - (i) an insider as defined in the Act, other than a person who falls within that definition solely by virtue of being a director or senior officer (as such term is defined in the Act) of a Subsidiary; and
 - (ii) an Associate of any person who is an insider by virtue of (i) above.
- (h) **"Option"** or **"Options"** shall mean an option or options granted or issued pursuant to the Plan;
- (i) **"Plan"** shall mean the CCL Industries Inc. - Employee Stock Option Plan adopted by the Board of Directors at its meeting held on February 23, 1995 and approved by the shareholders of the Company at a meeting held on May 11, 1995, as from time to time amended or supplemented as herein provided;

- (j) **"Shares"** shall mean Class B non-voting shares without par value in the capital of the Company;
- (k) **"Subsidiary"** shall mean any corporation more than 50% of whose stock having general voting power is owned by the Company or by a Subsidiary of the Company; and
- (l) **"Trading Blackout"** means any restricted trading period imposed by the Company by which the Company's directors and officers and such other employees as are designated as insiders by the Company are prohibited from trading in securities of the Company.

ARTICLE II - OPTIONS

Section 1. Shares Available. The Directors may at any time and from time to time, in accordance with this Plan, reserve and/or grant Options of such number of treasury Shares which is not in excess of 3,000,000 Shares or such greater number as shall have been duly approved by the Board of Directors and, if required by the rules and policies of The Toronto Stock Exchange or any other Exchange on which the Shares may be listed, by the shareholders of the Company.

Section 2. Time of Issuance of Options. The Directors, on the recommendation of the Human Resources Committee, may from time to time grant Options pursuant to this Plan. Subject to the provisions of Section 4 of this Article II, nothing herein shall be construed to prohibit the granting of Options at different times to the same person. Options will not be granted during a Trading Blackout.

Section 3. Persons Eligible. Persons eligible to receive Options shall be such bona fide employees, officers and directors of the Company or its Subsidiaries as demonstrate the potential of becoming key personnel of, or performing valuable services for, the Company and its Subsidiaries as the Board of Directors, on the recommendation of the Human Resources Committee, in its sole discretion may determine. Notwithstanding anything to the contrary contained in the Plan, no Options may be granted to Insiders if such Options, together with any other options previously granted by the Company (collectively the "Share Compensation Arrangements") could result in:

- (a) the number of Shares reserved for issuance pursuant to Share Compensation Arrangements to Insiders collectively exceeding 10% of the sum of the number of Shares and Class A voting shares of the Company then issued and outstanding less Shares issued within the previous 12-months pursuant to Share Compensation Arrangements (the "Outstanding Issue"); or
- (b) the issuance to Insiders, collectively within the 12 months immediately preceding or 12 months immediately following the date of grant of such Options, of a number of Shares exceeding 10% of the Outstanding Issue; or
- (c) the issuance to any one Insider within the 12 months immediately preceding or 12 months immediately following the date of grant of such Options, of a number of Shares exceeding 5% of the Outstanding Issue.

Section 4. Number of Shares to be Optioned. The number of Shares to be optioned to any person shall be determined, in its sole discretion, by the Board of Directors, on the recommendation of the Human Resources Committee provided that the Shares reserved for issuance at any time to any one person pursuant to Share Compensation Arrangements shall not exceed 5% of the sum of the number of Shares and Class A voting shares of the Company then issued and outstanding.

Section 5. Form of Options. An Option Certificate, in the form or substantially in the form set out in the schedule hereto, signed by the Vice Chairman, President or Vice-President and by the Secretary or the Treasurer or an Assistant Secretary of the Company shall be issued to each person to whom an Option is granted. The signatures of the signing officers may be printed or mechanically reproduced in facsimile upon the Option Certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Company.

Section 6. Assignability of Options. Options and all rights thereunder shall be non-assignable and non-transferable by the Holder, provided however that the representatives of a deceased Holder may exercise the rights enjoyed under any such Option at the time of his death subject, however, to the terms, conditions and limitations herein provided.

Section 7. Option Price and Term. The price at which Shares may be purchased under any Option granted pursuant to this Plan shall be the closing price of the Shares on The Toronto Stock Exchange on the last trading day prior to the grant of such Option and if there is no such closing price, the price at which Shares may be purchased under any Option granted pursuant to the Plan shall be the simple average of the closing bid and ask prices on The Toronto Stock Exchange on the last trading day prior to the grant of such Option. The term during which Shares may be purchased under any Option granted pursuant to the Plan shall be determined by the Directors but shall not exceed 10 years.

ARTICLE III - EXERCISE OF OPTIONS

Section 1. When Exercised. The Directors, on recommendation of the Human Resources Committee, shall fix the term of the Option and the rights of exercise with respect thereto.

Section 2. How Exercisable. Options shall be exercised by delivery of a duly signed notice in writing to such effect, together with the Option Certificate and the full purchase price of the Shares purchased pursuant to the exercise of the Option, to the Vice Chairman, President or any Vice-President, or the Secretary of the Company or any officer of the Company appointed by the Board of Directors for the purposes of receiving the same.

Section 3. Issuance of Shares. Within a reasonable time after exercise of an Option and payment for the Shares purchased pursuant to such exercise, the Company shall cause to be delivered to the person exercising the Option a certificate for the Shares purchased pursuant to the exercise of the Option and an Option Certificate for a number of Shares equivalent to the difference between the Number of Shares of the Option Certificate surrendered at the time of the exercise of the Option and the number of Shares with respect to which the Option was so exercised, or the Company may, at its election and in lieu of issuing a new Option Certificate, endorse on the original Option Certificate a memorandum of the number of Shares in respect of which the Option has been exercised.

Section 4. Termination of Options. Subject to Section 1 of this Article, any Option not exercised within the period fixed for its exercise shall terminate and become void and of no effect.

Section 5. Termination or Cessation of Employment. Any Option, to the extent it has not been exercised, shall, unless otherwise determined by the Human Resources Committee in accordance with Section 6 of this Article III, terminate and cease to be exercisable at 5:00 p.m. (local time):

- (i) if the Holder resigns his or her office or employment with the Company, then on the last day of employment, provided, for greater certainty, that only those Options then vested may be exercised;

- (ii) if the Holder's office or employment is terminated for cause by the Company or a Subsidiary, then on the last day of employment, provided, for greater certainty, that only those Options then vested may be exercised; or
- (iii) if the Holder's office or employment is terminated by the Company or a Subsidiary without cause, then on the day which is ninety (90) days following the earliest to occur of: (I) the effective date on which the Holder ceased to be an employee, officer or director of the Company or a Subsidiary; and (II) the date that notice of dismissal from an office or employment with the Company or a Subsidiary is given to the Holder; provided that only those Options vested as at the earliest to occur of (I) and (II) shall be exercisable during such ninety (90) day period;

provided further, however, that if the cessation or termination of office or employment under (i) or (iii), as the case may be, is due to

- (a) retirement on or after attaining the age of sixty-five years, or
- (b) early retirement on or after attaining the age of fifty-five years, with the concurrence of the Human Resources Committee, or
- (c) disability to an extent and in a manner as shall be determined in each case by the Human Resources Committee, or
- (d) death,

all Options held by the Holder at the date of cessation or termination of office or employment due to disability or death, to the extent not exercisable at such date, shall be immediately exercisable without restriction and in the case of disability or death, the Holder or the legal representatives of such Holder, as the case may be, and notwithstanding any other provision of this Plan, shall have the privilege of exercising the Options within 12 months from the date of death or termination of office or employment due to disability; and in the case of retirement under paragraph (a) or (b) above, all Options shall continue to vest and be exercisable after the date of cessation or termination of office or employment due to such retirement in accordance with the vesting or exercise provisions attaching to such Options for the period of 36 months following the date of such termination of office or employment and the Holder, notwithstanding any other provision of this Plan, shall have the privilege of exercising the Options to the extent to which the Holder could have exercised the same at the time of exercise within 36 months from the date of termination of office or employment due to such retirement; provided further however that no Option may be exercised, notwithstanding any of the foregoing provisions, after the stated date of expiry thereof.

Section 6. Discretion. The Human Resources Committee shall have discretion, with the consent of the affected Holder, to:

- (i) amend the vesting provisions of any Option held by the Holder; and
- (ii) extend to a later date the date on which an Option would otherwise terminate and cease to be exercisable pursuant to the provisions of Section 5 of this Article III as a result of the cessation of the office or employment of the Holder or as a result of the Subsidiary employing the Holder ceasing to be a Subsidiary of the Company, provided however that in no event shall any Option be exercisable after the earlier of (a) the original stated date of expiry thereof and (b) the second anniversary of the date of cessation of the office or employment of the Holder or the date on which such Subsidiary ceases to be a Subsidiary, as the case may be.

Section 7. Expiry During Blackout Periods. Notwithstanding any other provision of this Plan, no Option shall terminate, become void and of no effect or cease to be exercisable, whether as a result of the expiry of the term fixed for exercise of the Option or as a result of the termination or cessation of employment of a Holder, prior to 5:00 p.m. (Toronto time) on the tenth business day following the cessation of any Trading Blackout

then in effect and if a Trading Blackout is not then in effect, prior to 5:00 p.m. (Toronto time) on the tenth business day following cessation of the most recent Trading Blackout.

ARTICLE IV - ADJUSTMENTS

Adjustment of Optioned Shares. If prior to the complete exercise of any Option there shall be declared and paid a stock dividend upon the Shares of the Company or if such Shares shall be consolidated or subdivided or converted, exchanged or reclassified, or in any way substituted for, then the Option, to the extent that it has not been exercised, shall entitle the Holder upon the future exercise of the Option to such number and kind of securities or other property, subject to the terms of the Option, to which the Holder would have been entitled had the Holder actually owned the Shares subject to the unexercised portion of the Option at the time of the occurrence of such stock dividend, consolidation, conversion, subdivision, exchange, reclassification or substitution; and the aggregate purchase price upon the future exercise of the Option shall be the same as if originally optioned Shares of the Company were being purchased hereunder. If any such event should occur, the number of Shares with respect to which Options remain to be issued or with respect to which Options may be reissued, shall be similarly adjusted.

ARTICLE V - CHANGE OF CONTROL

If a bona fide offer (the "Offer") for voting or equity shares is made to shareholders of the Company generally, or to a class of shareholders of the Company which, if Options were exercised, would include Holders, and which Offer, if accepted in whole or in part, would result in the offeror exercising control over the Company within the meaning of subsection 1(3) of the Securities Act (Ontario) (as amended from time to time) then, notwithstanding anything to the contrary contained herein, but subject to the other provisions hereof:

- (a) The Directors may give their express consent to the exercise of any Options which are outstanding at the time of the Offer in the manner hereinafter provided.
- (b) If the Board has so consented to the exercise of any Options outstanding at the time of the Offer, the Company shall, immediately after such consent has been given, notify each Holder currently holding an Option of the Offer, with full particulars thereof, together with a notice stating that, in order to permit the Holder to participate in the Offer, the Holder may, during the period that the Offer is open for acceptance (or, if no such period is specified, the period of 30 days following the date of such notice), exercise all or any portion of any such Option held by the Holder.
- (c) In the event that the Holder so exercises any such Option, such exercise shall be in accordance with Article III herein; provided that, if necessary in order to permit the Holder to participate in the Offer, such Option shall be deemed to have been exercised, and the issuance of Shares received upon such exercise (the "Optioned Shares") shall be deemed to have occurred, effective as of the first day prior to the date on which the Offer was made.
- (d) If, upon the expiry of the applicable period referred to in subsection (b) above, the Offer is completed, and:
 - (i) the Holder has not exercised the entire or any portion of such Option then, as of and from the expiry of such period, the Holder's right to purchase the Shares covered by such Option shall not be exercisable, and shall expire and be null and void; and
 - (ii) the Holder has exercised the entire or any portion of such Option, but has not tendered the Shares received in connection with such exercise to the Offer, then, as and from the expiry of such period, the Company may require the Holder to sell to the Company such Optioned Shares for a purchase price of \$.001 per Optioned Share.

- (e) If:
 - (i) the Offer is not completed (within the time specified therein, if applicable);
 - or
 - (ii) all of the Optioned Shares tendered by the Holder pursuant to the Offer are not taken up and paid for by the offeror in respect thereof;

then the Optioned Shares or, in the case of paragraph (ii) above, the portion thereof that are not taken up and paid for by such offeror, shall be returned by the Holder to the Company and reinstated as authorized but unissued Shares, and the terms of the Option as set forth herein shall again apply to such Option, or the remaining portion thereof, as the case may be.

- (f) If any Optioned Shares are returned to the Company pursuant to paragraph (e) above, the Company shall refund the option price to the Holder in respect of such Optioned Shares.
- (g) In no event shall the Holder be entitled to sell the Optioned Shares otherwise than pursuant to the Offer, except as provided in paragraph (d)(ii) above.

ARTICLE VI - FRACTIONAL SHARES

No fractional shares shall be issued upon the exercise of this Option nor shall any scrip certificates in lieu thereof be issuable at any time. Accordingly, if as a result of any adjustment pursuant to Article IV an Optionee would become entitled to a fractional Share, he shall have the right to purchase only the next lower whole number of Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

ARTICLE VII - LIMITATIONS

The Company's obligations to issue Shares in accordance with the terms of this Plan is subject to compliance with the laws, rules, and regulations of all public agencies and authorities applicable to the issuance and distribution of such Shares and to the listing of such Shares on any Stock Exchange on which the Shares of the Company may be listed. The Optionee agrees to comply with all such laws, rules and regulations and agrees to furnish to the Company all information and such undertakings as may be required to permit compliance with such laws, rules and regulations.

ARTICLE VIII - AMENDMENT AND INTERPRETATION

Section 1. Discontinuance and Amendment. The Board of Directors may discontinue the Plan at any time except that such discontinuance may not alter or impair any Option previously granted to a Holder under the Plan. Subject to any necessary approval of The Toronto Stock Exchange or any other Exchange on which the Shares may be listed and subject to Section 2 of this Article VIII, the Board of Directors may from time to time amend the Plan and the terms and the conditions of any Options thereafter to be granted and the Board of Directors, with the consent of the affected Holder of an Option, may from time to time amend the Plan and the terms and conditions of any Options which have been theretofore granted, in each case without the approval of the Company's shareholders.

Section 2. Shareholder Approval. The Company's shareholders shall approve any amendment to the Plan or any Option which (i) reduces the exercise price of an Option either directly, or indirectly by means of the cancellation of an Option and the reissue of a similar Option; (ii) extends the period available to exercise an Option other than as provided in Sections 5, 6 or 7 of Article III; (iii) increases the levels of Insider participation under the Plan as set forth in Section 3 of Article II hereof; (iv) increases the number of Shares reserved for issuance under the Plan (other than pursuant to the provisions of Article IV hereof); (v) amends Section 3 of

Article II hereof to add any additional categories of persons eligible to receive Options under the Plan; or (vi) amends Section 6 of Article II hereof, other than an amendment to permit the transfer of an Option to a registered retirement savings plan, a registered retirement income fund or to other similar plans for the benefit of an Optionee.