CCL Industries Inc.

111 Gordon Baker Road, Suite 801

Toronto, Ontario

M2H 3R1

2019

Annual Information Form

February 21, 2020

Table of Contents

CCL Industries Inc.

This Annual Information Form ("AIF") contains forward-looking information and forward-looking statements as defined under applicable securities laws (hereinafter collectively referred to as "forward-looking statements") that involve a number of risks and uncertainties. Forward-looking statements include all statements that are predictive in nature or depend on future events or conditions. Forward-looking statements are typically identified by, but not limited to, the words "believes," "expects," "anticipates," "estimates," "intends," "plans" or similar expressions. Statements regarding the operations, business, financial condition, priorities, ongoing objectives, strategies and outlook of the Company, other than statements of historical fact, are forward-looking statements. Specifically, this AIF contains forward-looking statements regarding the anticipated growth in sales, income and profitability of the Company's segments; the Company's improvement in market share; the Company's capital spending levels and planned capital expenditures in 2020; the adequacy of the Company's financial liquidity; the raising of additional capital through debt or equity financings, the Company's ongoing business strategy including the divestiture of non-core operations and the completion of the Flexpol acquisition and the expected timing thereof; the impact of changing environmental laws; and the Company's expectations regarding general business and economic conditions.

Forward-looking statements are not guarantees of future performance. They involve known and unknown risks and uncertainties relating to future events and conditions including, but not limited to, the impact of competition; consumer confidence and spending preferences; general economic and geopolitical conditions; currency exchange rates; interest rates and credit availability; technological change; changes in government regulations; risks associated with operating and product hazards; and the Company's ability to attract and retain qualified employees. Do not unduly rely on forward-looking statements as the Company's actual results could differ materially from those anticipated in these forward-looking statements. Forward-looking statements are also based on a number of assumptions, which may prove to be incorrect, including, but not limited to, assumptions about the following: higher consumer spending; improved customer demand for the Company's products; continued historical growth trends, market growth in specific segments and entering into new segments; the Company's ability to provide a wide range of products to multinational customers on a global basis; the benefits of the Company's focused strategies and operational approach; the Company's ability to implement its acquisition strategy and successfully integrate acquired businesses; the achievement of the Company's plans for improved efficiency and lower costs, including the ability to pass on polypropylene resin cost increases to its customers; the availability of cash and credit; fluctuations of currency exchange rates; the Company's continued relations with its customers; and general business and economic conditions. Should one or more risks materialize or should any assumptions prove incorrect, then actual results could vary materially from those expressed or implied in the forward-looking statements. Further details on key risks can be found throughout this report, particularly under Item 5: "Risk Factors."

Except as otherwise indicated, forward-looking statements do not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made may have on the business. Such statements do not, unless otherwise specified by the Company, reflect the impact of dispositions, sales of assets, monetizations, mergers, acquisitions, other business combinations or transactions, asset write-downs or other charges announced or occurring after forward-looking statements are made. The financial impact of these transactions and non-recurring and other special items can be complex and depends on the facts particular to each of them and therefore cannot be described in a meaningful way in advance of knowing specific facts.

The forward-looking statements are provided as of the date of this AIF and the Company does not assume any obligation to update or revise the forward-looking statements to reflect new events or circumstances, except as required by law.

Unless otherwise stated, all amounts stated in this document are given in Canadian dollars and, unless otherwise stated, the information contained herein is current as of February 21, 2020.

Unless the context otherwise indicates, a reference to “the Company” means CCL Industries Inc., its subsidiary companies and equity accounted investments.

ITEM 3 – CORPORATE STRUCTURE

ISSUER

CCL Industries Inc. commenced operations in 1951 as Connecticut Chemicals (Canada) Limited. In 1972, the business was acquired by Conn Chem Limited, then the controlling shareholder of Connecticut Chemicals (Canada) Limited. Conn Chem Limited had been incorporated under the laws of Ontario on April 15, 1957, and was continued under the Canada Business Corporations Act on December 16, 1977. On May 25, 1978, its name was changed to The Conn Chem Group Ltd. and on November 28, 1979, to CCL Industries Inc.

The Company’s articles were amended effective June 5, 2017, to give effect to a five for one split of the Company’s shares.

The registered and head office of CCL Industries Inc. is located at 111 Gordon Baker Road, Suite 801, Toronto, Ontario M2H 3R1.

SUBSIDIARIES

The Company manages four principal Business Segments, CCL, Avery, Checkpoint and Innovia. Listed below are the principal direct or indirect operating subsidiaries, each of whose total assets or sales and operating revenues constitute more than 10% of the total consolidated assets or consolidated sales and operating revenues of the Company for the year ended December 31, 2019. The combined assets and operating revenues of the other subsidiaries of the Company do not constitute more than 20% of the consolidated assets or the consolidated sales and operating revenues of the Company.

Subsidiary	Ownership	Jurisdiction of Incorporation
CCL Industries Inc.		Canada
CCL International Inc.	100%	Ontario
CCL Industries Corporation	100%	Delaware
CCL Label, Inc.	100%	Michigan
Checkpoint Systems, Inc.	100%	Pennsylvania
CCL Industries (U.K.) Limited	100%	United Kingdom
CCL Syrinx (U.K. Holding) Limited	100%	United Kingdom
CCL Syrinx (U.K.) Limited	100%	United Kingdom
CCL Label A/S	100%	Denmark
Syrinx Holding Germany GmbH	100%	Germany

ITEM 4 – GENERAL DEVELOPMENT OF THE BUSINESS

CCL Industries Inc. commenced operations in Canada in 1951 as a custom manufacturer, that provided manufacturing and other value-added outsourcing services to national and international consumer products companies. Commencing in the 1980s, the Company diversified into specialty packaging, servicing the same customer base as its custom manufacturing business. Beginning in 2000, the Company restructured and reduced its investment in the Custom Manufacturing Division, culminating in the sale of the North America Custom Manufacturing business in May 2005 and the ColepCCL joint venture in November 2007.

In the early 1980s, the Company commenced its international expansion and diversification into the United States and, later in the decade, into the United Kingdom. This international expansion and diversification has continued in its operating segments. In each of its businesses, the Company strives to satisfy the needs of its multinational, regional and end user consumer customers in the non-durable and durable consumer products market. By providing a wide range of label products to these customers on a global basis, the Company has become a leader in each of its businesses and, consequently believes that it will be able to enjoy sustainable sales and income growth.

In addition, the Company has divested non-core and underperforming businesses to allow each Segment to focus on its customers and growth opportunities. The CCL Segment is believed to be the world's largest converter of pressure sensitive and extruded film materials for a wide range of decorative, instructional, security and functional applications for government institutions and large global customers in the consumer packaging, healthcare, chemicals, consumer durable, electronic device and automotive markets. Extruded and laminated plastic tubes, folded instructional leaflets, precision decorated and die cut components, electronic displays, polymer banknote substrate and other complementary products and services are sold in parallel to specific end-use markets. Avery is believed to be the world's largest supplier of labels, specialty converted media and software solutions to enable short-run digital printing in businesses and homes alongside complementary products sold through distributors and mass-market retailers. Checkpoint is a leading manufacturer of technology-driven loss-prevention, inventory-management and labeling solutions, including radio-frequency ("RF") and radio-frequency identification ("RFID") based, to the retail and apparel industry. Innovia manufactures films sold to customers in the pressure sensitive label materials, consumer packaged goods and security products industries globally. The Company has partly backward integrated into materials science with capabilities in polymer extrusion, adhesive development and coating, surface engineering and metallurgy that are deployed across all four business Segments.

STRATEGY

CCL Industries Inc.'s goal is to improve its competitive position in each division with a view to long-term profitable growth. The strategy is focused on specialty packaging and adjacent label businesses in which the Company (1) is or believes it can become the largest competitor in the market, (2) produces value-added products and uses technologies and know-how with strong barriers to entry, (3) is or can be the best value-added producer, (4) provides product lines and services that have growth potential, (5) sees potential in its businesses to take advantage of the trend toward globalization by a multinational customer base and (6) leverages existing label applications and technology to deliver product innovation that aligns with consumer printable media trends.

The Company is continually reviewing its businesses and may, if appropriate, divest non-core or unprofitable operations in order to improve its overall profitability, return on equity and its financial leverage. Management believes that this approach allows the Company to be better positioned to operate effectively during economic downturns, and to have the financial flexibility to make acquisitions and invest in capital spending that support its business strategy. Restructuring costs were incurred over the last several years to reorganize certain business units, to provide for losses on dispositions and to provide for the write-down of assets of business units that were deemed to be non-core and underperforming.

ACQUISITIONS, DIVESTITURES and FINANCING ARRANGEMENTS

CCL Industries Inc. has acquired a number of businesses over the last three years and arranged the associated financing to support operating and investment activities of the Company. Only the acquisitions of Checkpoint in 2016 and the acquisition of Innovia in 2017 met the definition of a "significant acquisition" as determined in accordance with National Instrument 51-102-Continuous Disclosure Obligations. The Company has not divested any business over the last three years but has completed the transactions described below:

- In November 2019, the Company acquired the shares of Stuck On You Holdings Pty Ltd and Stuck on You Trading Pty Ltd (collectively "SOY"), privately owned companies based near Melbourne, Australia for approximately $7.2 million, net of cash acquired. SOY builds on Avery's direct-to-consumer online digital print capabilities for personalized "kids' labels."

- In June 2019, the Company acquired Say it Personally Limited ("STS"), a privately owned company based near East Grinstead in the U.K. for approximately $0.4 million, net of cash acquired. STS is a manufacturer of durable, personalized garment tags for the U.K. market and expands Avery's direct-to-consumer online product offerings.

- In May 2019, the Company acquired the shares of Colle a Moi Inc. ("CAM"), a privately owned company based in Quebec City, Canada, for approximately $3.1 million, net of cash acquired. CAM adds to Avery's direct-to-consumer online digital print capabilities for personalized "kids' labels."

- In April 2019, the Company acquired the shares of Hinsitsu Screen (Vietnam) Company Limited ("Hinsitsu"), based in Hanoi, Vietnam, for approximately $12.9 million, net of cash acquired. Hinsitsu is a leading supplier of durable and tamper evident labels and graphic overlays for the electronics industry in the ASEAN region and was added to CCL Design within the CCL Segment.

- In January 2019, the Company acquired Olympic Holding B.V. and its related subsidiaries ("Olympic"), a privately owned company based in Venray, Netherlands, for approximately $13.6 million, net of cash acquired. Olympic is a start-up technology company with a proprietary, patented process to produce high bond, acrylic foam tapes without the use of solvents for applications in the automotive, electronics and construction industries. Olympic was added to the CCL Segment.

- In December 2018, the Company acquired the assets of Unilogo, based near Warsaw, Poland, for approximately $10.7 million. Unilogo is a supplier of digitally printed, pressure sensitive and sleeve labels for consumer products customers.

- In July 2018, the Company acquired Treofan America Inc. and Trespaphan Mexico Holdings GmbH ("Treofan") from their ultimate parent, M&C S.p.A., an Italian public company listed on the Milan stock exchange. Treofan, based in Zacapu, Mexico, is a leading producer of BOPP ("Bi-axially oriented polypropylene") film for the North American market. The purchase price, net of cash acquired, was approximately $307.6 million inclusive of $43.6 million of capital additions incurred between announcement date and closing date for the construction of its new film line. Treofan immediately commenced operating as Innovia Films.

- In May 2018, the Company acquired the remaining 50.0% stake in the CCL-Korsini in-mould label joint venture in the United States from its partner for $3.1 million, net of cash acquired, and $6.7 million of assumed debt. As a result of the change in control, the financial results were no longer included as an equity investment but fully consolidated with CCL's Food & Beverage business within the CCL Segment.

- In May 2018, the Company acquired Nortec International Inc. ("Nortec"), a privately owned company in Israel for approximately $8.8 million in net cash and assumed debt. Nortec is a manufacturer of high performance labels and marking systems for the high technology sector and was added to CCL Design within the CCL Segment.

- In April 2018, the Company acquired Imprint Plus, a group of privately owned companies with common shareholders, based in Richmond, British Columbia, Canada for approximately $24.3 million, net of cash acquired. Imprint Plus expanded Avery's printable media depth in custom name badge systems, signage systems and accessories in North America.

- In January 2018, the Company acquired Fascia Graphics Ltd. ("Fascia"), a privately owned company in the United Kingdom, for approximately $9.3 million, net of cash acquired. Fascia is a manufacturer of graphic overlays, membrane-switch control panels and nameplates for large European OEM customers in the electronics and durables sector and was added to CCL Design within the CCL Segment.

- In October 2017, the Company acquired the remaining 37.5% stake in the Acrus-CCL wine label joint venture in Chile from its partner for $6.3 million. As a result of the change in control, 2017 financial results are no longer included in equity investments but fully consolidated with the CCL Segment's Food & Beverage business, without a portion of the earnings attributable to a non-controlling interest since October 2017.

- In April 2017, the Company acquired badgepoint GmbH, badgetech GmbH and Name Tag Systems Inc. ("Badgepoint"), privately owned companies with common shareholders, based near Hamburg, Germany, for approximately $5.6 million. Badgepoint expanded Avery's printable media offering with patented, premium name tag systems and accessories for the German market.

- In April 2017, the Company acquired Goed Gemerkt B.V. and Goed Gewerkt B.V. ("GGW"), privately owned companies with common shareholders, based near Utrecht in the Netherlands for approximately $23.0 million. GGW is a manufacturer of durable, personalized “kids' labels” for the Benelux and German markets, expanding Avery's printable media platform.

- In February 2017, the Company acquired Innovia Group of companies (“Innovia”), headquartered in Wigton, U.K., for approximately $1.15 billion, debt free and net of cash acquired from a consortium of U.K.-based private equity investors. Innovia is a leading global producer of specialty high-performance, multi-layer, surface engineered BOPP films for label, packaging and security applications. The business has film extrusion, coating and metallizing facilities across the U.K., Belgium and Australia, which form the basis of the Company's Innovia Segment. In the U.K., Australia and Mexico, the business has high-security, specialized polymer banknote operations that were added to CCL Secure within the CCL Segment.

<u>Acquisitions Subsequent to December 31, 2019</u>

- In January 2020, the Company signed a binding agreement to acquire Flexpol Sp. Z.o.o., a Polish BOPP film producer, for an estimated $22.0 million on a debt/cash free basis. Closing is expected to occur during the first quarter of 2020 following regulatory approvals.

- In January 2020, the Company acquired the shares of I.D.&C. World Holding Ltd (“ID&C”), a global leader in live event badges and wrist badges with operations the UK and US for an estimated $37.0 million, net of cash acquired.

- In January 2020, the Company acquired the shares of IDentilam Ltd., a designer and developer of software solutions for event badging and identification cards in the UK for an estimated $3.0 million, net of cash acquired.

- In January 2020, the Company acquired the shares of Etiquetaje Industrial S.L.U. and Eti-Textil Maroc S.a.r.l. AU (“Eti-Textil”), an apparel label producer with operations in Spain and Morocco for an estimated $19.6 million net of cash acquired.

- In February 2020, the Company acquired the shares Clinical Systems, Inc. (“CSI”), a specialized provider of labels and patient information booklets to the clinical trials industry in the US for an estimated $19.4 million, net of cash acquired.

- In February 2020, the Company acquired the remaining 50.0% stake in Rheinfelden Americas, LLC aluminum slug venture in the United States from its partner for a nominal sum and assumed the $22.3 million of debt previously held in the venture. As a result of the change in control, the financial results will no longer be included as an equity investment but fully consolidated with CCL Container within the CCL Segment.

All acquisitions in recent years added further international elements to the CCL and Avery Segments, expanded the Company on a global basis or enhanced its relationships with its traditional North American and European global customers. The acquisition of the Checkpoint and Innovia Segments are adjacencies to the Company's existing CCL Segment.

Financing Arrangements

In March 2018, the Company amended its syndicated credit facilities extending the maturity of its US$366 term loan facility from February 2019 to February 2020 and its US$1.2 billion revolving credit facility from December 2020 to March 2023. In February 2019, the term loan was again amended by extending the maturity date to February 2021 and removing the required US$12.0 million quarterly principal payments.

In April 2018, the Company completed the private offering of $300.0 million aggregate principal amount of 3.864% Series 1 Notes due April 13, 2028. These notes are unsecured senior obligations. The proceeds of the offering were used to repay drawn debt within the Company's revolving credit facility.

The Company's debt structure at December 31, 2019, was primarily comprised of the 144A 3.25% private notes due October 2026 in the principal amount of US$500.0 million (C$643.1 million), the $300.0 million Series 1 Notes, outstanding debt totaling $780.3 million under the unsecured syndicated revolving credit facility and the term loan facility of US$366.00 million (C$475.3 million). Additional loan facilities negotiated in 2019 and resident in Mexico and Australia were $33.4 million and $37.6 million, respectively. Outstanding contingent letters of credit totaled $3.6 million. Accordingly, there was US$595.7 million of unused availability on the revolving credit facility at December 31, 2019. The Company's debt structure at December 31, 2018, was principally comprised of the 144A 3.25% private notes of US$500.0 million (C$674.5 million), the $300.0 million Series 1 Notes, outstanding debt under the syndicated revolving credit facility of $1,012.2 million and the term loan facility of US$366.0 million (C$498.8 million).

The Company's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet liabilities when they are due. The Company believes its liquidity will be satisfactory for the foreseeable future due to its significant cash balances, its expected positive operating cash flow and the availability of its unused revolving credit line. The Company anticipates funding all of its future commitments from the above sources but may raise further funds by entering into new debt financing arrangements or issuing further equity to satisfy its future additional obligations or investment opportunities.

ITEM 5 – DESCRIPTION OF THE BUSINESS

OVERVIEW

CCL Industries Inc. employs approximately 21,400 people operating 183 production facilities in 42 countries with corporate offices in Toronto, Canada, and Framingham, Massachusetts. The **CCL** Segment is believed to be the world's largest converter of pressure sensitive and extruded film materials for a wide range of decorative, instructional, security and functional applications for government institutions and large global customers in consumer packaging, healthcare, chemicals, consumer durables, electronic device and automotive markets. Extruded and labeled plastic tubes, aluminum aerosols and specialty bottles, folded instructional leaflets, precision decorated and die cut components, electronic displays, polymer banknote substrate and other complementary products and services are sold in parallel to specific end-use markets. **Avery** is believed to be the world's largest supplier of labels, specialty converted media and software solutions to enable short-run digital printing in businesses and homes alongside complementary products sold through distributors, mass-market stores and e-commerce retailers. **Checkpoint** is a leading developer of RF and RFID-based technology systems for loss prevention and inventory management applications, including labeling and tagging solutions, for the retail and apparel industries worldwide. **Innovia** is believed to be leading global producer of specialty, high performance, multi-layer, surface engineered films for label, packaging and security applications. The Company partly backward integrates into materials science with capabilities in polymer extrusion, adhesive development, coating and lamination, surface engineering and metallurgy; with these capabilities deployed as needed across the four business segments.

Sales By Business Segment:

(millions of dollars)

	Years ended December 31			
	2019		2018	
	Sales	% of Total Sales	Sales	% of Total Sales
CCL	$ 3,300.9	62.0%	$ 3,255.1	63.1%
Avery	739.0	13.9%	711.9	13.8%
Checkpoint	724.1	13.6%	712.9	13.8%
Innovia	557.3	10.5%	481.6	9.3%
Total	$ 5,321.3	100.0%	$ 5,161.5	100.0%

*Excludes sales at the Company's equity accounted investments in Russia (CCL-Kontur) the Middle East (Pacman-CCL) and the United States (Rheinfelden Americas).

Sales By Geographic Segment:

(millions of dollars)

	Years ended December 31			
	2019		2018	
	Sales	% of Total Sales	Sales	% of Total Sales
Canada	$ 134.2	2.5%	$ 152.6	3.0%
United States and Puerto Rico	2,152.3	40.5%	1,995.5	38.7%
Latin America	439.9	8.3%	398.2	7.7%
Europe	1,656.1	31.1%	1,682.3	32.5%
Asia, South Africa and Australia	938.8	17.6%	932.9	18.1%
Total	$ 5,321.3	100.0%	$ 5,161.5	100.0%

For the CCL and Innovia Segments, the first and second quarters are generally the strongest due to the number of work days and various customer-related activities. Also, there are many products that have a spring-summer bias in North America and Europe such as agricultural chemicals and certain beverage products, which generate additional sales volumes for the Company in the first half of the year. The polymer banknote business within the CCL Segment, experiences intra-quarter variations in sales influenced by central banks' re-order disparity. For Avery, the third quarter has historically been its strongest, as it benefits from increased demand related to back-to-school activities in North America. For the Checkpoint Segment, the second half of the calendar year is healthier as the business substantially follows the retail cycle of its customers, which traditionally experiences more consumer activity from September through to the end of the year and prepares for the same in its supply chain from mid-year on. The final quarter of the year is negatively affected from a sales perspective in the northern hemisphere by Thanksgiving and globally by the Christmas and New Year holiday season shut-downs.

CCL SEGMENT

CCL Label is believed to be a leading global producer of innovative label solutions for consumer product marketing companies in the personal care, food & beverage, household chemical and promotional segments of the industry, and also supplies regulated labels to major pharmaceutical, healthcare and industrial chemical customers. CCL Design supplies long-life, high performance labels and other products to automotive, electronics and durable goods companies. CCL Secure supplies polymer banknote substrate, pressure sensitive stamps, passports and other security documents to government institutions. The Segment's product lines include pressure sensitive, shrink sleeve, stretch sleeve, in-mould, precision printed and die cut metal and plastic components, expanded content labels, pharmaceutical instructional leaflets, graphic security features and plastic tubes.

The CCL Segment now operates 137 plants globally, which includes 33 manufacturing plants in North America, two plants in Canada, one in Puerto Rico and 30 in the United States.

In Europe, the CCL Segment now operates 49 manufacturing plants, with two plants in Austria, three in Denmark, four in France, 13 in Germany, one in Hungary, three in Italy, two in the Netherlands, two in Poland, six in Russia, one in Switzerland, and 12 in the United Kingdom.

In Latin America, the CCL Segment operates 14 plants, with seven in Mexico, five in Brazil, one in Argentina and one in Chile.

In Asia Pacific, Middle East and Africa, the CCL Segment now operates 41 manufacturing plants, with five plants in Australia, 14 plants in China, one in Egypt, one in Israel, one in Japan, one in Korea, three in Malaysia, one in New Zealand, one in Oman, one in Pakistan, one in the Philippines, one in Saudi Arabia, one in Singapore, one in South Africa, three in Thailand, one in Turkey, one in United Arab Emirates and three in Vietnam.

The current position of the CCL Segment was developed organically and through acquisitions in the last decade. The CCL Segment has generally experienced strong demand in its existing and newly acquired operations in the past few years.

The mission of the CCL Segment is to be the global supply-chain leader of innovative premium package and promotional label solutions for the world's largest consumer product, healthcare and durable goods companies as well as government institutions. It aspires to do this from regional facilities that focus on specific customer groups, products and manufacturing technologies in order to maximize management's expertise and manufacturing efficiencies to enhance customer satisfaction.

Principal Products

There are five customer sectors inside the CCL Segment. The Company trades in three of them as CCL Label and one each as CCL Design and CCL Secure. The differentiated CCL sub branding, points to the nature of the application for the final product. The sectors have many common or overlapping customers, process technologies, information technology systems, raw material suppliers and operational infrastructures. CCL Label supplies innovative specialized label, plastic tube, aluminum aerosol and specialty bottle solutions to Home & Personal Care and Food & Beverage companies, plus regulated and complex multi-layer labels for major pharmaceutical, consumer medicine, medical instrument and industrial or consumer chemical customers referred to as the Healthcare & Specialty business. CCL Design supplies long-life, high performance labels and other products to automotive, electronics and durable goods companies. CCL Secure supplies polymer banknote substrate, pressure sensitive stamps, passport components, ID cards and other security documents to government institutions.

The Segment's product lines include pressure sensitive labels, shrink sleeves, stretch sleeves, in-mould labels, precision printed and die cut metal, glass and plastic components, expanded content labels, pharmaceutical instructional leaflets, graphic security features, extruded or laminated plastic tubes, aluminum aerosols or specialty bottles and printed polymer security film substrates.

Markets and Competition

Most markets for labels around the world are very fragmented and the Company believes that the largest supplier is CCL, with many smaller competitors. The Company believes that while the Segment is the largest participant in the industry at both a global and regional level, the market is very large and highly fragmented with market share only being meaningful in the customer segments in which it operates.

The Company believes that it is competitive for several reasons. It is focused on specific sectors of the prime label market that require more sophisticated technology. It has the ability to purchase its major raw materials (primarily pressure sensitive laminates and extruded films) at favourable prices due to bulk purchases under supply agreements. It has a focused decentralized and entrepreneurial operating style.

The CCL Segment delivers its products following its customers' directions with itemized freight cost billed separately or at an all-inclusive price depending on the country. Shipments are primarily by road and, on occasion, by air or sea freight.

Employees

CCL Segment had approximately 13,500 employees as of December 31, 2019, including the employees at its equity accounted investments.

AVERY SEGMENT

Avery is believed to be the world's largest supplier of labels, specialty converted media and software solutions to enable short-run digital printing in businesses and homes alongside complementary office products sold through distributors and mass market retailers. The products are split into three primary lines: (1) Printable Media, including address labels, shipping labels, marketing and product identification labels, indexes and dividers, business cards, and name badges supported by customized software solutions; (2) Organizational Products Group ("OPG"), including binders, sheet protectors and writing instruments; and (3) Direct to Consumer digitally imaged media including labels, business cards, name badges, and family oriented identification labels supported by unique web-enabled e-commerce URLs. The majority of products in the Printable Media and Direct to Consumer categories are used by businesses and individual consumers consistently throughout the year; however, in the OPG category, North American consumers engage in the back-to-school surge of purchases during the third quarter.

Avery now operates 18 manufacturing and three distribution facilities globally. The North American and Latin American operations are supported by six manufacturing facilities: three in Canada, one in Mexico, and two in the United States; the largest of the six plants being in Tijuana, which also supplies products locally.

In Europe, Avery operations are supported by three facilities in Germany, one in Italy, two in the Netherlands and four in the United Kingdom.

In Australia, Avery operates two plants.

In Latin America, Avery operations has a distribution centre in Mexico and shares a manufacturing facility with the CCL Segment in Argentina.

Avery reaches its consumers, including small businesses, through distribution channels that include mass-market merchandisers, retail superstores, wholesalers, e-tailers, contract stationers, catalog retailing and direct-to-consumer e-commerce. Merger activity and store closures in these distribution channels can lead to short-term volume declines as customer inventory positions are consolidated. Avery is the leading brand in its core markets, with the principal competition being lower-priced private label products. Avery has experienced secular decline in its core mailing address label product as e-mail and internet-based digital communication has grown rapidly. In response, Avery has developed innovative new products targeted at applications such as shipping labels and product identification. Avery has successfully launched its proprietary direct-to-consumer e-commerce label design software platform WePrint™. In 2014, the acquisitions of Label Connections Ltd. and Nilles expanded Avery's digital print capabilities to the commercial graphic arts sector, and e-commerce platform to custom designed roll fed labels in new markets around the world. With the 2015 acquisitions of PCN and Mabel's, 2017 acquisitions of Badgepoint and GGW and the 2018 acquisition of Imprint Plus, the Company further expanded Avery's digital print offerings to the meetings and events planning industry and personalized identification labels for children and families. In 2019, the Company acquired CAM and SOY, bolstering its presence in labels for children and families. Growth rates in these new printable media e-commerce platforms and the newly acquired businesses are expected to outpace Avery's legacy product lines and eventually aid in re-establishing a growth rate for the Segment. It is also the Company's expectation that Avery will also continue to open up new revenue streams in short-run digital printing applications.

Principal Products

Avery is believed to be the world's largest supplier of labels, specialty converted media and software solutions to enable short-run digital printing in businesses and homes alongside complementary office products sold through distributors and mass market retailers. The products are split into three primary lines: (1) Printable Media, including address labels, shipping labels, marketing and product identification labels, indexes and dividers, business cards, and name badges supported by customized software solutions; (2) Organizational Products Group ("OPG"), including binders, sheet protectors and writing instruments; and (3) Direct to Consumer digitally imaged media including labels, business cards, name badges, and family oriented identification labels supported by unique web-enabled e-commerce URLs. The majority of products in the Printable Media and Direct to Consumer category are used by businesses and individual consumers consistently throughout the year; however, in the OPG category, North American consumers engage in the back-to-school surge of purchases during the third quarter.

Markets and Competition

Sales in the Avery Segment are principally generated in North America, Europe and Australia with a market leading position. There is a small developing presence in Latin America as well. Avery markets its products to consumers and small businesses through many channels that include the mass-market merchandisers, retail superstores, wholesalers, "e-tailers" and contract stationers. The business also reaches consumers through direct marketing activities including avery.com, pcnametag.com, mabelslabels.com, goedgemerkt.nl, imprintplus.com, easy2name.com, colleamoi.com, stuckonyou.com, idcband.com and identilam.co.uk.

Although Avery enjoys a market leading position, product obsolescence due to technological trends, the insurgence of private label products and customer consolidation in the office product retail industry has resulted in significant volume and price competition. In response, Avery has developed market leading brand awareness and loyalty, supported by the ongoing introduction of innovative products, new channels to market and strong customer service.

Employees

The Avery Segment had approximately 2,600 employees as of December 31, 2019.

CHECKPOINT SEGMENT

The Checkpoint Segment was formed in, 2016, upon the Company acquiring all the outstanding shares of Checkpoint Systems Inc. (NYSE:CKP) at an enterprise value of $531.9 million. This Segment is a leading global manufacturer and provider of hardware and software systems plus security labels and tags providing inventory control and loss-prevention solutions to world-leading retailers.

Checkpoint is a leading manufacturer of technology-driven loss-prevention, inventory-management and labeling solutions, including RF and RFID solutions, to the retail and apparel industry. Checkpoint operates 22 manufacturing facilities, nine distribution facilities and three product and software development centres globally. The North American operations are supported by one manufacturing facility, one distribution facility and one development centre in the United States. There is also a sales office and distribution centre in Canada.

In Europe, Checkpoint operations are supported by three manufacturing facilities, with one in Germany, one in the Netherlands and one in Spain. There is a distribution facility in the region.

In Latin America, Checkpoint operations are supported by two distribution facilities in Mexico.

In Asia Pacific and Africa Checkpoint operates 18 manufacturing facilities, with three in Bangladesh, eight in China, two in India, one in Japan, one in Malaysia, one in Morocco, one in Sri Lanka and one in Vietnam. There are also four distribution facilities in China. Two development centres are located in the region.

Principal Products

Checkpoint is a leading manufacturer of technology-driven loss-prevention, inventory-management and labeling solutions, including RF and RFID solutions, to the retail and apparel industry. The Segment has three primary product lines: Merchandise Availability Solutions ("MAS"), Apparel Labeling Solutions ("ALS") and Retail Merchandising Solutions ("RMS"). The MAS line focuses on electronic-article-surveillance ("EAS") systems; hardware, software, labels and tags for loss prevention and inventory control systems including RFID solutions. ALS products are apparel labels and tags, some of which are RFID capable. RMS, a small European-centric product line, includes hand-held pricing tools and labels and promotional in-store displays. All MAS and ALS products are sold under the Checkpoint brand, and RMS is sold under the Meto brand.

Markets and Competition

Checkpoint generates sales across Europe, North America, and Asia with significant market positions in each region. The Segment is a leader in merchandise availability solutions and the fast growing RFID for apparel space. Checkpoint sells directly to retailers or its contracted manufacturers and competes with other global retail labeling companies.

Some pundits believe brick-and-mortar retail in developed markets faces significant challenges with the evolution of e-commerce. Checkpoint with its market leading position, strong brand recognition and innovative product development is expected to realize modest growth in a fast changing retail environment. Checkpoint's comprehensive solution of consumables, hardware and software creates a unique product offering for the omni-channel marketing initiatives that retailers deploy to compete with pure e-commerce players. The Company is confident that RFID will evolve into a solution that will aid retailers with these developments.

Employees

The Checkpoint Segment had approximately 4,000 employees as of December 31, 2019.

INNOVIA SEGMENT

The Innovia Segment consists of the Innovia film operations acquired in 2017, the acquired Treofan film facility in 2018, plus two small legacy film manufacturing facilities transferred from the CCL Segment. The acquired Innovia and Treofan film operations, which comprise the majority of the Segment, provide a global footprint for the manufacture of specialty high-performance, multi-layer, surface engineered BOPP films with a facility located in each of Australia, Belgium, Mexico and the United Kingdom. These films are sold to customers in the pressure sensitive label materials and consumer packaged goods industries worldwide with a small percentage of the total volume consumed internally by CCL Secure within the CCL Segment. The two smaller legacy facilities, one located in Germany and one in the United States, produce almost their entire output for the CCL Segment's Food & Beverage and Home & Personal Care businesses, respectively.

Innovia operates six manufacturing facilities, five sales offices and a research and development laboratory. The North American operations are supported by the legacy Treofan BOPP films manufacturing facility in Mexico and a sales and distribution centre in the United States. There is also a legacy manufacturing facility in the United States with all the production used in the Home & Personal Care business of the CCL Segment and a sales office for the BOPP films.

In Europe, Innovia operations are supported by three manufacturing facilities, with one in Belgium and one the United Kingdom for the manufacture of BOPP films, and one in Germany, with almost the entire production consumed in the Food & Beverage business of the CCL Segment. There are three sales offices in Europe and an industry leading research and development laboratory in the United Kingdom to support the Company and its customers worldwide.

In Australia, Innovia operates a BOPP films manufacturing facility and in Asia it shares a sales office with the CCL Segment.

In January 2020, the Company signed a binding agreement to acquire Flexpol Sp. Z.o.o., a Polish BOPP film producer, for an estimated $22.0 million on a debt/cash free basis. Closing is expected during the first quarter of 2020 following receipt of regulatory approvals.

Principal Products

Innovia is a leading manufacturer of specialty high-performance, multi-layer, surface engineered BOPP films. These films are sold to customers in the pressure sensitive label materials and consumer packaged goods industries worldwide with a small percentage of the total volume consumed internally by the CCL Secure business within the CCL Segment. The two legacy film manufacturing facilities rolled into the Innovia Segment manufacture specialty films almost entirely consumed by the Home & Personal Care and Food & Beverage businesses within the CCL Segment.

Markets and Competition

The Innovia Segment has global market reach with its manufacturing facilities and dedicated sales offices around the world. Its films are sold to customers in the pressure sensitive label materials and consumer packaged goods industries.

Although the industries served by the Segment are mature, with many global competitors offering similar films, Innovia's dedication to innovation, investing significant resources in its research and development people and laboratory in the United Kingdom differentiate their product offering. This commitment has resulted in the development of specialty BOPP films and innovative surface coating technology that allow Innovia's products to stand apart from the competition.

Employees

The Innovia Segment had approximately 1,319 employees as of December 31, 2019.

GENERAL

Suppliers

The Company purchases a broad range of materials and components at market prices in connection with its manufacturing activities. Major purchased items include pressure sensitive label stock, extruded films, adhesives and inks for the production of labels; aluminum slugs for the manufacture of extruded aluminum aerosol cans and bottles; electronic components, circuit boards, resins and chemicals for the construction of smart labels and associated hardware; resin for the manufacture of polypropylene films and polymer banknote substrates; metal rings for binders plus tooling and printing plates across all business lines.

The Company is not dependent on any single source of supply in its CCL, Avery and Checkpoint Segments. The materials required for its manufacturing operations have been readily available and the Company does not foresee any significant shortages in the future. Sufficient power for manufacturing operations is available from local utilities or power companies in most jurisdictions. The Company in the last three years has not experienced a power outage that has had a material impact on its results.

Polypropylene is the most significant input cost for the Innovia Segment. Polypropylene is derived from natural gas and is manufactured globally by a limited number of producers. Polypropylene is traded in the market by financial investors and speculators with its cost linked to the price of natural gas and the availability of refining capacity. While there has been significant volatility in polypropylene prices over the past three years, the Segment does not use derivative financial instruments to hedge its exposure to this volatility, instead attempts to pass on the cost to its customers.

Patents and Trademarks

In the conduct of the operation of its businesses, including the Avery, Innovia and Checkpoint Segments, the Company generally benefits from various patents, industrial designs, licenses and proprietary technologies that, although collectively important in the day-to-day operations of such businesses, are not individually material to the prospects or profitability of the Company as a whole. The Company also generally benefits from its rights in respect of various trademarks.

Generally speaking, in most jurisdictions the term of patent protection, assuming that a utility patent has been issued and any maintenance fees are paid, is 20 years from the filing date of the application. With respect to designs (which protect ornamental, non-functional features), assuming that maintenance fees are paid, generally speaking the term of protection for industrial designs in Canada is the later of 10 years from the date of registration or 15 years from the filing date, and the term of protection for design patents in the United States is 15 years from the issue date if filed on or after May 13, 2015, and 14 years from the issue date if filed before May 13, 2015. Generally speaking, in most jurisdictions the initial term of protection for registered trademarks is 10 years, with an ability to renew for successive 10-year terms. However, in Canada trademark registrations which were issued or renewed prior to June 17, 2019, are subject to a 15-year term, and trademark registrations which were issued or renewed on or after June 17, 2019, are subject to a 10-year term.

Most of the Company's manufacturing equipment is purchased off-the-shelf and is available to its competitors. However, the Innovia film operations have developed their own unconventional "bubble process" manufacturing lines to produce their BOPP. Also, some of the manufacturing equipment has become increasingly sophisticated and expensive, which may limit the ability of smaller competitors in the market to maintain their positions. However, management believes that it is the Company's manufacturing know-how, structured operating systems and trained employees that establish a meaningful barrier-to-entry for its businesses.

Over the many years that the Company has operated its businesses, it has developed an employee talent pool that has a significant specialized skill and knowledge base. Since the machinery in use for all the businesses is generally off-the-shelf, the Company's key asset is employee know-how from a trade skill (press operators, graphic designers, industrial engineers, etc.), technical (for example, chemical or software engineers) or business process perspective. Most of the Company's value-added techniques to produce products are not patented but reside in the skill set of the employee base.

Research and Product Development

The Company, through its divisions, works with its customers in developing new products to meet market needs. The approach to new products is primarily from active product development as opposed to pure scientific research.

The CCL Segment develops innovative label products for home and personal care, food and beverage, and healthcare customers; specialty and promotional products; and automotive, white goods and other consumer durables. These include clear labels, game pieces, expanded content labels and precision printed and die cut metal components with LED displays.

The Avery Segment has a strong commitment to understanding its ultimate end users, actively seeking product feedback and using consumer focus groups to drive product development initiatives. Avery leverages the CCL Segment's applications and technology to deliver product innovation that aligns with consumer printable media trends. These include business builder labels, repositionable address labels, print-to-the-edge wrap around labels, T-shirt transfer labels and the Avery Wizard Software.

Checkpoint continues to develop and expand its product lines with new solutions, performance improvements and next generation software. Of paramount importance is the continual innovation of its best-in-class EAS products, while developing technologies and processes that support its unique single source RFID solution.

Film innovation remains a strategic focus for the Innovia Segment, investing significant resources in its industry leading research and development people and laboratory in the United Kingdom. This commitment has resulted in the development of unique process technology, highly differentiated specialty BOPP films and innovative surface coating technology keeping film innovation at the forefront for the Innovia Segment. CCL's research and development expenses relate primarily to payroll costs for engineering personnel, costs associated with various projects, including testing, developing prototypes and related expenses.

Climate Change

Climate change impact to the Company's business is assessed on an ongoing basis by Management and reviewed by the Board of Directors from a strategic and risk management perspective, as well as considered by the Nominating and Governance Committee in its ongoing oversight of Environmental, Social and Governance ("ESG") matters and by the Environment, Health and Safety Committee in its ongoing oversight of environmental risk and sustainability initiatives.

Event risks caused by global climate change, including the frequency and severity of weather-related events, could damage the Company's facilities, disrupt operations, impact revenues and cash flow, and create financial risk. These could result in substantial costs for emergency response efforts during the event, reinstatement of regular business operations and repair or replacement of premises and equipment. The potential impact or financial consequence of such events is highly uncertain. The Company's operations are spread over more than 183 locations around the world and therefore subject to varying climate change event risks. The Company maintains insurance coverage for its facilities which it believes are customary or reasonable given the cost of procuring insurance and current operating conditions, however there can be no assurance that such insurance will continue to be available or cover all loss and liability arising from such events, particularly business interruption. The Company's supply chain and distribution network could also be impacted by such events which is difficult to predict.

Global climate change also gives rise to other risks to the Company’s business and operations, including increased regulation and market shifts in supply and demand, which are also difficult to predict. Many countries in which the Company carries on business are at differing stages of developing policy and regulations regarding carbon emissions and other environmental impacts which could significantly affect the Company’s business, create financial obligations and increase operating costs. Increased public awareness of climate change may impact consumer demand for the Company’s customers' products. The Company is working closely with customers to innovate products that address their sustainable packaging needs and the changing demands of the consumer. The Company has increasingly been driving sustainable practices and deploying initiatives to reduce our carbon footprint, create cost-savings, and position the Company as a leader in sustainable packaging design. This includes investing in resource-saving technologies and waste-reducing processes. The Company is also working internally with employees and externally with supply chain partners to create more efficient and sustainable options which not only mitigates risk but can create additional opportunities out of climate-related market shifts.

Sustainability and Environmental Matters

While the Company continues to invest in its Environmental, Social and Governance (“ESG”) initiative, it also incorporates lean business principles into all of its programs. In 2019, the Company added professional resources and purchased greenhouse gas logging software to track the Company’s global emissions with a goal to establishing Company-wide benchmarks and reduction initiatives in the upcoming year. The Company has established a waste reduction initiative that will focus not only on diverting waste headed to landfill but on reducing waste generation, reusing materials and resources, and finding innovative end of life uses for manufacturing by-products to minimize the impact to the environment. Estimated capital expenditures for environmental control projects for 2020 will not be material and the Company believes compliance with existing environmental protection laws and continuation of ongoing remediation efforts will have no material effect on earnings or on the competitive position of the Company. Liabilities for site restoration and environmental remediation obligations are recorded either when known or considered probable and can be reasonably estimated.

With the heightened political awareness in respect of environmental and climate related matters, the Company is unable to predict what changes may be made to environmental laws in the future in the widely dispersed countries in which it operates, although it anticipates that such requirements will become more stringent. However, the Company closely monitors all regulatory compliance matters, including environmental compliance. As it is anticipated that environmental compliance will continue to become more stringent and the Company is committed to regulatory compliance, it is anticipated that the Company's capital and operating costs may increase in the future. See also "Environmental, Health and Safety Requirements and Other Considerations" in Item 5: "Risk Factors" of this AIF.

The Company closely monitors and implements social and environmental programs using resources reporting directly to the Chief Executive Officer ("CEO"). The Board's Environment and Health & Safety ("EHS") Committee is responsible for assisting the Board of the Company in fulfilling its oversight responsibilities in relation to CCL's policies, management systems, performance, compliance and liabilities as they pertain to environmental and occupational health and safety matters. Qualifications for membership in the EHS Committee include knowledge in matters of environmental protection and occupational health and safety.

CCL's EHS policy and ESG initiative emphasize the Company's commitment to best practices in environmental due diligence, regulatory compliance, environmental auditing and social responsibility. The EHS policy provides for careful assessment of properties both prior to acquisition and prior to disposal. Furthermore, the EHS policy promotes environmental awareness in the Company's host communities.

The Company's strategy is to help customers meet their sustainability targets while reducing the planetary impact of its own manufacturing processes, materials and products. New plants are designed to the latest standards to conserve energy, constructed with sustainable materials; many operations have ISO 14001 and 16001 environmental certifications. Multi-trip returnable systems in collaborative logistic partnerships with suppliers and customers replace corrugated boxes and traditional wood pallets. Label products include paper face stocks based on Forest Stewardship Council certification. The Company's patented clear film pressure sensitive, wash off labels facilitate multi-trip use of glass bottles and enable closed-loop PET bottle consumption with easy label removal in reprocessing systems. Release liner recycling and down-gauged films for pressure sensitive labels matched to bottle substrate improve the sustainability of one of CCL's core technologies. The Company manufactures plastic tubes using post-consumer resins while its aluminum aerosol products have a zero-waste manufacturing process. Checkpoint's "Hard Tag at Source" initiative facilitates closed loop reuse of electronic article surveillance tags. CCL Secure's polymer banknotes eliminate waste by reducing the frequency of replacing banknotes in circulation. Unlike paper currency, polymer notes last significantly longer than traditional paper notes and are easily reprocessed in secondary recycling at end of life.

Social Policies

The Company has developed a company-wide Global Business Ethics Guide (the "Guide"), approved by the Board of Directors, that is distributed to each employee. The

Guide requires the employees to conduct themselves ethically in their business and workplace relationships, and to respect other employees, the environment and the communities in which the Company operates. All new employees, in the course of their introduction, receive and review the Guide. As part of the Company's annual internal control certification process, the general manager and controller of each facility is required to confirm in writing that the Guide has been distributed to and reviewed by all existing employees. Further, the Company has established an anonymous employee hotline, accessed by telephone or over the Internet and monitored by a third-party service, to allow all employees to report issues related to potential infractions of the Guide. Any alleged infractions are reported to the Board of Directors' Human Resources Committee and investigated if there is substance to the allegations. Management provides a quarterly report to the Human Resources Committee detailing any hotline reports and the action taken. In 2020 and beyond, the Company will be evaluating opportunities to expand its social and ethical policies to ensure fair business practices are enforced, not just internally but throughout its supply chain.

Customers

Each of the operating Segments of the Company deals with a diverse customer base. While a small number of the manufacturing facilities are dependent upon one or a few customers for a significant portion of their business, no operating Segment is dependent upon any single customer or upon a few customers. With the addition of the Avery Segment in 2013 and Checkpoint in 2016, the Company's customer base diversified into office products, commercial contract stationers, mass merchandisers, retail superstores, apparel chain stores, wholesalers, resellers, mail order, e-tailers and direct to consumer. With the Innovia and Treofan acquisitions in 2017 and 2018, respectively, the customer base has further expanded into pressure sensitive label material producers, consumer packaged goods companies, government central banks and direct for the Company's internal consumption. For 2019, the Company's two largest customers accounted for approximately 9.0% of consolidated sales. See also "Dependence on Customers" in Item 5: "Risk Factors" of this AIF.

Employees

The Company has direct control over a total of approximately 21,400 employees and has two labour union contracts in the United States, one in the United Kingdom, two in Australia and one in Mexico covering approximately 943 employees as at December 31, 2019. The labour contracts in the United States, covering approximately 228 employees and 113 employees, expire in 2025 and in 2020, respectively. The labour contract in the United Kingdom, covering an estimated 215 employees, expires in 2020. The labour contracts in Australia, covering an estimated 36 employees and 50 employees, expire in 2022 and 2023, respectively. The labour contract in the Mexico, covering an estimated 301 employees, expires in 2020. A limited number of international locations have unionized facilities covered by local legislation. The Company has not experienced work stoppages at any of its locations in the last 10 years and anticipates that any labour contracts coming due in the current year will be renewed.

Foreign Operations

The Company currently conducts operations in Canada, the United States (including Puerto Rico), Argentina, Australia, Austria, Bangladesh, Belgium, Brazil, Chile, China, Denmark, Egypt, France, Germany, Hungary, India, Ireland, Israel, Italy, Japan, Korea, Malaysia, Mexico, Morocco, the Netherlands, New Zealand, Oman, Pakistan, Philippines, Poland, Russia, Saudi Arabia, Singapore, South Africa, Sri Lanka, Switzerland, Thailand, Turkey, United Arab Emirates, the United Kingdom and Vietnam. Operations primarily service customers located in their country.

International operations are necessarily subject to different economic risks and opportunities. The Company's production costs are affected by conditions prevailing in the various locations. The Company is also exposed to fluctuations in foreign currency exchange, which may positively or negatively affect the Company's consolidated financial reporting as a result of the translation of foreign financial results into Canadian dollars and the impact of cash flows, cash holdings and debt obligations in these foreign currencies. The Company believes that international diversification has reduced its overall economic business risk.

The Company currently has 22 production facilities located in China. Approximately 8% of CCL Segment sales are sold in the domestic Chinese market, with considerable indirect export by CCL Design customers. A substantial majority of Checkpoint's global supply chain capacity is based there, predominantly for direct or indirect export. Avery imports certain raw materials from China; Innovia exports of film to specialty packaging customers are modest. While the outbreak of the novel coronavirus known as COVID-19 has to date not resulted in the closure of any of the Company's facilities, a prolonged continuance of this public health crisis could create adverse impacts in China on the Company's workforce, its supply chain or the demand for its products should the Company's customers be faced with declining consumer demand for their products.

See also “Potential Risks Relating to Significant Operations in Foreign Countries” in Item 5: “Risk Factors” of this AIF.

Production and Services

The Company primarily manufactures its products at its various plant facilities utilizing standard equipment generally available to the market. In unusual circumstances, it may outsource certain production to other suppliers. As part of providing its manufacturing capabilities to its customers, the various Segments also provide ancillary services such as artwork, tool and die manufacturing and product development for a fee. These fees are a small proportion of the Company’s total revenue.

The Avery Segment manufactures the majority of its products at various strategically located facilities within the markets it supplies, with equipment generally available to the market. Avery uses its manufacturing sites in conjunction with its distribution facilities to service an efficient supply chain for its customers and the consumer.

The Innovia Segment has constructed its own unique “bubble process” manufacturing lines compared to the conventional stenter (or tenter) method for producing BOPP. The Innovia Segment is further supported by the world-class research and development laboratory in the U.K.

New Products

The Company has developed many new products in each of its businesses over the years. The approach to developing new products is primarily from active product development as opposed to pure scientific research. The CCL Segment develops many new applications for labels, promotional products, shrink sleeves, expanded content labels, precision printed and die cut metal components and unique security features for polymer banknote substrate. The Avery Segment has a strong commitment to understanding its ultimate end users, actively seeking product feedback and using consumer focus groups to drive product development initiatives. Furthermore, Avery leverages the CCL Segment’s applications and technology to deliver product innovation that aligns with consumer printable media trends. These new products include business builder labels, repositionable address labels, print-to-the-edge wrap around labels and T-shirt transfer labels. The Checkpoint Segment has always been an innovator for its industry with a strong dedication to research and development activities. It was the pioneer of RF electronic-article-surveillance hardware and consumables. Checkpoint has made further advances with the active enhancement and deployment of RFID solutions, including inventory management software, to the retail and apparel industry. The Innovia Segment leverages its industry leading research and development facility to continually innovate its BOPP film suite of products.

Properties

As at February 21, 2020, the Company operated the following principal manufacturing facilities:

	Manufacturing Facilities		Business Segments			
	Owned	Leased	CCL	Avery	Checkpoint	Innovia
North America	25	15	33	5	1	1
Latin America	14	2	14	1	-	1
Europe	37	28	49	10	3	3
Asia Pacific, Middle East, Africa	33	29	41	2	18	1
Total	109	74	137	18	22	6

Generally each manufacturing facility is dedicated to the Business Segment in which it operates. Furthermore, manufacturing facilities within the CCL Segment are predominantly dedicated to the specific vertical market they serve; Healthcare & Specialty, Home & Personal Care, Food & Beverage, CCL Design and CCL Secure. Periodically, in smaller or less developed regions, a manufacturing facility will serve multiple vertical markets until such time as a dedicated facility is required to handle significant volume of a unique nature of the customer base.

Leased facilities typically have terms of five years with one or more renewal options. The Company maintains excellent daily housekeeping and maintenance policies for all its facilities around the world regardless of whether they are leased or owned. The Company's leases typically require the facility to be returned to a condition reasonably similar to the onset of the lease, which generally does not result in significant restoration expenses.

RISK FACTORS

The Company is subject to the usual commercial risks and uncertainties from operating as a Canadian public company and as a supplier of goods and services to the non-durable consumer packaging and consumer durables industries on a global basis. A number of these potential risks and uncertainties could have a material adverse effect on the business, financial condition and results of operations of the Company. The identified risks and uncertainties are described under the heading "Risks and Uncertainties" in the Company's Management's Discussion and Analysis ("MD&A") for the fiscal year ended December 31, 2019, and incorporated by reference herein. The Company has filed the MD&A with the Canadian securities regulators and it is available on SEDAR at www.sedar.com.

ITEM 6 – DIVIDENDS

Annual Cash Dividends Declared per Share*	2019	2018	2017
Class A voting shares ("Class A")	$ 0.67	$ 0.51	$ 0.45
Class B non-voting shares ("Class B")	$ 0.68	$ 0.52	$ 0.46

* dividends have been restated for 5:1 stock split on June 5, 2017

Dividend payments are restricted by loan covenants in the Company's credit facility agreements whereby certain unfavourable financial ratios could cause dividends to be reduced or eliminated until such financial ratios are rectified. Dividends can only be paid from retained earnings. The Company's dividend policy is to provide a stable and potentially growing cash return to shareholders, balancing the Company's internal cash position and requirements, and other means of providing returns to investors such as share repurchases in the open market. CCL Industries Inc. has paid dividends quarterly for over 30 years with periodic increases and has not reduced its dividend payout per share during this period.

ITEM 7 - DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized share capital consists of an unlimited number of Class A voting shares and an unlimited number of Class B non-voting shares.

On June 5, 2017, the Company effected a 5:1 stock split on its Class A and Class B common shares.

Class A Voting Shares

Class A voting shares carry full voting rights (one vote per share) and are convertible at any time at the option of the holder into Class B non-voting shares. Dividends are currently set at $0.01 per share per annum less than those payable per Class B non-voting share.

Class B Non-Voting Shares

Class B shares rank equally in all material respects with the Class A voting shares except as stated above and as follows: (i) holders of Class B non-voting shares are entitled to receive meeting materials and to attend, but not to vote at, regular shareholder meetings, and (ii) **holders of Class B non-voting shares have no right to participate in a take-over bid made for the Class A voting shares of the Company**. The Articles of the Company provide, however, that if a take-over bid is made for the Class A voting shares and the value of the consideration paid for any of such shares acquired exceeds 115% of the market price of the Class B non-voting shares (calculated in accordance with the Regulation to the *Securities Act* (Ontario) as such Regulation existed on June 27, 1983, being the date of creation of the Class B non-voting shares) and if it is determined by the directors of the Company, after the take-over bid is complete, that the offeror has become the beneficial owner of, or exercises control or direction over, Class A voting shares carrying more than 50% of the votes to which the holders of the Class A voting shares are entitled, there will be deemed to have been a change in control of the Company. In such event, the Class B non-voting shares will become entitled to one vote per share (but the dividend entitlement attached to such shares will thereafter be the same as the dividend entitlement attached to the Class A voting shares) unless the same offer is made to the holders of the outstanding Class B non-voting shares.

Ratings

In April 2018, the Company completed a private offering of $300.0 million principal amount 3.864% Series 1 Notes due April 13 2028. In September 2016, the Company issued unregistered Rule 144A private 3.25% notes due 2026 in the principal amount of US$500.0 million. For both offerings, ratings were provided by Moody's Investors Services ("Moody's") and S&P Global ("S&P") in accordance with their customary fee arrangements for initial ratings and on-going monitoring. As at the date of this AIF, the following ratings were assigned:

Credit Rating Agency	Issuer Rating	Senior Debt Rating	Outlook Trend
S&P (1)	BBB	BBB	Stable
Moody's (2)	-	Baa2	Stable

1. S&P's issuer and senior unsecured debt rating is a forward-looking opinion of the Company's overall creditworthiness. The opinion reflects S&P's view of the obligor's capacity and willingness to meet its financial commitments as they come due. This rating is based on a scale that ranges from "AAA" to "D", which represents the range from extremely strong capacity to meet financial obligations to a failure to pay one or more financial obligations when it came due. An issuer with a rating in the "BBB" category is the fourth highest category of relevant scale of ten major categories and is considered to be investment grade quality. The ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. The lack of one of the designations indicates a rating that is in the middle of the category. A "Stable" outlook rating means the rating is not likely to change.

2. Moody's senior unsecured debt rating is an opinion as to the Company's future relative creditworthiness. The credit rating is derived from a detailed rating's grid published in a Moody's rating methodology report for Packaging Manufacturers: Metal, Glass, and Plastic Containers published in 2018. The grid score is then formulated into one of twenty "grid-indicated ratings." A grid-indicated rating category of Baa is indicative of investment grade quality. Moody's appends the numerical

modifiers 1, 2 or 3 to eighteen of the twenty indicative rating classifications. The modifiers 1, 2 and 3 indicate that the obligation ranks in the higher end, mid-range or lower end of its indicative rating category, respectively. The Moody's rating outlook is an opinion regarding the likely direction of an issuer's rating over the medium term, and falls into one of four categories: Positive, Negative, Stable or Developing. A "Stable" indicates a low likelihood of a rating change over the medium term.

Credit ratings are intended to provide investors with an independent measure of the credit quality of the Company's senior debt. The credit ratings assigned to the unsecured public bonds by the rating agencies are not recommendations to purchase, hold or sell the Company's securities, since such ratings do not address market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future, if in its judgement, circumstances warrant.

ITEM 8 – MARKET FOR SECURITIES

The Class A voting shares and the Class B non-voting shares of CCL Industries Inc. are listed and posted for trading on the Toronto Stock Exchange. The Toronto Stock Exchange is the primary exchange trading the Class B non-voting shares; however, alternative exchanges also trade the shares. The total number of Class B non-voting shares traded on all exchanges for 2019 was 137,623,586 (2018 – 135,238,197).

Shares Trading in 2019 on The Toronto Stock Exchange

	Class A			
	Volume Traded	**High**	**Low**	**Close**
January	10,445	$ 56.00	$ 49.05	$ 55.44
February	7,207	60.01	54.09	54.09
March	6,144	56.00	52.80	53.29
April	7,066	58.23	54.54	57.00
May	9,521	63.35	55.33	62.00
June	4,578	64.74	61.25	64.24
July	6,817	68.17	64.64	66.39
August	6,240	66.77	58.01	60.39
September	3,979	62.50	54.87	55.95
October	5,689	55.54	52.59	54.50
November	6,057	58.20	53.29	57.70
December	6,210	58.57	56.00	56.00
Total Year	79,953	$ 68.17	$ 49.05	$ 56.00

Class B

	Volume Traded		High		Low		Close
January	6,094,944	$	56.19	$	48.43	$	55.40
February	7,689,421		60.05		53.70		53.76
March	7,885,797		55.40		52.03		54.10
April	4,795,026		57.48		54.04		57.15
May	6,835,360		62.67		54.51		61.57
June	6,369,503		65.68		61.71		64.22
July	6,212,292		68.49		63.65		66.00
August	6,290,666		66.74		58.17		60.33
September	8,346,436		60.31		52.81		53.44
October	6,521,408		55.21		52.20		54.21
November	5,856,594		58.49		52.51		56.81
December	5,597,929		57.79		55.01		55.32
Total Year	78,495,376	$	68.49	$	48.43	$	55.32

ITEM 9 – ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

The securities itemized in the table below are held in trust by American Stock Transfer and may be awarded to specific executives as part of their long term incentive plan if the executive continues to be employed by the Company at that time. Please refer to the most recent Management Proxy Circular of the Company available on SEDAR at www.sedar.com for a detailed description of the incentive plan.

Designation	Number of securities subject to a contractual restriction on transfer	Percentage of Class
Class B non-voting	10,434	0.006%

ITEM 10 – DIRECTORS AND OFFICERS

The names and municipalities of residence of all directors and officers of the Company as at the date hereof, the offices presently held, the principal occupations during the last five years and the year each director first became a director are set out below. Each director was elected at the last annual meeting of shareholders. Each director serves until the next annual meeting or until his or her successor is elected or appointed. The Articles of the Company provide for a minimum of five and a maximum of 15 directors, however, the number of directors is fixed at 10. Officers are appointed annually and serve at the discretion of the Board of Directors.

The Committees of the Board of Directors of the Company and their members are as follows:

Directors

Name and Municipality	**Occupation in Last Five Years**	**Director Since**
VINCENT J. GALIFI Vaughan, Ontario Canada	Executive Vice President and Chief Financial Officer of Magna International (a leading global automotive supplier).	December 19, 2016
ALAN D. HORN Toronto, Ontario, Canada	President and Chief Executive Officer of Rogers Telecommunications Limited. Prior to December 2017, Mr. Horn also served as Chair of Rogers Communications Inc. (a telecommunications company) and interim President and Chief Executive Officer of Rogers Communications from October 2016 to April 2017. Mr. Horn previously served as a director of the Company from 2008 to 2017.	May 15, 2019
KATHLEEN L. KELLER-HOBSON Niagara-on-the-Lake, Ontario, Canada	Independent corporate director.	January 1, 2015
DONALD G. LANG Toronto, Ontario Canada	Executive Chairman of the Company.	May 23, 1991
ERIN M. LANG Toronto, Ontario Canada	Managing Director of LUMAS Canada (for-profit distributer of limited edition photographic art).	December 19, 2016
STUART W. LANG Cambridge, Ontario Canada	Corporate Director of the Company. Prior to November 2015, Head Coach of University of Guelph football team.	May 23, 1991
DOUGLAS W. MUZYKA Philadelphia, Pennsylvania USA	Independent corporate director. Prior to November 2017, Chief Science and Technology Officer of E.I. DuPont de Nemours (international manufacturer of chemical products, specialty materials, consumer and industrial products).	November 9, 2016
GEOFFREY T. MARTIN Dover, Massachusetts USA	President and Chief Executive Officer of the Company.	October 27, 2005
THOMAS C. PEDDIE Toronto, Ontario	Independent corporate director. Prior to September 2016, Executive Vice President	June 4, 2003

Directors

Name and Municipality	**Occupation in Last Five Years**	**Director Since**
Canada	and Chief Financial Officer of Corus Entertainment Inc. (media company).	
MANDY J. SHAPANSKY Toronto, Ontario Canada	Independent corporate director.	June 24, 2014

The Committees of the Board of Directors of the Company and their members are as follows:

Audit Committee	**Human Resources Committee**	**Nominating and Governance Committee**
Vincent J. Galifi (Chair) Thomas C. Peddie Mandy Shapansky	Douglas W. Muzyka (Chair) Vincent J. Galifi Alan D. Horn Donald G. Lang	Kathleen L. Keller-Hobson (Chair, Lead Director) Alan D. Horn Thomas C. Peddie

Environment and Health & Safety Committee

Mandy Shapansky (Chair)
Erin M. Lang
Stuart W. Lang
Douglas W. Muzyka

Officers	**Office with CCL Industries Inc. and Principal Occupation in Last Five Years**
DONALD G. LANG Toronto, Ontario Canada	Executive Chairman.
GEOFFREY T. MARTIN Dover, Massachusetts USA	President and Chief Executive Officer.
SEAN P. WASHCHUK Burlington, Ontario Canada	Senior Vice President and Chief Financial Officer.
LALITHA VAIDYANATHAN Los Altos Hills, California USA	Senior Vice President, Finance-IT-Human Resources.
KAMAL KOTECHA Richmond Hill, Ontario Canada	Vice President, Taxation. Prior to March 2014, Director of Taxes with the Company.
MARK McCLENDON Strongsville, Ohio USA	Vice President and General Counsel. Prior to July 2014, General Counsel–USA with the Company.

Officers	Office with CCL Industries Inc. and Principal Occupation in Last Five Years
SUZANA FURTADO Newmarket, Ontario Canada	Corporate Secretary. Prior to May 2018, Director – Corporate Administration with the Company. Prior to May 2016, Manager, Legal Services with the Company.
NICK VECCHIARELLI Vaughan, Ontario Canada	Vice President, Corporate Accounting. Prior to May 2015, Director of Finance with the Company.
MONIKA VODERMAIER Neubeuern, Germany	Vice President, Corporate Finance Europe. Prior to May 2015, Director of Finance Europe and Asia with the Company.
JAMES A. SELLORS Singapore	Senior Vice President, Asia Pacific. Prior to January 2018 President of Avery North America.

The directors and officers of CCL Industries Inc. as a group beneficially own, control, or direct, directly or indirectly, approximately 11,220,150 of the issued and outstanding Class A voting shares representing 94.8% of the issued and outstanding Class A voting shares.

To the best of the Company's knowledge, no director or executive officer of the Company is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company that was (i) subject to a cease trade order or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) subject to such an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the best of the Company's knowledge, no director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company (i) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (ii) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the best of the Company's knowledge, no director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

The foregoing information, not being within the knowledge of the Company, has been furnished by the directors and executive officers mentioned above.

Conflicts of Interest

Neither CCL Industries Inc. nor any of its subsidiaries has an existing or potential material conflict of interest with any of its directors or officers.

ITEM 11 – PROMOTERS

Not applicable

ITEM 12 – LEGAL PROCEEDINGS

In the normal course of operations, the Company and its subsidiaries may be subject to lawsuits, investigations and other claims, including environmental, labour, product, customer disputes and other matters.

During 2018, the Federal Court of Australia awarded a judgment and costs against a subsidiary of the Company, CCL Secure Pty Ltd. (formerly Innovia Security Pty Ltd.) ("ISPL"), totaling AUD 70.0 million (C$63.8 million), finding a wrongful termination of an agency agreement with Benoy Berry and a company controlled by him, Global Secure Currency Ltd. (collectively "Berry"), an arm's length third party in Nigeria. ISPL appealed the judgment. As part of the appeals process, the Australian court mandated that the Company guarantee the entire judgment in order to stay execution of the judgment pending resolution of the appeal. On appeal, the Australian court of appeals reduced the total damages awarded to Berry to AUD 4.8 million (C$4.4 million) including interest and Berry's estimated legal costs, and awarded ISPL a portion of its appeal costs. Berry has appealed the reduced award to the Final Court of Appeals in Australia. The Company maintains a provision in its accounts of its estimate of the likely final award and liability of ISPL.

In the first quarter of 2019, a hearing on a jurisdictional issue was heard in respect of a lawsuit launched in 2011 by Berry in Nigerian Federal Court against ISPL and Innovia Films Ltd. (collectively "IFL"), as well as other defendants not affiliated with ISPL. The court denied IFL's motion to dismiss the lawsuit on the jurisdictional issue. IFL is appealing that decision. The lawsuit alleges that IFL and the co-defendants committed to build a banknote substrate plant in Nigeria and Berry seeks an order requiring IFL and the co-defendants to build the plant or in lieu thereof, grant an award of total damages in the amount of €1.5 billion (C$2.2 billion). IFL intends to vigorously defend this claim, which the Company considers to be without merit and accordingly, the Company has made no provision for the matter.

Events surrounding these cases occurred at a time when the Reserve Bank of Australia had a 50% equity interest in ISPL.

Management believes that adequate provisions for legal claims have been recorded in the accounts where required. Although it is not always possible to accurately estimate the result or magnitude of legal claims due to the various uncertainties involved in the legal process, management believes that the ultimate resolution of all such pending matters, individually and in the aggregate, will not have a material adverse impact on the Company, its business, financial position or liquidity.

ITEM 13 – INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Not applicable

ITEM 14 – TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is AST Trust Company (Canada). The registrar of transfers of the Company's Class A voting and Class B non-voting shares is located at Toronto, Ontario.

ITEM 15 – MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the Company did not enter into any material contracts within the Company's most recently completed financial year.

ITEM 16 – INTERESTS OF EXPERTS

KPMG LLP, the Company's external auditor, has reported on the consolidated financial statements of the Company for the year ended December 31, 2019. KPMG LLP is independent of the Company in accordance with the applicable Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

ITEM 17 – AUDIT COMMITTEE

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. The mandate of the Audit Committee of the Board is set forth below. Reference to 'Auditor' signifies the auditor appointed by the shareholders of the Company from time to time.

- 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 Information Form of the Company and ensure that the prescribed disclosure regarding the Audit Committee is contained in the Annual Information Form.

- Monitor the adequacy and integrity of internal controls over accounting and financial systems and ensure that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure stated immediately above, and periodically assess the adequacy of those procedures.

- Monitor the timely communication of accurate financial information regarding the Company to the shareholders.

- Evaluate and recommend to the Board the Auditor to be nominated to prepare or issue an audit report or perform other audit, review or attestation services for the Company, and the compensation of the Auditor. Ensure that the Auditor reports directly to the Audit Committee.

- Monitor the independence of the Auditor, and assume direct responsibility for overseeing the work of the Auditor engaged to prepare or issue an audit report or perform other audit, review or attestation services for the Company, including the resolution of disagreements between Management and the Auditor regarding financial reporting and communicate directly with the Auditor for the discussion and review of any issues as appropriate. In addition, the Audit Committee shall require and receive from time to time the written confirmation of the Auditor as to its independent status and as to its good standing with the Canadian Public Accountability Board.

- Pre-approve all non-audit services to be provided to the Company or its subsidiary entities by its Auditor. Authority to pre-approve non-audit services may be delegated to one or more independent members of the Audit Committee, provided that the pre-approval is presented to the full Audit Committee at its first scheduled meeting following such pre-approval.

- 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 summary 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 the Company's financial resources and the payment of dividends, and make recommendations to the Board regarding dividends.

- Review and assess the Company's financial risk exposure and the steps taken to monitor and mitigate such exposure, including the use of any derivatives or hedging activities.

- Review and assess the Company's IT systems and cybersecurity risk exposure and the steps taken to monitor and mitigate such exposure.

- Review and assess the Company's insurance programs.

- Review and assess the adequacy of the charter of the Audit Committee on an annual basis.

Composition of the Audit Committee

The members of the Audit Committee, as disclosed under Item 10: "Directors and Officers," are: Vincent J. Galifi (Chair), Thomas C. Peddie and Mandy Shapansky.

Each of the members is independent as defined under National Instrument 52-110 – Audit Committees and financially literate within the meaning of applicable securities legislation.

Relevant Education and Experience of the Audit Committee

Vincent J. Galifi – Mr. Galifi is currently Executive Vice President and Chief Financial Officer of Magna International, a leading global automotive supplier. During Mr. Galifi's 31-year career at Magna, his responsibilities have included Director of Taxation & Insurance, Vice President & Controller, Vice President Finance and Executive Vice President Finance and Chief Financial Officer. Mr. Galifi, in addition to leading Magna's financial function, serves on the Executive Management Committee, the Disclosure Committee and Compliance Council as well as advisor to the Audit Committee and the Corporate Governance and Compensation Committee of Magna. Mr. Galifi has a Bachelor of Commerce degree, with high distinction, from the University of Toronto. He obtained his C.P.A., CA designation in 1984 and is a member of the Chartered Professional Accountants of Ontario. Mr. Galifi brings to the board extensive international financial knowledge and global acquisition experience.

Thomas C. Peddie - Mr. Peddie is the retired Executive Vice President and Chief Financial Officer of Corus Entertainment Inc., a publicly traded company listed on the Toronto Stock Exchange (the "TSX"). Mr. Peddie is a Chartered Professional Accountant and was awarded his FCA designation by Chartered Professional Accountants of Ontario in 2003. Mr. Peddie holds an Honours Bachelor of Commerce degree from the University of Windsor. His career has reflected the progressive assumption of responsibility in the area of financial management as president of WIC Western International Communications Inc. and as chief financial officer of CTV Television Network, Canada Packers (now Maple Leaf Foods), Toronto Sun Publishing and as chief financial officer of the international operations of The Campbell Soup Company. Mr. Peddie has performed financial management directly and has supervised others in the performance of financial duties through much of his career. Along with his knowledge in matters of domestic and international finance and capital markets, Mr. Peddie has an understanding of internal controls and procedures for financial reporting for both Canadian and US registrants including the internal control obligations under Sarbanes Oxley. Mr. Peddie is also the chair of the Corporate Oversight and Governance Board at CPA Canada.

Mandy J. Shapansky – Ms. Shapansky's principal occupation is that of a corporate director. Prior to January 1, 2015, Ms. Shapansky was President and Chief Executive Officer of Xerox Canada, a document management company. In her previous role, Ms. Shapansky had responsibility for all Canadian operations including human resources, finance, customer service, marketing and sales. Ms. Shapansky holds an Honours BA in Economics from the University of Waterloo, and is a C.P.A. Together with her principal skills as a former CEO, Ms. Shapansky brings to the board her experience in matters of accounting.

Pre-Approval Policies and Procedures

Policy

The Company and its subsidiaries will not engage KPMG LLP, the external auditors of the Company, to carry out any service that may reasonably be thought to bear on KPMG's independence. KPMG must annually confirm to the Audit Committee that it is independent of the Company within the meaning of the applicable Rules of Professional Conduct/Code of Ethics of the Chartered Professional Accountants of Ontario. For services that are not prohibited, the following pre-approval policies will apply.

A. Audit Services

The Audit Committee will pre-approve all Audit Services provided by KPMG through their recommendation of KPMG as shareholders' auditors at the Company's annual meeting and through the Audit Committee's review of KPMG's annual Audit Plan.

B. Audit Related Services and Recurring Tax and Other Non-Audit Services

Annually, the Audit Committee will review the List of Audit, Audit-Related, Recurring Tax and Other Non-Audit Services and recommend pre-approval of these services for the upcoming year. Any additional requests will be addressed on a case-by-case specific engagement basis.

The Audit Committee will be informed quarterly of the services on the pre-approved list for which the Auditor has been engaged.

C. Other Services

All requests to engage KPMG for other services must be pre-approved by the Audit Committee or the Chair of the Audit Committee, as described below, and will be addressed on a case-by-case specific engagement basis.

The Company's employee making the request is to submit the request for service to the Senior Vice President and Chief Financial Officer. The request for service should include a description of the service, the estimated fee, a statement that the service is not a prohibited service and the reason KPMG is being engaged.

Services where the aggregate fees are estimated to be less than or equal to $50,000.

Recommendations, in respect of each engagement, will be submitted by the Senior Vice President and Chief Financial Officer to the Chair of the Audit Committee of the Board of Directors for consideration and approval. The full Audit Committee will subsequently be informed of the service at its next meeting. The engagement may commence upon approval of the Chair of the Audit Committee.

Services where the aggregate fees are estimated to be greater than $50,000.

Recommendations, in respect of each engagement, will be submitted by the Senior Vice President and Chief Financial Officer to the full Audit Committee for consideration and approval, generally at its next meeting. The engagement may commence upon approval of the Committee.

External Auditor Service Fees (by Category)

Audit Fees

The aggregate audit fees related to KPMG LLP 2019 audit of the annual consolidated financial statements and the review of the interim financial statements in 2019 were $3,826,411 (2018 - $3,888,074).

Audit-Related Fees

The aggregate fees billed in 2019 for assurance and related services by KPMG that are reasonably related to the performance of the audit or review of the financial statements and that are not reported under “Audit Fees” above, were $76,110 (2018 - $200,345). These fees related to the audit of the Company's pension plans, audits on reporting related to tax regulations in Mexico and Denmark, accounting advice on amalgamation of certain of the Company’s subsidiaries, an audit of Thailand Board of Investments and certain dividend certification for a Bangladesh subsidiary.

Tax Fees

The aggregate fees billed in 2019 for professional services rendered by the auditor for tax compliance, tax advice and tax planning were $1,981,570 (2018 - $2,545,508) for its Canadian and international operations.

All Other Fees

KPMG provided services that met the definition of other in 2019 totaling $71,750 (2018 - $48,000) for professional services in connection with the valuation of certain subsidiaries for tax restructuring.

ITEM 18 – ADDITIONAL INFORMATION

Additional information concerning CCL Industries Inc., including directors' and officers' remuneration and indebtedness, principal holders of securities, and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Management Proxy Circular of the Company to be dated March 20, 2020. Additional financial information is provided in the Consolidated Financial Statements and Management's Discussion and Analysis for the fiscal period ended December 31, 2019. Copies of the above documents may be obtained upon request from the Corporate Secretary of CCL Industries Inc. at 111 Gordon Baker Road, Suite 801, Toronto, Ontario, Canada M2H 3R1.

Additional information relating to CCL Industries Inc. may be found on SEDAR at www.sedar.com and on the Company's website at www.cclind.com.