**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
OF CCL INDUSTRIES INC.
MAY 2, 2013**

NOTICE is hereby given that the annual meeting (the "Meeting") of shareholders of **CCL INDUSTRIES INC.** (the "Corporation") will be held at the corporate offices of the Corporation at Suite 500, 105 Gordon Baker Road, Willowdale, Ontario M2H 3P8, at 1:00 p.m. (Toronto time), on Thursday, May 2, 2013, for the following purposes:

1. to receive the 2012 Annual Report of the Corporation containing the audited consolidated financial statements of the Corporation for the financial years ended December 31, 2012, and December 31, 2011, and the auditor's report thereon;
2. to elect ten directors;
3. to re-appoint the auditor and authorize the directors to fix the auditor's remuneration; and
4. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

By Order of the Board of Directors,

B. I. Sirota
Secretary

Toronto, Ontario
March 11, 2013

NOTES TO NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

1. Holders of Class B non-voting shares of the Corporation are not entitled to vote on any matters proposed for consideration at the Meeting.
2. Registered holders of Class A voting shares who are unable to be present at the Meeting in person are requested to specify on the accompanying form of proxy the manner in which the shares represented thereby are to be voted and to date, sign and return the same in the enclosed, return postage prepaid envelope provided for that purpose to Canadian Stock Transfer Company, Attention: Proxy Department, P.O. Box 721, Agincourt, ON M1S 0A1, for delivery by 4:00 p.m. EDT on the last business day before the Meeting or for deposit with the Chairman or the Secretary at the Meeting. Proxies may also be returned by personal delivery to Canadian Stock Transfer Company, 320 Bay Street, Basement Level (B1), Toronto, Ontario, or by fax to (416) 368-2502 (or toll free to 1 (866) 781-3111).
3. If you are a non-registered holder of Class A voting shares and receive these materials through your broker or another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or intermediary.
4. As provided in the *Canada Business Corporations Act*, the directors have fixed a record date of March 21, 2013. Accordingly, holders of Class A voting shares registered on the books of the Corporation at the close of business on March 21, 2013, are entitled to notice of and to vote at the Meeting.
5. A copy of the 2012 Annual Report of the Corporation containing the financial statements referred to in this notice accompanies this notice.

MANAGEMENT PROXY CIRCULAR OF CCL INDUSTRIES INC.

SOLICITATION OF PROXIES AS OF MARCH 11, 2013
FOR USE AT THE ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 2, 2013

TABLE OF CONTENTS

SOLICITATION OF PROXIES

THIS MANAGEMENT PROXY CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF CCL INDUSTRIES INC. (THE "CORPORATION" OR THE "COMPANY") FOR USE AT THE ANNUAL MEETING OF SHAREHOLDERS of the Corporation (the "Meeting") to be held at the corporate offices of the Corporation at Suite 500, 105 Gordon Baker Road, Willowdale, Ontario M2H 3P8, at 1:00 p.m. (Toronto time), on Thursday, May 2, 2013, for the purposes set out in the accompanying Notice of Meeting, and at any adjournment(s) thereof. Holders of Class A voting shares who are unable to be present at the Meeting in person are requested to complete, sign, date and return the accompanying form of proxy to Canadian Stock Transfer Company, Attention: Proxy Department, P.O. Box 721, Agincourt, ON M1S 0A1, by 4:00 p.m. EDT on the last business day before the Meeting. An addressed envelope with the postage prepaid accompanies this Management Proxy Circular and may be used for such purpose. Proxies may also be returned by personal delivery to Canadian Stock Transfer Company, 320 Bay Street, Basement Level (B1), Toronto, Ontario, or by fax to (416) 368-2502 (or toll free to 1 (866) 781-3111). The solicitation will be primarily by mail; however, the directors, officers and employees of the Corporation may also solicit proxies by telephone, by facsimile or in person. The cost of solicitation by management will be borne by the Corporation.

APPOINTMENT OF PROXYHOLDER

The persons named in the accompanying form of proxy are officers and directors of the Corporation and shall represent management at the Meeting. **A holder of Class A voting shares desiring to appoint some other person (who need not be a shareholder of the Corporation) to represent him at the Meeting may do so** either by inserting such other person's name in the blank space provided in the form of proxy or by completing another form of proxy and in either case by mailing the completed form of proxy addressed to Canadian Stock Transfer Company, Attention: Proxy Department, P.O. Box 721, Agincourt, ON M1S 0A1, by delivering the form of proxy personally to Canadian Stock Transfer Company, 320 Bay Street, Basement Level (B1), Toronto, Ontario, or by faxing it to (416) 368-2502 (or toll free to 1 (866) 781-3111) at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) thereof, or by delivering it to the Chairman or the Secretary of the Meeting at the beginning of the Meeting or any adjournment(s) thereof.

REVOCATION OF PROXIES

A proxy may be revoked by a holder of Class A voting shares (or, if such shareholder is a corporation, by a duly authorized officer or attorney thereof) by depositing an instrument in writing executed by the shareholder or by such shareholder's attorney authorized in writing (or, if the shareholder is a corporation, by an officer or attorney thereof authorized in writing) either with the Secretary of the Corporation at the Corporation's registered office at Suite 500, 105 Gordon Baker Road, Toronto, Ontario M2H 3P8, at any time up to and including the last business day preceding the date of the Meeting or any adjournment(s) thereof, at which the proxy is to be used, or with the Chairman or the Secretary of the Meeting, up to the beginning of the Meeting or any adjournment(s) thereof. A proxy may also be revoked in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXYHOLDER

The Class A voting shares represented by the accompanying form of proxy will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions of the shareholder executing the proxy, and if such shareholder specifies a choice with respect to any matter to be acted on at the Meeting, the Class A voting shares will be voted or withheld from voting accordingly. **In the**

absence of such instructions, such shares will be voted (i) on the election of the directors, in favour of each of the directors named in this Management Proxy Circular; and (ii) on the reappointment of KPMG LLP, Chartered Accountants, as the auditor of the Corporation, in favour of such reappointment, and to authorize the directors to fix the remuneration of the auditor. (A simple majority of the Class A voting shares voted on any resolution is required to carry any matter proposed to be placed before the Meeting for a vote, other than with respect to the election of directors and the reappointment of KPMG LLP as the auditor of the Corporation.)

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

VOTING BY NON-REGISTERED SHAREHOLDERS

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

(i) in the name of an intermediary (an "Intermediary") (which may include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans) that the Non-Registered Holder deals with in respect of the shares; or

(ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101, the Company has distributed copies of this Management Proxy Circular and the accompanying Notice of Meeting together with the form of proxy (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Frequently, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived their right to receive Meeting Materials will either:

(i) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder, but which is not otherwise completed. Since the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified above under "Appointment of Proxyholder" and "Revocation of Proxies"; or

(ii) more typically, be given a voting instruction form, which must be completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company in accordance with the directions accompanying the voting instruction form. A Non-Registered Holder receiving a voting instruction form cannot use that voting instruction form to vote shares directly at the Meeting; rather, the voting instruction form must be returned to the Intermediary or service company well in advance of the Meeting in order to have those shares voted.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the shares they beneficially own. A Non-Registered Holder who wishes to attend and vote at the Meeting in person (or to have another person attend and vote on behalf of the Non-Registered Holder) should print the name of the Non-Registered Holder (or such other person) in the blank space provided for that purpose in the first paragraph of the proxy form or, in the case of a voting instruction form, follow the corresponding instructions on that form. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary and its service company, as applicable. The Company will cover the cost of delivering the Annual Report, this Management Proxy Circular and a form of proxy to those Non-Registered Holders entitled to vote at the Meeting who are Objecting Beneficial Owners.

CLASS B NON-VOTING SHARES

The *Canada Business Corporations Act* provides that each share of a corporation carries the right to vote in respect of certain transactions involving that corporation, even if such share does not otherwise carry the right to vote. Such transactions include an amalgamation with another corporation (other than with wholly owned subsidiaries), continuance under the laws of another jurisdiction, certain amendments to the articles of the corporation altering the corporation's share capital and a sale, lease or exchange of all or substantially all of the corporation's property, other than in the ordinary course of business of the corporation. Apart from such voting rights created under the *Canada Business Corporations Act*, the holders of Class B non-voting shares do not normally have the right to vote at any meeting of shareholders of the Corporation. **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 Corporation.** The Articles of the Corporation provide, however, that if a take-over bid is made for the Class A voting shares and the value of the consideration paid for any of such shares acquired exceeds 115% of the market price of the Class B non-voting shares (calculated in accordance with the Regulation to the *Securities Act* (Ontario) as such Regulation existed on June 27, 1983, being the date of creation of the Class B non-voting shares) and if it is determined by the directors of the Corporation, after the take-over bid is complete, that the offeror has become the beneficial owner of, or exercises control or direction over, Class A voting shares carrying more than 50% of the votes to which the holders of the Class A voting shares are entitled, there will be deemed to have been a change in control of the Corporation. In such event, the Class B non-voting shares will become entitled to one vote per share (but the dividend entitlement attached to such shares will thereafter be the same as the dividend entitlement attached to the Class A voting shares) unless the same offer is made to the holders of the outstanding Class B non-voting shares.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors has established March 21, 2013 as the record date for the Meeting (the "record date"). As of March 11, 2013, the date hereof, there are issued and outstanding 2,369,025 Class A voting shares and 31,782,371 Class B non-voting shares. Each Class A voting share carries the right to one vote per share. The Class B non-voting shares, as stated above, carry no vote in respect of any matter identified in the Notice of the Meeting to be brought before the Meeting. Only the holders of Class A voting shares are entitled to vote on such matters. Each holder of issued and outstanding Class A voting shares of record at the time of the close of business on the record date will be given notice of the Meeting and will be entitled to vote at the Meeting in person or by proxy the number of Class A voting shares of record held by such holder on the record date.

To the knowledge of the directors and officers of the Company, the only person or company beneficially owning, or controlling or directing, directly or indirectly, more than 10% of the issued and outstanding Class A voting shares of the Company is 1281228 Ontario Inc., a private Ontario company that exercises control or direction over 2,241,880 Class A voting shares, being 94.6% of the issued and outstanding shares of that class on the date hereof. Donald G. Lang, Director and Executive Chairman of the Company, and Stuart W. Lang, Director, each control one half of the issued and outstanding shares of 1281228 Ontario Inc. (see Note 2 under "Election of Directors" below).

PARTICULARS OF MATTERS TO BE ACTED UPON

ELECTION OF DIRECTORS

The Articles of the Corporation provide that the board of directors of the Corporation shall consist of a minimum of five directors and a maximum of 15 directors. The board of directors of the Corporation has fixed the number of directors to be elected at the Meeting at 10. Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote for the election of each of the 10 nominees whose names are set forth below. All of the nominees are now members of the board of directors of the Corporation and have been so since the dates indicated in the tables below.

Management does not contemplate that any of the nominees will not be able to serve as directors, but if that should occur for any reason prior to the Meeting, the persons named in the accompanying form of proxy reserve the right to vote for another nominee at their discretion unless the shareholder has specified in the form of proxy that such shares are to be withheld from voting on the election of directors. Each director elected will hold office until the next annual meeting of shareholders or until his or her successor is duly elected unless prior thereto the director resigns or the director's office becomes vacant by reason of death or other cause.

The board of directors has constituted an Audit Committee, a Human Resources Committee, a Nominating and Governance Committee, and an Environment and Health & Safety Committee (the "Committees"). Members of the Committees are identified in the tables set forth below.

It is the policy of the Company that directors shall be elected by majority vote. In the event that any director is elected to the board with 50% or less of the votes eligible to be cast at such meeting voting "for" his or her appointment, the director shall promptly submit his or her resignation from the board and its committees.

The following tables and the notes thereto state the names of all persons proposed to be nominated for election as directors, all other positions and offices with the Company, or any of its significant affiliates now held by them, their principal occupations or employments, their periods of service as directors of the Company (including any predecessor thereof), their attendance at board and committee meetings and the number of securities of the Company beneficially owned, or controlled or directed, directly or indirectly, by each of them as of March 11, 2013. Information as to the number of shares beneficially owned, controlled or directed, directly or indirectly by each nominee, not being within the knowledge of the Company, has been furnished by the respective nominees individually and is given as of March 11, 2013.

Director since:
June 3, 2010
Illinois, U.S.A
Independent
Age: 70

George V. Bayly – Mr. Bayly's principal occupation is that of corporate director. He is Chairman of Whitehall LLC, Wind Point Partners and Odyssey Investment Partners (private equity firms). He is also Chairman of Ryt-Way Industries and Pennsylvania Packaging (both packaging firms). Prior to 2008, he was Chairman and CEO of Altivity Packaging LLC, and of its principal investor, Texas Pacific Group (a private equity firm). Prior to 2006, Mr. Bayly was Co-Chairman and CEO of U.S. Can Corporation (a container manufacturing firm) and of its principal investor, Berkshire Partners (a private equity firm). Mr. Bayly's packaging industry experience and insight are very advantageous to the board as the Company pursues packaged goods markets in many sectors. Specific expertise that Mr. Bayly brings to the board includes CEO experience, mergers and acquisitions expertise and packaging industry knowledge.

Board/Committee Memberships	***Attendance***	
Board of Directors	7/7	100%
Member of the Human Resources Committee	3/5	60%

Securities Held

As at:	***Class A Shares***	***Class B Shares***	***Options[(1)]***	***DSUs[(5)]***	***Total Shares & DSUs***	***Value of Shares & DSUs***	***Shareholding Target***	***Shareholding Target Achieved***
March 11, 2013	Nil	Nil	Nil	7,312	7,312	**$442,010**	$120,048	yes

Net Change in Equity Ownership Since March 6, 2012

Class A Shares	***Class B Shares***	***DSUs***
-	-	Acquired 2,236

Director since:
November 6, 1997

New York, U.S.A

Independent

Age: 68

Paul J. Block – Mr. Block's principal occupation since January 1, 2013 is as President and CEO of Brasil Beauté LLC, a cosmetics firm. Mr. Block is also Chairman and CEO of Proteus Capital Associates, an investment banking firm. Until December 31, 2012, Mr. Block was also an operating partner of Behrman Capital, a private equity firm. Mr. Block's U.S. and international experience and insight as past Chairman and President of Revlon International and his long career in the cosmetics and personal care products industry have proven most valuable as the Company pursues penetration into foreign markets. Mr. Block is also a director of the China Retail Fund and a director of the Shanghai-Syracuse University International School of Business. Specific expertise that Mr. Block brings to the board includes marketing, international commerce, sourcing and implementing private equity transactions, strategy development and packaging industry knowledge.

Board/Committee Memberships	***Attendance***	
Board of Directors	7/7	100%
Chairperson of the Nominating and Governance Committee (Appointed May 3, 2012)	2/2	100%
Member of the Audit Committee	4/4	100%

Securities Held

As at:	***Class A Shares***	***Class B Shares***	***Options(1)***	***DSUs***	***Total Shares & DSUs***	***Value of Shares & DSUs***	***Shareholding Target***	***Shareholding Target Achieved***
March 11, 2013	Nil	Nil	Nil	12,253	12,253	**$740,694**	$120,048	yes

Net Change in Equity Ownership Since March 6, 2012

Class A Shares	***Class B Shares***	***DSUs***
-	Disposed 8,650	Acquired 3,304

Director since:
May 3, 2012

Florida, U.S.A.

Independent

Age: 64

Philip M. Gresh – Mr. Gresh's principal occupation is that of corporate director. Before March 1, 2012, he was an Executive Vice President for Illinois Tool Works Inc. ("ITW"). ITW is a 100 year old Fortune 200 global diversified industrial manufacturer of value-added consumables and specialty equipment with related service businesses. As Executive Vice President, Mr. Gresh was responsible from 2009 for the global Industrial Packaging businesses of ITW, including 110 companies worldwide in the Industrial Packaging (Signode) and Plastics, Foils and TTR groups of ITW's businesses. Prior to 2009, in the same capacity, he was responsible for 95 companies worldwide in the Consumer Products, Decorating, Labeling, Marking and Static Control business segments of ITW. Mr. Gresh held positions of increasing responsibility with ITW since 1989. Prior to 1989, he held several management positions with the Continental Can Company. Mr. Gresh holds a BA from the Pennsylvania State University and served for 11 years, both active and active reserve duty, in the U.S. Navy. Mr. Gresh brings to the board his lengthy experience in the management of multinational packaging companies including the acquisition of businesses in the Americas and abroad.

Board/Committee Memberships	***Attendance***	
Board of Directors (Elected May 3, 2012)	5/5	100%
Member of the Human Resources Committee (Appointed May 3, 2012)	3/3	100%
Member of the Environment and Health & Safety Committee (Appointed May 3, 2012)	1/1	100%

Securities Held

As at:	***Class A Shares***	***Class B Shares***	***Options[(1)]***	***DSUs***	***Total Shares & DSUs***	***Value of Shares & DSUs***	***Shareholding Target***	***Shareholding Target Achieved***
March 11, 2013	-	-	-	2,590	2,590	$156,566	$120,048	yes

Net Change in Equity Ownership Since March 6, 2012

Class A Shares	***Class B Shares***	***DSUs***
-	-	Acquired 2,590

Director since:
November 5, 2008

California, U.S.A.

Independent

Age: 61

Edward E. Guillet – Mr. Guillet's principal occupation is that of an independent human resources consultant/advisor. Prior to January 1, 2007, he was Senior Vice President, Human Resources, Procter & Gamble-Gillette Global Business Unit, a consumer products company. Prior to September 30, 2005, he was Senior Vice President, Human Resources, and an executive officer of The Gillette Company, a personal care products company. Mr. Guillet held positions of increasing responsibility and scope with The Gillette Company, now Procter & Gamble, since 1974. He is a director of Waste Connections, Inc., a NYSE-listed solid waste management company and sits on its Compensation Committee and is Chair of its Nominating & Corporate Governance Committee. Mr. Guillet brings to the board extensive experience in global human resources strategy, operations and executive compensation.

Board/Committee Memberships	***Attendance***	
Board of Directors	7/7	100%
Chairperson of the Human Resources Committee	5/5	100%
Member of the Nominating and Governance Committee (Appointed May 3, 2012)	2/2	100%

Securities Held

As at:	***Class A Shares***	***Class B Shares***	***Options[(1)]***	***DSUs***	***Total Shares & DSUs***	***Value of Shares & DSUs***	***Shareholding Target***	***Shareholding Target Achieved***
March 11, 2013	Nil	Nil	Nil	10,923	10,923	**$660,295**	$120,048	yes

Net Change in Equity Ownership Since March 6, 2012

Class A Shares	***Class B Shares***	***DSUs***
-	-	Acquired 2,516

Director since:
May 8, 2008

Ontario, Canada

Independent

Age: 61

Alan D. Horn – Mr. Horn's principal occupation is as President and Chief Executive Officer of Rogers Telecommunications Limited. Mr. Horn is also Chairman of the board of Rogers Communications Inc. (a telecommunications company) and a director of Fairfax Financial Holdings Limited. He is a chartered accountant, and holds a B.Sc. with first class honours in mathematics from the University of Aberdeen, Scotland. Mr. Horn served as Vice President Finance and Chief Financial Officer of Rogers Communications Inc. from 1996 to 2006 and was President and Chief Operating Officer of Rogers Telecommunications Limited from 1990 to 1996. He brings to the board his strategic, administrative and financial skills in the context of a large, publicly traded company.

Board/Committee Memberships	***Attendance***	
Board of Directors	7/7	100%
Member of the Audit Committee	3/4	75%

Securities Held

As at:	*Class A Shares*	*Class B Shares*	*Options*[1]	*DSUs*	*Total Shares & DSUs*	*Value of Shares & DSUs*	*Shareholding Target*	*Shareholding Target Achieved*
March 11, 2013	Nil	1,000[4]	Nil	16,249	17,249	**$1,042,702**	$120,000	yes

Net Change in Equity Ownership Since March 6, 2012

Class A Shares	*Class B Shares*	*DSUs*
-	-	Acquired 3,286

Director since:
May 23, 1991

Ontario, Canada

Not Independent

Age: 58

Donald G. Lang – Mr. Donald Lang is Executive Chairman of the Company. Prior to May of 2008, Mr. Lang was Vice Chairman and CEO and, prior to May of 2005, President and CEO. He has held positions of progressive responsibility in the Company and its subsidiaries since 1982, during which period he has developed deep experience in all facets of the Company's industries, operations and markets, as well as in the practical aspects of corporate development and finance. Mr. Lang holds a business graduate degree (HBA) from the Richard Ivey School of Business of the University of Western Ontario. Mr. Lang is also a member of the board of AGF Management Ltd., CCC Group, formerly known as Canada Colors and Chemicals Limited, and a member of the boards of a private company and a non-profit organization. Mr. Lang brings to the board his intimate knowledge of the Company, including its key people, customers and markets.

Board/Committee Memberships	***Attendance***	
Executive Chairman of the Board of Directors	7/7	100%

Securities Held

As at:	***Class A Shares***	***Class B Shares***	***Options[(1)]***	***DSUs***	***Total Shares & DSUs***	***Value of Shares & DSUs***	***Shareholding Target***	***Shareholding Target Achieved***
March 11, 2013	150[(2)]	115,770[(2)]	370,000	Nil	115,920	**$7,007,364**	$2,226,501	yes

Net Change in Equity Ownership Since March 6, 2012

Class A Shares	***Class B Shares***	***DSUs***
-	-	-

Director since:
May 23, 1991

Ontario, Canada

Not Independent

Age: 62

Stuart W. Lang – The principal occupations of Mr. Stuart Lang are that of Head Football Coach for Guelph University and that of corporate director. Prior to his retirement as an officer of the Company on January 31, 2006, Mr. Lang was President of CCL Label International, and was headquartered in England. Mr. Lang has a bachelor's degree in chemical engineering from Queen's University at Kingston, Ontario. Following a very successful early career with the Edmonton Eskimos of the Canadian Football League, Mr. Lang became involved in the Company in 1982, moving through positions of progressive responsibility and gaining depth of industry knowledge. As a result, Mr. Lang brings to the board wide experience in the technology, manufacturing and markets of the label industry as well as a thorough knowledge of the important Label Division of the Company.

Board/Committee Memberships	***Attendance***	
Board of Directors	7/7	100%
Member of the Environment and Health & Safety Committee	2/3	60%

Securities Held

As at:	***Class A Shares***	***Class B Shares***	***Options[(1)]***	***DSUs***	***Total Shares & DSUs***	***Value of Shares & DSUs***	***Shareholding Target***	***Shareholding Target Achieved***
March 11, 2013	Nil[(2)]	23,610[(2)]	Nil	4,443	28,053	**$1,695,804**	$120,000	yes

Net Change in Equity Ownership Since March 6, 2012

Class A Shares	***Class B Shares***	***DSUs***
-	-	Acquired 1,072

Director since:
October 27, 2005

Massachusetts, U.S.A.

Not Independent

Age: 58

Geoffrey T. Martin – Mr. Martin joined CCL as President of the Label Division in April 2001. In May 2008, he assumed the role of President and CEO of the Company. Educated in the U.K., Mr. Martin is an international business leader with a proven track record in turnarounds, mergers and acquisitions. Mr. Martin has extensive experience building greenfield businesses in both consumer and industrial markets. Prior to joining the Company, he was the Senior Group Vice President, Worldwide Converting Graphic and Specialty Tapes, with Avery Dennison Company. Mr. Martin brings to the board his thorough industry knowledge and his understanding and appreciation of operating issues as well as his first-hand experience in mergers and acquisitions and the integration of newly acquired facilities.

Board/Committee Memberships	***Attendance***	
Board of Directors	7/7	100%

Securities Held

As at:	***Class A Shares***	***Class B Shares***	***Options(1)***	***DSUs***	***Total Shares & DSUs***	***Value of Shares & DSUs***	***Shareholding Target***	***Shareholding Target Achieved***
March 11, 2013	Nil	321,886(3)	250,000	Nil	321,886	**$19,458,009**	$2,306,577	yes

Net Change in Equity Ownership Since March 6, 2012

Class A Shares	***Class B Shares***	***DSUs***
-	-	-

Director since:
June 8, 2006

Pennsylvania, U.S.A.

Independent

Age: 58

Douglas W. Muzyka – The principal occupation of Mr. Muzyka is as Chief Science and Technology Officer of E.I. DuPont de Nemours, an international manufacturer of chemical products, specialty materials, consumer and industrial products. Prior to 2010, Mr. Muzyka was President of DuPont, Greater China and DuPont China Holding Co. Ltd. Prior to July of 2006, Mr. Muzyka was Vice President and General Manager of DuPont Nutrition and Health, and President and CEO of E.I. DuPont de Nemours Canada Company. Until January of 2003, Mr. Muzyka was President and General Manager of DuPont Mexico. Since joining the DuPont organization as a research scientist in 1985, Mr. Muzyka has held numerous key management roles within the company in Hong Kong, the U.S.A., Mexico and Canada. Mr. Muzyka holds bachelor's, master's and doctorate degrees in chemical engineering from the University of Western Ontario. To complement his strong operational and administrative skills, Mr. Muzyka also brings to the board considerable experience in new plant start-ups and new venture development in international venues.

Board/Committee Memberships	***Attendance***	
Board of Directors	7/7	100%
Chairperson of the Environment and Health & Safety Committee	3/3	100%

Securities Held

As at:	***Class A Shares***	***Class B Shares***	***Options(1)***	***DSUs***	***Total Shares & DSUs***	***Value of Shares & DSUs***	***Shareholding Target***	***Shareholding Target Achieved***
March 11, 2013	Nil	Nil	Nil	15,618	15,618	**$944,108**	$120,048	Yes

Net Change in Equity Ownership Since March 6, 2012

Class A Shares	***Class B Shares***	***DSUs***
-	-	Acquired 2,612

Director since:
June 4, 2003

Ontario, Canada

Independent

Age: 65

Thomas C. Peddie – Mr. Peddie is Executive Vice President and CFO of Corus Entertainment Inc., a publicly traded media company listed on the TSX. Mr. Peddie has been President of WIC Western International Communication; acting President, CFO, and Senior Vice President, Operations, of CTV Television Network; and CFO of The Toronto Sun Publishing Company, Canada Packers, and for the international operations of Campbell Soup in Camden, New Jersey. Mr. Peddie is a chartered accountant and was awarded his FCA designation by the Institute of Chartered Accountants of Ontario in September 2003. He holds an honours Bachelor of Commerce degree from the University of Windsor. Along with his knowledge in matters of finance both domestic and international, Mr. Peddie has experience concerning the financial reporting and control requirements of the TSX, the Province of Ontario, the New York Stock Exchange and the U.S. Securities Exchange Commission.

Board/Committee Memberships	***Attendance***	
Board of Directors	7/7	100%
Chairperson of the Audit Committee	4/4	100%
Member of the Nominating and Governance Committee	4/4	100%

Securities Held

As at:	***Class A Shares***	***Class B Shares***	***Options(1)***	***DSUs***	***Total Shares & DSUs***	***Value of Shares & DSUs***	***Shareholding Target***	***Shareholding Target Achieved***
March 11, 2013	Nil	5,000	Nil	27,033	32,033	**$1,936,395**	$120,000	yes

Net Change in Equity Ownership Since March 6, 2012

Class A Shares	***Class B Shares***	***DSUs***
-	-	Acquired 3,718

NOTES:

(1) Values set forth below the heading “Options” constitute vested and unvested options to purchase Class B non-voting shares held by the director. Directors do not participate in the Company’s Employee Share Option Plan in their capacity as directors. Options held by Mr. Donald Lang and Mr. Geoffrey Martin were received by them only in their capacity as corporate officers and employees, and not in their capacity as directors.

(2) In addition to the shareholdings shown in the table, Mr. Donald G. Lang and Mr. Stuart W. Lang each own one half of the shares of 1281228 Ontario Inc., a private Ontario corporation. 1281228 Ontario Inc. exercises control or direction over 2,241,880 Class A voting shares and 5,628,100 Class B non-voting shares of the Corporation.

(3) The number includes 120,000 Restricted Share Units. Please refer to the paragraph under the heading “Restricted Share Unit Plan,” below.

(4) Mr. Horn is one of the trustees of an estate that controls ATL Inc., a private holding company that holds 2,000 Class A voting shares and 125,000 Class B non-voting shares of the Company.

(5) “DSUs” are ‘deferred share units’ described under the heading ‘Deferred Share Unit Plan,’ below.

APPOINTMENT AND REMUNERATION OF AUDITOR

Unless authority to vote is withheld, persons named in the accompanying form of proxy intend to vote for the reappointment of KPMG LLP, Chartered Accountants, of Toronto, Ontario, as the auditor of the Company to hold such appointment until the next annual meeting of shareholders, and to authorize the directors of the Company to fix the remuneration of the auditor. KPMG LLP has been the auditor of the Company for more than five years.

CALCULATION OF FOREIGN EXCHANGE

Values related to compensation and benefits of directors and officers and other matters are presented in this document in Canadian dollars. Where any such value was originally calculated in United States dollars, such values have been converted into Canadian dollars based on the Bank of Canada average year-to-date exchange rate as of December 31, 2012, of US$1.00=C$0.9996 for the 2012 fiscal year, as of December 31, 2011, of US$1.00=C$0.9891 for the 2011 fiscal year, and as of December 31, 2010, of US$1.00 = C$1.0299 for the 2010 fiscal year. Where any such value was originally calculated in euros, such values have been converted into Canadian dollars based on the Bank of Canada average year-to-date exchange rate as of December 31, 2012, of €1.00 = C$1.2850 for the 2012 fiscal year, as of December 31, 2011, of €1.00 = C$1.3767 for the 2011 fiscal year and as of December 31, 2010, of €1.00 = C$1.3661 for the 2010 fiscal year. Where a value is stated to be given as of February 28, 2013, the February 28 Bank of Canada noon conversion rate of US$1.00=C$1.0285 is applied, and where a value is stated to be given as of March 11, 2013, the March 11 Bank of Canada noon conversion rate of US$1.00=C$1.0268 is applied.

USE OF NON-IFRS MEASURES

The Company utilizes non-IFRS measures to set targets for its short-term and long-term incentive plans. These measures, and reconciliations to the most directly comparable measures calculated in accordance with IFRS, are described in detail in section 5 of the Company's Management's Discussion and Analysis; however, in setting compensation targets, the Company excludes the effect of foreign exchange. This additional adjustment is made so that bonus payments to executives will be based on performance and will not increase or decrease due to foreign currency translation. The non-IFRS measures used in the Company's incentive plans are as follows.

Adjusted Basic Earnings per Class B non-voting Share is utilized as a measure in the Company's annual incentive plan to consider the ongoing earnings performance excluding items of a one-time or non-recurring nature and is defined as basic net earnings per Class B non-voting share excluding gains on dispositions, goodwill impairment loss, restructuring and other items and tax adjustments. For incentive plan purposes, adjusted basic earnings per Class B non-voting share is then adjusted to exclude foreign currency translation ("adjusted earnings per share").

Operating Income is utilized as a measure in the Company's annual incentive plan for operational executives as an indicator of the profitability of the Company's business units and their actual performance and is defined as income before corporate expenses, net finance costs, goodwill impairment loss, earnings in equity accounted investments, restructuring and other items and tax. Operating income as defined above is also used in the Company's Long-Term Incentive Plan, or "LTIP" (described under the heading "Long-Term Incentive Plan," below). The operating income improvement target established for the LTIP is cumulative over the three year LTIP period and is adjusted to exclude the effect of foreign currency translation ("cumulative operating income").

NAMED EXECUTIVE OFFICERS

Throughout the report on executive compensation contained in this document, reference is made to the "NEOs," or "named executive officers" of the Company. These persons were, at December 31, 2012, the Executive Chairman, the President and Chief Executive Officer ("CEO"), the Senior Vice President and Chief Financial Officer ("CFO"), and the three other most highly compensated executive officers of the Company, being the Senior Vice President, Finance, Administration and IT, CCL Operations; the President, Home & Personal Care Worldwide and the President, Food & Beverage Worldwide, both of whom operate within the Label segment of the Company. Compensation and benefits of NEOs are paid in the currency of the country in which they are resident. However, for purposes of the tables and narratives throughout this document, such values that have been paid in US dollars and euros have been converted into Canadian dollars at the rates indicated above under the heading "Calculation of Foreign Exchange."

COMPENSATION DISCUSSION AND ANALYSIS

Compensation and the Human Resources Committee

The Human Resources Committee (the "HR Committee") is comprised of three independent directors who have the knowledge and experience to fulfill the HR Committee's mandate. They are Mr. Edward Guillet (Chairman), Mr. George Bayly and Mr. Philip Gresh. Mr. Bayly and Mr. Gresh have held senior executive positions in the packaging industry with multinational experience and are well versed in issues relating to human resources and compensation. Mr. Guillet, former Senior Vice President, Human Resources, of Procter and Gamble-Gillette Global Business Unit, brings significant knowledge and practical experience in all aspects of human resources to the HR Committee.

The HR Committee establishes executive compensation policies, monitors their implementation and oversees the Employee Stock Option Plan (the "Option Plan," described under the heading "Employee Stock Option Plan," below) and the pension plans of the Company. In addition, the HR Committee is charged with monitoring the Company's talent management and succession planning, and recommends the appointment of the Company's officers and the terms and conditions of their appointment or termination. In setting policy, the HR Committee takes into account the advice of independent consultants, makes reference to market and survey data, considers input from senior management and aligns compensation programs with the operating philosophy and strategic initiatives of the Company. While the HR Committee may rely on external information and advice, all decisions with respect to executive compensation are made in the sole judgment of the committee and the board of directors and may reflect other factors and considerations.

Please refer to the section entitled "Charter of the Human Resources Committee" under the heading "Statement of Corporate Governance Practices" below for additional disclosure regarding the HR Committee's mandate and the use of independent compensation consultants.

Compensation Decision Making

Each year, the HR Committee reviews the compensation of the Executive Chairman, of the CEO and of all officers of the Company relative to performance and market factors. Executive compensation programs are reviewed considering external competitiveness and internal equity. The Company's policy is to use the market median with the potential of top quartile total compensation for superior performance of both the Company and the individual executive. The HR Committee utilizes information provided by independent consultants and management to review external competitiveness, which is further described under the title "Benchmarking Compensation," below. The HR Committee then makes recommendations to the board of directors for the approval of the compensation of the Executive Chairman and of the CEO, and approves the compensation levels of other officers of the Company. Approval of incentive plan payments is included in the above process. The annual incentive plan is structured with clearly defined guidelines and performance targets such that limited discretion is required by the HR Committee and the board of directors to determine payouts, as described under the title "Annual Incentive Plans."

Human Resources Committee and Compensation Advisors

Executive Compensation-related Fees

In support of its evaluation of executive pay in 2012, the HR Committee retained the services of Towers Watson to provide advice on the competitiveness of compensation levels and programs for the

Executive Chairman. In 2011, Towers Watson completed a competitive review of CEO compensation. Fees paid to Towers Watson for executive compensation matters were $12,710 in 2011 and $17,272 in 2012. At the end of 2012, the HR Committee also commissioned Towers Watson to conduct an external review of competitive compensation levels for the CEO and other senior executives to be completed for the executive compensation review in 2013. No fees were paid in 2012 for this project. The HR Committee originally retained Towers Watson in 2009 to provide a report on competitive executive compensation.

All Other Related Fees

The Company uses Towers Watson for consulting, administration, accounting and disclosure of its Canadian executive pension plan. Fees paid to Towers Watson for pension consulting and administration were $49,662 in 2011 and $55,413 in 2012. Services provided by Towers Watson that are not related to executive compensation do not require pre-approval by the HR Committee.

Compensation Risk Management

The HR Committee oversees risk management in the context of its role of reviewing and approving executive compensation. To assist with this oversight the HR Committee has adopted a process to review the Company's executive compensation programs to identify potential risks that may be associated with these plans and practices. Upon completing this review in 2012, the HR Committee concluded that the Company's current compensation programs do not encourage undue risk-taking. This conclusion was drawn after consideration of the Company's executive compensation philosophy, the mix and balance of compensation plans and their associated metrics and governance. The following summarizes the risk-mitigating features of the compensation program:

- There is an appropriate balance between fixed and variable compensation as well as short-term and long-term incentives discouraging the attainment of short-term goals at the expense of longer term strategic initiatives.

- Consistent, auditable performance metrics exist within the Company requiring operating income improvement and growth in earnings per share, both of which are inclusive of a number of key performance metrics and are aligned with shareholder value.

- Incentive plans and metrics are reviewed annually to ensure continued alignment with business strategy and the Company's shareholders.

- Regular tracking and reporting is provided to the HR Committee regarding the potential payout of incentives which enables the monitoring of the associated performance and the identification of possible risks.

- Payments of incentive plans are capped.

- The Company has established share ownership guidelines for key executives who are also NEOs that provide alignment of longer term risks and rewards of share ownership with the Company's shareholders.

- A policy is in place that prohibits directors and executives from purchasing financial instruments that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held directly or indirectly by the NEO or director.

- The HR Committee retains independent compensation advisors to provide advice regarding the competitiveness of the Company's executive compensation programs and best practices and trends in compensation design within the marketplace when required.

- The board retains discretion to reduce or increase incentive targets and awards, except for those associated with the Company's Stock Option Plan, in the event the plans trigger an inappropriate result.

Succession Planning

The Company has a formal succession planning process for the CEO and other senior executives that is monitored by the HR Committee. Each year, the HR Committee reviews the availability and development of leadership candidates for the roles of the CEO and other senior executives. The HR Committee discusses any gaps in the succession plan and the progress made since the prior review. The board of directors is responsible for approving the succession plan for the CEO.

Compensation Philosophy and Program Objectives

The Company has an entrepreneurial culture and a decentralized operating style, which are considered in determining the Company's executive compensation programs. These programs are developed to encourage superior performance, attract and retain talented executives and align the executives' interests with those of the Company's shareholders. The main objectives of the Company's executive compensation program are:

- to provide a competitive, balanced and performance-based compensation portfolio consistent with the Company's strategy and decentralized operating style;
- to drive high performance and focus executives on the areas for which they are responsible without encouraging excessive risk;
- to motivate executives to achieve individual and overall Company success and improvement in shareholder value; and
- to attract the best new talent and retain the Company's existing talent.

Benchmarking Compensation

To assist the Company in meeting its objective of providing competitive compensation to its executives, the Company regularly benchmarks its compensation plans against market data obtained from proxy circulars of select publicly traded companies. Survey and proxy information relating to compensation for executives in Canada and the United States is provided through consulting firms designated or approved by the HR Committee.

It is the Company's policy to position compensation at the median of the market with the potential for top quartile total compensation based on superior performance of the executive and the Company. As a policy, compensation is typically benchmarked against market data from the region or country in which the executive resides and / or works. For purposes of conducting its review of executive compensation, the HR Committee approves a select sample of Canadian and U.S. publically traded organizations (the "Proxy Reference Groups"). The Proxy Reference Group selected by the HR Committee for the U.S. is identified in the chart below. These companies were selected because they are generally in a comparable industry, the specialty packaging sector, although their revenues are not necessarily in the same range as the Company's revenues. Since there is no appropriate industry comparable in Canada, the companies represented in the Canadian Proxy Reference Group, identified below, were selected based on their similar revenue size and international presence. In addition to the Proxy Reference Groups noted above, the Committee may also consider a secondary reference point, consisting of survey data, for information pertaining to compensation levels and trends.

In 2012, the HR Committee retained Towers Watson to benchmark compensation levels for the role of Executive Chairman. This competitive analysis included a broader range of comparative companies to enable matching of the role. To determine 2012 compensation for the President and CEO, the HR

Committee reviewed competitive information that had been provided by Towers Watson in 2011. This information was considered by the HR Committee in determining 2012 compensation. The composition of the Proxy Reference Groups utilized to determine the competitiveness of the Company's executive compensation is reviewed regularly by the HR Committee for its ongoing relevance to the Company's business and benchmarking practice. In 2012, the HR Committee reviewed the companies within the Proxy Reference Groups and made some adjustments by replacing two companies (Sonoco Products Company and Graphic Packaging) with four smaller companies more oriented toward specialty packaging (Vista Print, Zebra Technologies, Winpak and Intertape Polymer Group). The Proxy Reference Groups are utilized to gather competitive information to benchmark compensation only and are not used to benchmark Company performance.

Proxy Reference Groups for Compensation					
United States			**Canada**		
Company	**Industry**	**Revenues (U$)**	**Company**	**Industry**	**Revenues (C$)**
AptarGroup, Inc.	Specialty Packaging	2.3 billion	CAE Inc.	Aerospace	1.6 billion
Avery Dennison Corporation	Specialty Packaging	6.0 billion	Gildan Activewear Inc.	Textile	1.7 billion
Bemis Company, Inc.	Flexible Packaging	5.3 billion	Linamar Corporation	Automotive	2.0 billion
Brady Corporation	Labels & signs	1.3 billion	Intertape Polymer Group Inc.	Packaging	787 million
Multi-Color Corporation	Labels	340 million	ShawCor Ltd.	Energy	1.0 billion
Vistaprint Ltd.	Printing & Promotional Materials	1 billion	Winpak Ltd.	Packaging	652 million
Zebra Technologies Corporation	Printing & Locator Technology	983 million			

Compensation Elements

The Company's executive compensation program is comprised of both fixed and variable components. The variable components are designed to incentivize and reward performance and include both non-equity and equity incentive plans. There are three basic elements of the executive compensation program including base salary, annual cash incentive plans and long-term incentive plans that may utilize equity and cash. The Company also provides other elements of compensation consisting of benefits, perquisites and retirement plans. NEOs' at-risk pay ranges from approximately 60% to 80% of total direct compensation.

Base Salaries

Base salaries compensate executives for the role they perform for the Company. Salaries are determined using comparative data as described above and considering individual circumstances that may include the scope of the position and the executive's qualifications, level of experience and performance. The HR Committee approves adjustments to base salaries on an annual basis for officers of the Company and recommends the base salary of the Executive Chairman and of the CEO to the board of directors for approval. Salaries of officers of the Company who reside and work in the United States are set based on compensation data from that geographic market as noted above.

Officers resident outside North America and operating on a worldwide basis are compensated on a parity basis with such officers resident in North America. The HR Committee also considers the financial performance of the Company as well as the individual performance of the executive when approving salaries for officers and in their recommendation to the board of directors in regard to salary adjustments for the Executive Chairman and for the CEO. Salary adjustments are typically implemented effective March 1st.

Annual Incentive Plans

The Company's annual Senior Management Incentive Plans, referred to as "SMIPs," are designed to encourage and recognize annual financial and operational performance. Each year, performance targets for the Company and its business units are established for the purpose of evaluating performance and determining payouts under the SMIP. Target cash bonus awards are established based on a predefined percentage of salary and ranged from 50% to 100% of base salary for NEOs in 2012. Actual awards can range from zero to up to a maximum of two times the target award. The performance measures and associated payout opportunities are dependent upon participation in the SMIP as a corporate executive or an operational executive. Corporate executives generally have responsibilities that span the overall Company. Operational executives are responsible for specific areas of operations, which may be based on geographic regions, product type or market sector.

Corporate Executives

Annual bonuses are paid to the Executive Chairman, the CEO, the CFO, the Senior Vice President Finance, Administration and IT, CCL Operations and other senior officers, based on the growth in adjusted earnings per share (as defined under the heading "Use of Non-IFRS Measures," above) over the prior year.

Target bonus is paid if 5% growth in adjusted earnings per share ("EPS") over the prior year is achieved and increases up to a maximum of two times target bonus if adjusted EPS reaches or exceeds 120% of prior year. Bonuses are payable at 50% of target bonus if adjusted EPS remains at 100% of prior year and no bonus is payable if less than 90% of the prior year's adjusted EPS is achieved. Adjusted EPS is utilized as the sole measure of the SMIP because it encompasses many critical measures within the business and aligns with value creation for shareholders. Each year, the HR Committee and the board of directors review and approve the basis and targets for the SMIP.

In 2012, adjusted EPS improved by 19% over 2011 adjusted EPS resulting in bonus payments of 190% of target bonus. In the event that improvement in adjusted EPS is not achieved, the HR Committee and the board of directors have discretion to recommend and approve payment, on a selective basis, of below-target bonuses based on the achievement of other key objectives designed to enhance the Company's growth prospects for the future. The HR Committee may also recommend a reduced payout in the event the plan triggers an inappropriate result. Bonus payments for 2012 were based solely on the achievement of the adjusted EPS growth in accordance with SMIP criteria and are generally not adjusted to reflect individual performance criteria. However, the HR Committee approved a special payment of approximately $16,750 to Mr. Washchuk and Ms. Vaidyanathan in recognition of their work related to an acquisition of the Avery Dennison label converting businesses, announced January 30, 2013.

Operational Executives

The 2012 SMIP established for operational executives was based on the achievement of budgeted operating income and sales growth for the segments of the business for which the executives are responsible. The President of Home & Personal Care Worldwide and the President of Food & Beverage Worldwide participate in this plan and received bonuses based on the budgeted performance of their perspective business sectors. In 2012, target bonus for both of these presidents was 50% of base salary with a maximum of 200% of target bonus if 110% of operational budget is achieved. Actual performance of the Home & Personal Care sector exceeded target by over 16% resulting in a bonus payment to the President of Home & Personal Care Worldwide of 200% of target bonus. The President of Food & Beverage Worldwide was paid 200% of target bonus based on exceeding budget for this sector by 10%.

Long-Term Incentive Plans

The Company utilizes Long-Term Incentive Plans ("LTIPs") in order to:

- focus management on the development and implementation of longer term strategic and growth initiatives of the Company;
- attract and retain key executives; and
- align the interests of the Company's executives with those of its shareholders.

All LTIP awards are granted at the discretion of the board of directors based on the position and impact of the executive on the Company's performance. The long-term incentive program and the grant levels are approved by the board of directors based on the recommendation of the HR Committee after review of the recommendation of the Executive Chairman and the President and CEO.

LTIP awards may consist of cash and/or Restricted Share Units ("RSUs"), which are awarded under the Restricted Share Unit Plan (the "RSU Plan") or stock options granted under the Option Plan. The combination of these vehicles varies by plan participant. The Company utilizes both equity and cash awards because it aligns value creation with the interests of the shareholders and provides tax effectiveness for plan participants.

2010-2012 LTIP

In 2010, the board of directors approved an LTIP for the years 2010 through 2012 (the "2010-2012 LTIP"). This plan utilized a combination of cash and RSUs. Awards under the LTIP were granted in 2010, the first year of the three year LTIP period, and were paid out at the end of the LTIP period based on the achievement of the performance and retention criteria described below, which were established and approved by the HR Committee and the board of directors. In December 2012, the HR Committee and the board of directors approved payment of the LTIP at the maximum level based on the Company exceeding the performance criteria described below. Neither awards nor payments are made under the cash or RSU LTIP plans on an annual basis.

Elements of this plan are described below.

Cash LTIP

Target awards under the cash LTIP are established based on the executive's scope of responsibility and impact on Company performance. Payment of the cash LTIP is based on the achievement of performance targets for the years 2010 through 2012. Performance targets were established based on the Company's overall cumulative operating income improvement (referred to in this document as "performance criteria") and were approved by the board of directors. Under the terms of this LTIP, the achievement of the performance criteria of approximately $60 million of cumulative operating income improvement adjusted for foreign exchange would result in target payment of the LTIP cash bonus. The achievement of only 90% of the performance criteria would result in payment of only 50% of the payment target. No payout would be made for achievement of less than 90% of performance criteria. Maximum bonus would be paid if 120% of the performance criteria are reached. Performance between threshold and target and maximum would be interpolated on a straight line basis. The performance criterion of cumulative operating income was selected to focus executives on longer term operational improvement and was inclusive of other key performance metrics. The LTIP performance criteria were cumulative over the LTIP period, and the bonus was not earned on a yearly basis. Participants had to be employed at the end of the LTIP period to be eligible for any payment made under the cash LTIP.

In December 2012, the HR Committee and board of directors approved payment of the cash LTIP based on the Company exceeding the target of $60 million in cumulative operating income improvement ("COI") by approximately $70 million. Payments for NEOs participating in the cash LTIP are reported on the Summary Compensation Table.

The Executive Chairman and the CEO receive all LTIP awards in equity only and do not participate in the cash LTIP.

Restricted Share Unit Plan

The RSU Plan provides both time-based and performance-based awards. RSUs are awarded to eligible LTIP participants at the beginning of the three year LTIP period and cliff vest upon the meeting of the required criteria. They are not granted on an annual basis. Class B non-voting shares are purchased on the open market and are held in a Rabbi trust until the RSU Plan criteria for payout of RSUs are met and approved by the board of directors. Payout of the RSU Plan is made to eligible participants in shares held by the Rabbi trust. Dividends paid under the RSU Plan are reinvested in Class B non-voting shares and vest on the same basis as the original awards.

Grant amounts are established based on the executive's scope of responsibility and impact on the organization. RSUs under the 2010-2012 LTIP were awarded to Mr. Martin, Ms. Vaidyanathan, Mr. Rubino and Mr. Birkner at a value of $28.00 per share, which was the closing price of Class B non-voting shares on May 6, 2010, the date of the approval of the 2010-2012 LTIP by the board of directors. RSUs were granted to Mr. Washchuk on November 7, 2011, at $29.82, the closing price of Class B non-voting shares on the day of the grant, November 7, 2011.

The Company uses the market value of the share price at the time of grant to calculate the value of compensation associated with the RSUs and to account for the expense with consideration for the accretion of shares due to dividend reinvestment. The value of RSUs issued under the 2010-2012 LTIP has been disclosed in full in the Summary Compensation Table as 2010 compensation and 2011 compensation for Mr. Washchuk, but is expensed over the three year term of the plan.

Participants in this plan include a number of executives including the NEOs with the exception of the Executive Chairman.

Time-Based RSUs

In 2010, the board of directors approved the addition of a new retention criterion to the 2010-2012 LTIP. RSUs were awarded as part of this LTIP and were due to vest in March 2013 if the executive continued to be employed by the Company at that time. In December 2012, the HR Committee and the board of directors accelerated the vesting of the RSUs so that they could be distributed in coordination with the payment of the cash LTIP, described above, to enable executives to meet the tax requirement for the RSUs. Executives were prohibited from selling the distributed shares until the original vesting date in March 2013.

RSUs under the 2010-2012 LTIP were awarded to Mr. Birkner, Mr. Rubino and Ms. Vaidyanathan at a value of $28.00 per share, which was the closing price of Class B non-voting shares on May 6, 2010, the date of the approval of the 2010-2012 LTIP by the board of directors. RSUs were granted to Mr. Washchuk on November 7, 2011, at $29.82, the closing price of Class B non-voting shares on the day of the grant, November 7, 2011. Mr. Martin was awarded both time-based and performance-based RSUs described below.

Performance-Based RSUs

In 2010, Mr. Martin was awarded 120,000 RSUs for his participation in the 2010-2012 LTIP at the value set forth in the preceding paragraph. Of these 120,000 RSUs, 70,000 were due to vest if the performance criteria were achieved. Performance criteria included the achievement of targeted cumulative operating income improvement described above under the heading "Cash LTIP," and, in addition, the achievement of free cash flow targets over the 2010-2012 LTIP period of $424 million adjusted for foreign exchange. Both of these criteria were exceeded as described under the heading "Compensation of the President and Chief Executive Officer." The balance of Mr. Martin's RSUs is time-based and vests based on his continued employment throughout the said 2010 -2012 LTIP period. Distribution of Mr. Martin's RSUs was not accelerated as aforesaid due to a blackout period being in effect and will vest March 14, 2013 upon approval of the board of directors.

Employee Stock Option Plan

The Option Plan was established to focus executive attention on the long-term interests of the Company and growth in shareholder value. In accordance with the Option Plan, the board of directors is authorized to issue, at its discretion, options to employees and officers of the Company to acquire Class B non-voting shares of the Company at the closing price on the TSX of Class B non-voting shares on the day prior to the grant in accordance with the Option Plan and the rules of the TSX. The board of directors has the discretion to vary the vesting provisions of grants issued under the Option Plan. When option grants are issued under the LTIP program to achieve specific LTIP objectives, the vesting terms may be set to resemble those attaching to other LTIP performance criteria.

Stock option grants are considered on an annual basis as part of the compensation review for executive officers as recommended by the Executive Chairman and by the CEO, and approved by the board of directors on recommendation from the HR Committee. Options granted to the Executive Chairman and to the CEO are recommended by the HR Committee and approved by the board of directors. Option grant levels are determined based on the scope of the executive's position and impact of the executive on the Company's performance. Consideration may also be given to whether the grant is part of the LTIP or a one time event such as an inducement to employment.

Options granted to NEOs in 2012 were for a term of five years and vest in four equal annual installments commencing one year after the date of issue. Options were granted on February 24, 2012, as part of the executive compensation review at $35.65, being the closing price on the TSX of Class B non-voting shares on February 23, 2012, and expire on February 23, 2017.

The Company uses the Black Scholes model to calculate the value of the options for compensation purposes and in accounting for their expense. In 2012, options to purchase 275,000 Class B non-voting shares were granted under the Option Plan, representing 1% of the outstanding Class B non-voting shares at the end of 2012.

Details of all share-based and option-based awards outstanding at the end of the most recently completed financial year are set forth in the table entitled "Outstanding Share-Based Awards and Option-Based Awards as of December 31, 2012" in the section entitled "Incentive Plan Awards" below. Additional details regarding the terms of the Option Plan are described below under the heading "Employee Stock Option Plan" in the section titled "Securities Authorized for Issuance under Equity Compensation Plans."

Executive Share Ownership Requirements

The Executive Chairman and the CEO are required to own a minimum number of Class B non-voting shares equal to three times their annual base salary. In 2012, the board of directors extended share ownership requirements to certain key executives including the NEOs, which require them to own a minimum of Class B non-voting shares equal in value to their annual base salary. The time frame to meet the established shareholdings was set at five years to enable all such executives to reach this requirement. All NEOs currently meet their shareholding requirement with the exception of the CFO, Sean Washchuk, who began his employment in October 2011.

Compensation of the Executive Chairman

The HR Committee reviews the compensation of the Executive Chairman relative to performance and market factors and recommends any adjustment to the board of directors for approval. For the year ended December 31, 2012, Mr. Lang's compensation consisted of a base salary of $744,600 and awards under the Company's annual SMIP and Stock Option Plan. In determining Mr. Lang's salary, the HR Committee retained Towers Watson to provide a competitive review of the role of executive chairman in Canadian public companies who had this role. The HR Committee considered this information, Mr. Lang's performance, internal equity and external market conditions. Mr. Lang received a salary increase as of March 1, 2012, from $730,000 to $744,600, based on the above information and considering the overall performance of the Company.

As a corporate executive, Mr. Lang's annual bonus is based on adjusted EPS growth over the prior year as described under Annual Incentive Plans above. His target bonus is 65% of salary. In 2012, adjusted EPS exceeded the level achieved in 2011 by 19% resulting in a bonus payment under the terms of the SMIP of 190% of target bonus equaling $919,581.

In 2012, Mr. Lang was granted an option to purchase 100,000 Class B non-voting shares at the market price of $35.65 in February. Options granted to Mr. Lang in 2012 were in accordance with the Option Plan. They have a term of five years and vest in four equal installments each year commencing one year after being issued and expire February 23, 2017. Option grants to Mr. Lang in 2012 were recommended by the HR Committee considering Mr. Lang's position and contribution to the business performance and were approved by the board of directors. In 2012, Mr. Lang did not exercise any options to purchase Class B non-voting shares.

Compensation of the President and Chief Executive Officer

The HR Committee reviews the compensation of the President and CEO relative to performance and market factors and recommends an adjustment to the board of directors. For the year ending December 31, 2012, Mr. Martin's compensation consisted of a base salary of $780,688 (US$781,000) and awards under the Company's annual SMIP and Option Plan. To assist in determining Mr. Martin's salary, the HR Committee considered his performance in achieving key goals, including earnings per share growth and cash flow, as well as other objectives with more subjective measures such as strategy execution and corporate and organizational development. Mr. Martin received a salary increase from $709,716 (US$710,000) to $780,688 (US$781,000) as at March 1, 2012. The HR Committee determined that Mr. Martin met or exceeded all objectives and considered the performance of the Company as well as competitive market information supplied by Towers Watson and recommended the above adjustment to Mr. Martin's salary to the board of directors for approval.

Mr. Martin participates in the annual corporate incentive plan at a target bonus for 2012 of 100% of base salary. Based on adjusted earnings per share growth exceeding adjusted earnings per share achieved in 2011 by 19%, a bonus of 190% of target bonus, equaling $1,483,306 (US$1,483,900) was paid to Mr. Martin.

In 2012, Mr. Martin was granted an option to purchase 50,000 Class B non-voting shares at the market price of $35.65 in February. Options granted to Mr. Martin in 2012 were in accordance with the Option Plan and have a term of five years, vest in four equal installments each year commencing one year after being issued and expire February 23, 2017. The option grants for Mr. Martin were recommended by the HR Committee considering Mr. Martin's contribution to the business performance and market information pertaining to long-term incentive plans provided by Towers Watson and was approved by the board of directors. Mr. Martin did not exercise any options to purchase Class B non-voting shares in 2012.

Mr. Martin's LTIP is comprised of option grants described above and the performance and retention-based RSU Plan. In 2010, the board of directors approved a new LTIP for the years 2010 through 2012. In 2010, Mr. Martin was awarded 120,000 RSUs of which 70,000 will vest in March 2013 due to the performance criteria being achieved. These RSUs were to vest if the Company achieved COI targets approved by the board of directors and described above under the heading "Cash LTIP." The board of directors established, for Mr. Martin only, the additional criterion of a cumulative free cash flow target. This is a non-IFRS measure indicating the relative amount of cash generated by the Company during the year and available to fund dividends, debt repayments and acquisitions. It was calculated for purposes of the 2010-2012 LTIP as operating income, plus depreciation and amortization, less corporate expenses and net capital expenditures adjusted for the contribution in the change of non-cash working capital. The free cash flow hurdle for the 2010-2012 LTIP was approximately $424 million, adjusted for foreign exchange. COI improvement targets were exceeded by approximately $70 million in December 2012 as described above. The board of directors reviewed this and the achievement of $452 million of free cash flow, which was more than 6% above the target, and determined that all criteria of the LTIP have been met and the RSUs will vest on March 14, 2013. The additional 50,000 RSUs will also vest on March 14, 2013 based on Mr. Martin's continued employment to the end of the LTIP period. These RSUs were awarded to Mr. Martin at the price of $28.00 per unit, being the closing price on the TSX of Class B non-voting shares on May 6, 2010, the day the LTIP plan was approved by the board of directors. The grant of the said RSUs is disclosed in the Summary Compensation Table as 2010 compensation, but was intended to provide incentive compensation over the three year period. The actual amount of RSUs vesting March 14, 2013 includes shares purchased through dividend reinvestment in accordance with the plan.

Compensation of Other Named Executives

Sean Washchuk, Senior Vice President and Chief Financial Officer, received a base salary of $335,000 per annum in 2012. Mr. Washchuk's salary was recommended by the President and CEO and approved by the Executive Chairman and HR Committee considering his personal performance, external market conditions and the Company's performance and adjusted to the above amount March 1, 2012. Mr. Washchuk is eligible to participate in the Company's corporate SMIP at a target bonus level of 50% of base salary. In 2012, Mr. Washchuk received a total bonus of $335,000, comprised of $318,250, being 190% of target bonus based on adjusted EPS growth of 19% over the adjusted EPS in 2011, and a special payment of $16,750, approved by the HR Committee, in recognition of his work related to the acquisition of the Avery Dennison label converting businesses announced January 30, 2013. Mr. Washchuk also participates in the 2010-2012 LTIP and Option Plan. In 2012, Mr. Washchuk received payment of $128,000 from the cash LTIP and 2,807 RSUs at a value of $106,862 approved by the board of directors on December 6, 2012, based on the share price of $38.07 being the closing price of per Class B shares on December 5, 2012. These payments were made based on the achievement of the criteria described under LTIPs above and his employment during the LTIP period. Mr. Washchuk was also granted an option to purchase 25,000 Class B non-voting shares as approved by the board of directors on February 24, 2012, at the closing price of $35.65 on February 23, 2012. Options granted to Mr. Washchuk have a five-year term and vest in four equal installments each year commencing one year after being issued and expire February 23, 2017. Mr. Washchuk did not exercise any option to purchase Class B non-voting shares in 2012.

Lalitha Vaidyanathan, Senior Vice President, Finance, Administration and IT, CCL Operations, received a base salary in 2012 of $334,866 (US$335,000). Ms. Vaidyanathan's 2012 salary was recommended by the President and CEO and approved by the Executive Chairman and HR Committee considering her personal performance, external market conditions and the Company's performance. Ms. Vaidyanathan's salary was increased on March 1, 2012, from $319,872 (US$320,000) to $334,866 (US$335,000). This recommendation was approved by the Executive Chairman and the HR Committee. Ms. Vaidyanathan participates in the Company's annual corporate SMIP. Ms. Vaidyanathan's target bonus for 2012 was 50% of her base salary. In 2012, Ms. Vaidyanathan received a total bonus of $334,886 (US$335,000) comprised of $318,123 (US$318,250), being 190% of target bonus, based on adjusted EPS exceeding the level achieved in 2011 by 19%, and a special payment of $16,743 (US$16,750) approved by the HR Committee in recognition of her work related to the acquisition of the Avery Dennison label converting businesses announced January 30, 2013. In 2012, Ms. Vaidyanathan was granted an option to purchase 25,000 Class B non-voting shares at the market price of $35.65 as part of the LTIP described above under "Employee Stock Option Plan." This option has a term of five years and vests in four equal installments each year commencing one year after being issued and expires February 23, 2017. Ms. Vaidyanathan did not exercise any option to purchase Class B non-voting shares in 2012.

Ms. Vaidyanathan also participated in the cash LTIP and the RSU Plan as part of the 2010-2012 LTIP described above. As such, Ms. Vaidyanathan received 14,036 RSUs, which vested in December 2012, based on her continued employment with the Company. The above RSUs include dividend reinvestment over the LTIP period and are valued at $38.07 per share, being the closing price of Class B non-voting shares on the TSX on December 5, 2012, as approved by the board of directors on December 6, 2012. Ms. Vaidyanathan also received the maximum cash award under the terms of the 2010-2012 cash LTIP of $639,744 (US$640,000) based on the achievement of the performance criteria through 2012 described above under the heading "Cash LTIP." LTIP criteria are cumulative over the three year LTIP period with payment only made at the end period.

Ben Rubino, President, Home & Personal Care Worldwide, received a base salary in 2012 of $319,872 (US$320,000). Mr. Rubino's salary was recommended by the President and CEO and approved by the Executive Chairman and HR Committee considering his personal performance, external market conditions and his promotion to his current role. Mr. Rubino's base salary increased from $299,880 (US$300,000) to $319,872 (US$320,000) effective January 1, 2012. Mr. Rubino participates in the Company's operational SMIP at a target bonus level of 50% of his base salary. For 2012, Mr. Rubino's bonus was paid based on the achievement of the operational budgets of the global Home & Personal Care sector. In 2012, operational performance exceeded budget by 16% resulting in a bonus payment of $319,872 (US$320,000) being 200% of target bonus.

In 2012 Mr. Rubino was granted an option to purchase 25,000 Class B non-voting shares at the market price of $35.65. This option has a term of five years and vests in four equal installments each year commencing one year after being issued and expires February 23, 2017. Mr. Rubino realized $250,965 on the exercise of his vested options to purchase Class B non-voting shares in 2012.

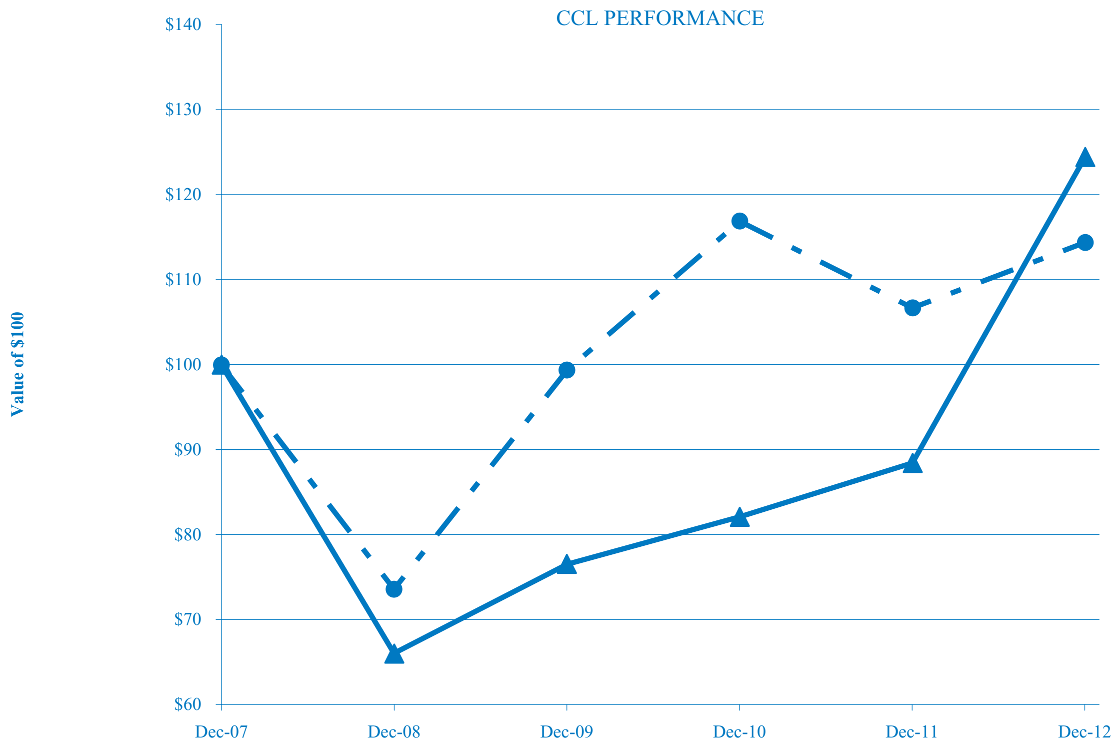
Mr. Rubino also participated in the cash LTIP and the RSU Plan as part of the 2010-2012 LTIP described above. As such, Mr. Rubino received 14,036 RSUs, which vested in December 2012 based on his continued employment with the Company. The above RSUs include dividend reinvestment over the LTIP period and are valued at $38.07 per share, being the closing price of Class B non-voting shares on December 5, 2012, upon board of director approval on December 6, 2012. Mr. Rubino also received the maximum cash award under the terms of the 2010-2012 cash LTIP of $639,744 (US$640,000) based on the achievement of performance criteria through 2012 described above under the heading "Cash LTIP." LTIP criteria are cumulative over the three year LTIP period with payments only being made at the end of the period.

Guenther Birkner, President, Food & Beverage Worldwide, received a base salary in 2012 of $315,185 (€245,280). Mr. Birkner's salary was recommended by the President and CEO and approved by the Executive Chairman and HR Committee considering his personal performance, external market conditions and his promotion to his current role. Mr. Birkner participates in the Company's annual operational incentive plan at a target bonus level of 50% of his base salary. For 2012, Mr. Birkner's bonus was paid based on the achievement of the operational budgets of the global Food & Beverage sector. In 2012, operational performance exceeded budget by 10% resulting in a bonus payment of $327,675 (€255,000) being approximately 200% of target bonus.

In 2012, Mr. Birkner was granted an option to purchase 25,000 Class B non-voting shares at the market price of $35.65. This option has a term of five years and vests in four equal annual installments commencing one year after being issued and expires February 23, 2017. Mr. Birkner realized $274,692 on the exercise of vested option to purchase Class B non-voting shares in 2012.

Mr. Birkner also participated in the cash LTIP and the RSU Plan as part of the 2010-2012 LTIP described above. As such, Mr. Birkner received 14,036 RSUs, which vested in December 2012 based on his continued employment with the Company. The above RSUs include dividend reinvestment over the LTIP period and are valued at $38.07 per share, being the closing price of CCL Class B non-voting shares on December 5, 2012 upon board of director approval on December 6, 2012. Mr. Birkner also received the maximum cash award under the terms of the 2010-2012 LTIP of $642,500 (€500,000) based on the achievement of performance criteria through 2012 described above under the heading "Cash LTIP." LTIP criteria are cumulative over the three year LTIP period with payments only being made at the end of the period.

Performance Graph



	Dec-07	Dec-08	Dec-09	Dec-10	Dec-11	Dec-12
S&P/TSX Composite Index	$100.00	$73.58	$99.38	$116.87	$106.69	$114.36
CCL Industries Inc.	$100.00	$66.04	$76.57	$82.12	$88.43	$124.42

S&P/TSX Composite Index
CCL Industries Inc.

The preceding graph compares the cumulative total shareholder return over the last five years of the Company's Class B non-voting shares with the cumulative total return of the S&P/TSX Composite Total Return Index, assuming reinvestment of dividends on each of the dividend payment dates. The Company's Class B non-voting shares are included in the foregoing index. The performance of the Company's Class A voting shares is substantially similar to that of the Class B non-voting shares. The performance of the Company's Class B non-voting shares is based on the closing price of $42.99 on the TSX on December 31, 2012.

The Company does not use the Proxy Reference Groups identified under the title "Benchmarking Compensation" to benchmark company performance. Given the uniqueness of the Company's business and the very small sample of relevant peer companies, the Company believes that it would not provide the best comparison on which to base the performance of the Company. There is no TSX sub-index that would provide a relevant comparison of the performance of the Company's shares.

Since the Company's annual and long-term incentives represent approximately 60% to 80% of executive total compensation, the Company believes that incentive compensation payments are good indicators of the Company's practice of paying for performance and the alignment of executive compensation with shareholder value over time. Thus, compensation of the NEOs has generally followed a similar trend as the Company's share price as set forth in the performance chart, above. It is specifically reflected in the Company's LTIPs over the last five years. The 2010-2012 LTIP described above under "Long Term Incentive Plans" was established by the board of directors with specific targets for the improvement of cumulative operating income between the years of 2010 and 2012. The maximum payment of the 2010-2012 LTIP was made to participating executives and NEOs due to the Company significantly exceeding the established target. Total shareholder return over the three year LTIP period from 2010 to 2012 increased 62% compared to a 15% increase of the S&P Composite Index over the same period. The LTIP established for performance in the years 2008 to 2010 did not meet the performance criteria and so no payment was made under that plan.

SUMMARY COMPENSATION TABLE-NAMED EXECUTIVE OFFICERS

The following table sets forth all compensation paid for the period indicated in respect of the NEOs who were, at December 31, 2012, the Executive Chairman, the President and CEO, the Senior Vice President and CFO, and the three other most highly compensated executive officers of the Company.

Summary Compensation Table

					Non-equity incentive plan compensation ($)				
Name and principal position	**Year**	**Salary[10] ($)**	**Share-based awards ($)**	**Option-based awards[6] ($)**	**Annual incentive plans[1]**	**Long-term incentive plans**	**Pension value [3] ($)**	**All other compen-sation[4] ($)**	**Total compensation ($)**
Donald G. Lang *Executive Chairman*	2012	742,167	0	781,000	919,581	0	61,000	0	2,503,748
	2011	725,000	0	0	949,000	0	155,000	0	1,829,000
	2010	700,000	0	875,250	910,000	0	269,000	0	2,754,250
Geoffrey T. Martin[2] *President and Chief Executive Officer*	2012	768,859	0	390,500	1,483,306	0	199,555	93,600	2,935,820
	2011	697,316	0	0	1,404,522	0	84,393	84,629	2,270,860
	2010	700,332	3,360,000[7]	583,500	1,400,664	0	91,137	967	6,136,600
Sean P. Washchuk[9] *Senior Vice President and Chief Financial Officer*	2012	332,500	0	195,250	335,000	128,000[8]	34,425	0	1,025,175
	2011	76,513	298,200[5]	167,500	50,000	0	6,887	0	599,100
Lalitha Vaidyanathan[2] *Senior Vice President, Finance, Administration and IT, CCL Operations*	2012	332,367	0	195,250	334,886	639,744[8]	63,540	0	1,549,024
	2011	314,039	0	0	316,512	0	39,574	0	670,125
	2010	314,120	336,000[5]	126,750	314,120	0	41,833	0	1,132,823
Ben Rubino *President, Home & Personal Care Wordlwide*	2012	316,540	0	195,250	319,872	639,744[8]	57,404	0	1,528,810
	2011	293,433	0	0	163,202	0	37,499	0	494,134
	2010	286,468	336,000[5]	126,750	288,372	0	39,197	0	1,076,787
Guenther Birkner[2] *President, Food and Beverage Worldwide*	2012	315,185	0	195,250	327,675	642,500[8]	0	54,227	1,534,837
	2011	336,639	0	0	92,861	0	0	62,221	491,721
	2010	276,105	336,000[5]	291,750	172,368	0	0	65,177	1,132,400

NOTES:

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

(2) Compensation for Mr. Martin, Ms. Vaidyanathan and Mr. Rubino was paid or payable in US dollars. Such amounts were translated into Canadian dollars based on the Bank of Canada average year-to-date exchange rate as of December 31, 2012, of US$1.00 = C$0.9996, as of December 31, 2011, of US$1.00 = C$0.9891, and as of December 31, 2010, of US$1.00 = C$1.0299. Compensation for Mr. Birkner was paid or payable in euros. Such amounts were translated into Canadian dollars based on the Bank of Canada average year-to-date exchange rate as of December 31, 2012, of €1.00 = C$1.2850, as of December 31, 2011, of €1.00 = C$1.3767, and as of December 31, 2010, of €1.00 = C$1.3661.

(3) Amounts shown under "Pension value" represent all compensation relating to defined benefit or defined contribution pension plans, including service costs and other compensatory items. Please refer to the section entitled "Pension Plan Benefits" below.

(4) Perquisites and other personal benefits do not exceed the lesser of $50,000 and 10% of the total of the annual salary for the above-named officers with the exception of Mr. Birkner. Amounts reported for Mr. Birkner are the lease and operating costs related to his car and have been translated from euros to Canadian dollars. The amounts in this column for Mr. Martin relate to dividend reinvestment under his RSU Plan.

(5) In 2010, the board of directors approved the 2010-2012 LTIP, which included an RSU plan for the years 2010 through 2012. In 2010, 12,000 RSUs were awarded to each of Ms. Vaidyanathan, Mr. Rubino and Mr. Birkner at a value of $28.00 per share, which was the closing price on the TSX of the Company's Class B non-voting shares on May 6, 2010, the date on which the board of directors approved the 2010-2012 LTIP. In 2011, Mr. Waschuk was awarded 10,000 RSUs for his participation in the 2010-2012 LTIP at a value of $29.82 per share, which was the closing price on the TSX of Class B non-voting shares on November 7, 2011, the date upon which the RSUs were granted. The vesting of RSUs awarded under the LTIP is subject to certain conditions described under the heading "Restricted Share Unit Plan," above. The Company uses this same price for accounting purposes; however, it also takes into consideration the accretion of shares based on dividend reinvestment. The amounts shown do not reflect compensation actually received by the NEOs since no payment is received unless performance and retention criteria are achieved at the end of the LTIP period. Although the grant value is disclosed in full in the year it is granted, the grants are expensed over the three-year period of the 2010-2012 LTIP. Grants for Mr. Washchuk, Ms. Vaidyanathan, Mr. Rubino, and Mr, Birkner, vested on December 6, 2012, and are reported in the chart below entitled Incentive Plan Awards- Value Vested or Earned During 2012

(6) On February 24, 2012, Mr. Lang and Mr. Martin were granted the option to purchase 100,000 and 50,000 Class B non-voting shares respectively, and Mr. Washchuk, Ms. Vaidyanathan, Mr. Rubino and Mr. Birkner were each granted the option to purchase 25,000 Class B non-voting shares at $35.65, the closing price of such shares on the TSX on February 23, 2012. The value of these options as reported above is calculated using the Black Scholes method, which is the same method used by the Company for accounting purposes. Key assumptions used in the 2012 Black Scholes valuation include a risk-free interest rate of 1.43%, expected life of the options of 4.5 years, expected volatility of 31% and expected dividends of $0.78. The Black Scholes value for options granted February 24, 2012 is $7.81. No options were issued to the above NEOs in 2011 due to options being granted twice in 2010 as per below, with the exception of Mr. Waschuk who received the option to purchase 25,000 Class B non-voting shares at $30.50, the closing price of such shares on the TSX on November 4, 2011, as part of the LTIP. The fair value of these options is calculated using the Black Scholes method which is the same method used by the Company for accounting purposes. The key assumptions used in the valuation of the above options include a risk free interest rate of 1.41%, expected life of the options of 4.5 years, expected volatility of 30.98% and annual dividends of $0.70. The Black Scholes value for options granted November 4, 2011 is $6.70. On February 25, 2010, Mr. Lang and Mr. Martin were granted the option to purchase 75,000 and 50,000 Class B non-voting shares, respectively, at the market price of $25.48 being the closing price of such shares on the TSX on February 24, 2010. On December 1, 2010, Mr. Lang and Mr. Martin were granted an additional option to purchase 75,000 and 50,000 of Class B non-voting shares, respectively, at the market price of $28.50 being the closing price of such shares on the TSX on November 30, 2010, due to a decision being made to change the timing for the annual review and annual granting of options to December thus generally avoiding black out periods. On February 25, 2010, Ms. Vaidyanathan, Mr. Rubino and Mr. Birkner were each granted the option to purchase 25,000 Class B non-voting shares at the market price of $25.48 as above. Mr. Birkner was granted additional options to purchase 25,000 shares in December at the market price of $28.50 as above upon renewal of his employment agreement. The fair value of these options as reported above is calculated using the Black Scholes method, which is the same method used by the Company for accounting purposes. Key assumptions used in the 2010 Black Scholes valuation include a risk-free interest rate of 2.5%, expected life of the options of 4.5 years, expected volatility of 31% and expected annual dividends of $0.67. The Black Scholes value is $5.07 per share for the options awarded February 25, 2010, and $6.60 for December 1, 2010. The foregoing options have a term of five years and vest equally each year commencing one year after the date of issuance.

(7) In 2010, Mr. Martin was awarded 120,000 RSUs under the 2010-2012 LTIP, at a value of $28.00 per share, being the closing price on the TSX of Class B non-voting shares on May 6, 2010, the day upon which the board of directors approved the 2010-2012 LTIP. This is the same cost that the Company uses for accounting purposes but also considers the accretion of share value due to dividend reinvestment in accordance with the terms of the plan. Although

the full value of this award was disclosed in the year granted, the expense for these RSUs is spread over the three-year term of the plan. No further RSUs were awarded in 2011 or 2012. These RSUs will vest March 14, 2013 based on the achievement of the performance criteria as described under Long Term Incentive Plans above and their value reported on the chart entitled Incentive Plan Awards – Value Vested or Earned During 2012.

(8) Mr. Washchuk, Ms. Vaidyanathan, Mr. Rubino and Mr. Birkner participated in the 2010-2012 cash LTIP described above. Based on the achievement of the performance criteria over the three year LTIP period the cash LTIP was paid at the maximum level as approved by the board of directors on December 6, 2012. No payments under the LTIP were made in 2010 and 2011.

(9) Mr. Washchuk commenced employment on October 5, 2011.

(10) In the case of all NEOs except Mr. Birkner, whose salary was consistent throughout the 2012 calendar year, salaries for 2012 were adjusted on March 1, 2012, and therefore the calculation in this table reflects two months of salary at their 2011 rates.

INCENTIVE PLAN AWARDS

Information relating to all share-based and option-based awards outstanding at the end of the most recently completed financial year is set forth in the table below.

Outstanding Share-Based Awards and Option-Based Awards as of December 31, 2012

	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options[1] ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested[2] ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Donald G. Lang	70,000	18.51	Mar. 7, 2013	1,713,600			
	70,000	38.42	Mar. 7, 2013	319,900			
	70,000	20.92	Mar. 9, 2014	1,544,900			
	75,000	25.48	Feb. 24, 2015	1,313,250			
	75,000	28.50	Nov. 30, 2015	1,086,750			
	100,000	35.65	Feb. 23, 2017	183,500	0	0	0
Geoffrey T. Martin	12,000	18.51	Mar. 7, 2013	293,760			
	25,000	38.42	Mar. 7, 2013	114,250			
	50,000	20.92	Mar. 9, 2014	1,103,500			
	50,000	25.48	Feb. 24, 2015	875,500			
	50,000	28.50	Nov. 30, 2015	724,500			
	50,000	36.65	Feb. 23, 2017	367,000	120,000	2,149,500	0
Sean Washchuk	25,000	30.50	Nov. 6, 2016	312,250			
	25,000	35.65	Feb. 23, 2017	183,500			0
Lalitha Vaidyanathan	25,000	38.42	Dec. 31, 2013	114,250			
	25,000	20.92	Mar. 9, 2014	551,750			
	25,000	25.48	Feb. 24, 2015	437,750			
	25,000	35.65	Feb. 23, 2017	183,500		0	0
Ben Rubino	12,500	31.00	Dec. 31, 2013	149,875			
	12,500	20,92	Mar. 9, 2014	275,875			
	25,000	25.48	Feb. 24, 2015	437,750			
	25,000	35.65	Feb. 23, 2017	183,500	0	0	0
Guenther Birkner	12,500	31.00	Dec. 31, 2013	149,875			
	6,250	20.92	Mar. 9, 2014	137,938			
	12,500	25.48	Feb. 24, 2015	218,875			
	18,750	28.50	Nov. 30, 2015	271,688			
	25,000	35.65	Feb. 23, 2017	185,500	0	0	0

NOTES:

(1) Value of unexercised options is the difference between the option exercise price and $42.99, the closing price of the Company's Class B non-voting shares on the TSX on December 31, 2012, multiplied by the number of options.
(2) The value for these RSUs has been calculated based on the minimum vesting criteria, which provided Mr. Martin with a total of 50,000 RSUs, which will vest on March 14, 2013, based on his continued employment by the Company at that time. These RSUs are valued at $42.99, being the closing price of the Company's Class B non-voting shares on the TSX on December 31, 2012.

Information relating to incentive plan award values (equity and non-equity) vested or earned during the most recently completed financial year is set forth in the table below.

Incentive Plan Awards—Value Vested or Earned During 2012

Name	Option-based awards – Value vested during the year ($)(1)(2)	Share-based awards – Value vested during the year ($)(2)(3)	Non-equity incentive plan compensation – Value earned during the year ($)(2)
Donald G. Lang	604,150	0	919,581
Geoffrey T. Martin	415,625	0	1,483,306
Sean Washchuk	46,250	106,862	436,000(4)
Lalitha Vaidyanathan	167,063	534,350	974,630(4)
Ben Rubino	216,563	534,350	959,616(4)
Guenther Birkner	268,438	534,350	970,175(4)

NOTES:

(1) The aggregate dollar value of option-based awards vested during 2012 is determined by calculating the difference between the market price of the Class B non-voting shares underlying the options on the TSX and the exercise price of the options on the vesting date, multiplied by the number of vested options.
(2) Those amounts originally denominated in U$ or € have been converted into C$ at the average year-to-date-exchange rate as at December 31, 2012. (See "Calculation of Foreign Exchange".)
(3) RSUs granted to Mr. Washchuk in 2011, and Ms. Vaidyanathan, Mr. Rubino and Mr. Birkner in 2010 under the 2010-2012 LTIP vested December 6, 2012. Value for these RSUs has been calculated at $38.07 based on the closing price of Class B non-voting shares on December 5, 2012.
(4) These values are comprised of the Annual Incentive Plan payment for all NEOs and the 2010-2012 cash LTIP payment for Mr. Washchuk, Ms. Vaidyanathan, Mr. Rubino and Mr. Birkner for achievement of the three-year performance criteria described above under the heading "Cash LTIP." LTIP payments are not made annually and are only made after successful completion of the three-year LTIP period.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan providing for the issuance of securities is the Option Plan. Shares required to service the Company's RSU Plan, described above, and the Deferred Share Unit Plan, described below (the "DSU Plan"), are not issued out of treasury. They are purchased in the open market and, in the case of the RSU Plan, held in trust for the purposes of the plan. The following table sets forth the securities authorized for issuance under the Company's equity compensation plans as at December 31, 2012:

Securities Authorized for Issuance under Equity Compensation Plans

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders	1,228,000	$29.02	985,950
Equity compensation plans not approved by security holders	0	0	0
Total	1,228,000	$29.02	985,950

Employee Stock Option Plan

The Option Plan was established to focus executive attention on the long-term interests of the Corporation and growth in shareholder value. In accordance with the terms of the Option Plan, the board of directors is authorized to issue, at its discretion and on the recommendation of the HR Committee, options to acquire Class B non-voting shares of the Corporation to employees and officers of the Corporation and its subsidiaries. Since 2004, directors have been and continue to be excluded from participation in the Option Plan. The exercise price per share of any option will equal the closing sale price of the Class B non-voting shares on the TSX on the last trading day prior to the date of grant of the option and if there is no closing price on such date, the exercise price will equal the simple average of the closing bid and ask prices of the Class B non-voting shares on the TSX on such date.

Under the terms of the Option Plan, the aggregate number of Class B non-voting shares issuable to insiders of the Corporation at any time or issued to insiders within any 12-month period, in each case pursuant to the Option Plan and any other share compensation arrangements of the Corporation, may not exceed 10% of the sum of the number of issued and outstanding Class A voting shares and Class B non-voting shares (collectively, the "Outstanding Issue") of the Corporation at such time. "Insider" includes directors and officers (and their respective associates) of the Corporation and of certain subsidiaries of the Corporation. "Share compensation arrangements" means any compensation or incentive mechanism involving the issuance or potential issuance of Class B non-voting shares of the Corporation, including a purchase from treasury of shares where the purchase is financially assisted by the Corporation, a stock option, a stock option plan and a stock appreciation right involving the issuance of Class B non-voting shares from treasury. In addition, an option may not be granted to an insider if, together with other share compensation arrangements, it could result in the issuance to the insider in a 12-month period of a number of Class B non-voting shares exceeding 5% of the Outstanding Issue. No participant under the Option Plan may individually hold options under the Option Plan and rights under other share compensation arrangements to acquire, in aggregate, a number of Class B non-voting shares exceeding 5% of the Outstanding Issue.

If any option granted under the Option Plan expires or terminates for any reason without having been fully exercised, the unpurchased Class B non-voting shares that were subject to that option are made available for future option grants under the Option Plan. Options granted under the Option Plan have a term as determined by the board of directors at the time of grant but such term may not exceed 10 years from the date of grant. Options vest and become exercisable as determined by the board of directors. Upon the exercise of a stock option, the exercise price must be paid in full. The Corporation does not currently intend to provide financial assistance in connection with the exercise of stock options granted under the Option Plan.

Options granted under the Option Plan are non-assignable by the optionee except to the legal personal representatives of a deceased optionee.

The Corporation prohibits its directors, officers and employees from trading in its securities with knowledge of any material information concerning the Corporation that has not been publicly disclosed. As it may be difficult from time to time for an individual to determine if he or she is in possession of material non-public information, the Corporation identifies certain restricted periods (or “blackout periods”) during which certain of its personnel are not to trade in securities of the Corporation, which includes exercising stock options. The Option Plan permits options that would otherwise expire during or immediately following a blackout period to remain exercisable until the tenth business day following the cessation of such blackout period.

Unless otherwise determined by the HR Committee, options will terminate and cease to be exercisable upon the cessation of employment as follows:

(i) on the death of an optionee or the disability of an optionee (as determined by the HR Committee), the options will vest immediately and remain exercisable for up to 12 months;

(ii) on retirement on or after the age of 65 or on early retirement on or after the age of 55 with the concurrence of the HR Committee, the options will continue to vest as scheduled and be exercisable for up to 36 months;

(iii) on resignation by the optionee or upon termination of employment for cause, the options then vested may be exercised until the last day of employment and thereafter terminate; and

(iv) on termination of employment by the Corporation for any other reason, the options will terminate and cease to be exercisable 90 days after the earlier of the date the optionee ceased to be an officer or employee and the date that notice of dismissal from employment was provided, with vesting ceasing on such earlier date.

The HR Committee has discretion to extend the termination date of options upon the cessation of employment but cannot extend the option beyond the original expiry date and cannot extend the option by more than two years from the date the optionee ceased to be an officer or employee.

If a bona fide offer (a “takeover bid”) is made for the Class B non-voting shares of the Corporation that could result in the offeror exercising control over the Corporation, the board of directors has discretion to accelerate the vesting and expiry date of any options that are then outstanding and to effectively require that such Class B non-voting shares thereafter acquired on exercise of the options, be tendered to the takeover bid.

The board of directors may discontinue, amend or modify the Option Plan at any time; provided, however, that shareholder approval must be obtained: (i) to reduce the exercise price of an option either directly, or indirectly including by means of the cancellation of an option and the reissue of a similar option; (ii) to extend the period available to exercise an option beyond the normal expiration date (except in respect of blackout periods and the cessation of employment as provided in the Option Plan); (iii) to increase the levels of participation under the Option Plan; (iv) to increase the number of Class B non-voting shares reserved for issuance under the Option Plan (other than pursuant to the adjustment provisions of the Option Plan); (v) to add any additional categories of persons eligible to receive options under the Option Plan; and (vi) to amend any assignment rights set forth in the Option Plan, other than to permit assignments to a registered retirement savings plan, registered retirement income fund or similar plans for the benefit of the optionee. All other amendments to the Option Plan may be made at the discretion of the board of directors. For example, the discretion of the board of directors includes, without limitation, authority to make amendments to clarify any ambiguity, inconsistency or omission in the Option Plan and other amendments of a clerical or housekeeping nature, to alter the vesting or termination provisions of any option or of the Option Plan, to modify the mechanics of exercise, and to add a financial assistance provision.

As of December 31, 2012, the number of shares reserved and available for issuance under the Option Plan was 985,950.

During 2012, options to purchase 130,250 Class-B non-voting shares were exercised and the Corporation granted options to purchase 275,000 Class B non-voting shares. As at December 31, 2012, the Corporation had options outstanding to purchase 1,228,000 Class B non-voting shares, representing 3.9% of the number of Class B non-voting shares issued and outstanding and had 985,950 Class B non-voting shares (3.1% of the number of Class B non-voting shares issued and outstanding) available for additional option grants under the Option Plan. No re-pricing of outstanding options occurred in the course of 2012, nor to the date of this Management Proxy Circular.

As of March 11, 2013, the Corporation had options outstanding to purchase 1,100,000 Class B non-voting shares, representing 3.5% of the number of Class B non-voting shares issued and outstanding, and had 765,950 Class B non-voting shares (2.4% of the number of Class B non-voting shares issued and outstanding) available for additional option grants under the Option Plan.

Restricted Share Unit Plan

A description of the RSU Plan appears under the general title “Long-Term Incentive Plans,” above. The Company purchases Class B non-voting shares on the open market to settle RSUs granted under the RSU Plan although in certain jurisdictions settlement may occur in cash. These shares are held in trust until certain performance or retention vesting criteria are met. Dividends on the shares are used to purchase additional shares, which are distributed based on the same vesting criteria. Mr. Martin, Ms. Vaidyanathan, Mr. Rubino and Mr. Birkner were granted RSUs in 2010 and Mr. Washchuk was granted RSUs in 2011, as described above.

PENSION PLAN BENEFITS

Defined Benefit Plans

The Company has entered into a supplemental retirement agreement (the “SERP”) with Mr. Lang, as of January 1, 1996. This agreement provides for an annual benefit of 2% for each year of service to a maximum of 60% of the average of the executive’s five highest consecutive years’ base salaries (excluding bonuses, stock options and non-cash benefits) prior to termination of employment. Payments commence upon retirement. Normal retirement is at age 65; however, the executive may retire at or after age 55. Benefits are reduced based on the number of months prior to reaching age 63 that the executive takes his retirement. On death of the executive, the pension is paid to the executive's spouse as a 60% joint and survivor pension for life. The Company's payment obligations are funded in part by a registered defined benefit plan, which provides the same benefit level as the SERP, to the maximum allowable benefit as determined by regulatory authorities. The balance is unfunded. The registered defined benefit plan provides for annual indexing of pension benefits based on inflation. Indexing provided by the registered plan does not increase the overall pension benefit received by the executive from the registered plan and the SERP. In the event of change of corporate control, the Company will pay to Mr. Lang, upon his request, 50% of the SERP value, increased in consideration of the applicable tax. The remaining 50% of the SERP will be paid, or will continue to be paid, as a pension benefit upon or during retirement. For the purpose of calculating the pension payment, the approximate pensionable service for Mr. Lang was 30.5 years. The Company has no established policies concerning the granting of additional years beyond the plan maximum for the calculation of pensionable service.

The Company's estimated accrued benefit obligation for the defined benefit plan and SERPs for present and past executives as of December 31, 2012, was $26,191,000. This accrued benefit obligation is calculated using the method described by the International Financial Reporting Standards in measuring pension obligations and is based on the best estimate of future events that affect the cost of pensions, including assumptions about salary adjustments and the executive's continuing employment with the Company. The accrued benefit obligation for the defined benefit plan and SERP pension benefits for Mr. Lang at December 31, 2012, was estimated at $5,501,000. The calculation for the amounts reported above use actuarial assumptions that are consistent with those used for calculating accrued pension benefit obligations as disclosed in the Company's 2012 consolidated financial. As the assumptions reflect the Company's best estimate of future events, the values shown may not be directly comparable to similar estimates of pension liabilities that may be disclosed by other companies.

The registered defined benefit pension plan has been closed to new participants since 2006.

The following table shows certain information concerning Mr. Lang's defined benefit plan.

Name(1)	Number of years of credited service(2)	Annual benefits payable ($)(3)(4)		Opening present value of defined benefit obligation year ($)(3)	Compensatory change ($)(3)(5)	Non-compensatory change ($)(3)(6)	Closing present value of defined benefit obligation ($)(3)
		At year end	At age 65				
Donald G. Lang	30	413,000	413,000	4,755,000	61,000	685,000	5,501,000

NOTES:

(1) Mr. Martin, Mr. Washchuk, Ms. Vaidyanathan, Mr. Rubino and Mr. Birkner are not members of the defined benefit plan.

(2) The credited service shown represents the credited service for the SERP (notably capped at 30 years with the provision of the plan). Credited service for Mr. Lang under the defined benefit registered plan as of December 31, 2012, was 19 years.

(3) Represents values of benefits under both the defined benefit registered retirement plan and the SERP.

(4) The annual benefit shown in the column headed "Annual benefits payable – At year end" shows the accrued benefit based on an average of the executive's five highest consecutive years' base salaries (final average earnings) and credited service as at December 31, 2012, capped at 30 years, without early retirement adjustments. The annual benefit shown in the column headed "Annual benefits payable – At age 65" show the accrued benefit based on the executive's final average earnings and credited service as at the executive's attainment of age 65, capped at 30 years service.

(5) Compensatory change includes the service cost and estimated update for 2013 earnings.

(6) Non-compensatory changes to the 2012 obligation include amounts attributable to changes in the actuarial assumptions.

Defined Contribution Plans

The Company maintains a 401K defined contribution plan ("401K Plan") for all employees in the United States in which Mr. Martin, Ms. Vaidyanathan and Mr. Rubino participate. The plan provides an employer match of 100% for the first 2% of employee contribution and a 50% match of up to 4% of the employee's contribution to the legal maximum. In 2012, the Company contributed $13,745 (US$13,750) for each of Mr. Martin, Ms. Vaidyanathan and $11,268 (US$ 11,273) for Mr. Rubino. The Company maintains a defined contribution pension plan (the "DC Plan") for certain Canadian executives, into which the Company contributes an amount equal to 9% of the executive's base salary up to the maximum permitted by Canadian income tax laws. Mr. Washchuk's benefit entitlement is 9% of base salary and annual bonus. This benefit is funded through the DC Plan above with the balance being supplemented by unfunded contributions ("Supplementary Plan") accrued for by the Company earning interest at the rate of the Canadian 20-year treasury bill as at January 15th of each year. In 2012, the Company contributed a total of $34,425 to the DC and Supplementary Plans for Mr. Washchuk.

Deferred Compensation Plan

The Company also maintains a deferred compensation plan for certain key executives in which Mr. Martin, Ms. Vaidyanathan and Mr. Rubino participate. The Company contributes a maximum annual company contribution of 9% of base salary and annual bonus for Mr. Martin, and an annual company contribution of 4% of base salary and annual bonus for Ms. Vaidyanathan and Mr. Rubino. If participants, other than Mr. Martin, defer the maximum amount permitted under the 401K Plan, the Company will make a matching contribution to the participant's deferred compensation account equal to 50% of the amount deferred by the participant. In 2012, the Company contributed $185,811 (US$185,885) for Mr. Martin, $49,795 (US$49,815) for Ms. Vaidyanathan, and $46,136 (US$46,154) for Mr. Rubino. Contributions to the plan for Mr. Martin are fully vested. In the case of Ms. Vaidyanathan and Mr. Rubino, contributions vest at age 65 with 10 years service, or immediately upon death, disability or change of control. The HR Committee may approve earlier vesting at its discretion. The deferred compensation plan also allows executives to defer up to 20% of salary and 100% of annual cash bonuses. Elective deferrals vest immediately. The contributions accrue interest at the rate of 1.5% above the amount paid on United States 20-year treasury bills established the first day of each plan year, and which is attributed to the participant's account monthly. Upon cessation of employment, elective deferrals and earnings thereon will be paid in a lump sum in the month of January following the plan's year end. Participants may elect, however, to receive payment of elective deferrals and earnings thereon in equal installments over a period of up to 10 years. Vested Company contributions to the plan will be paid in two substantially equal installments on the first and second anniversaries of the date on which the participant ceases employment. All contributions vest in the event of change of control of the Company. The deferred compensation plan is an unfunded plan and therefore considered a defined benefit plan under IFRS.

The following table shows, for Messrs. Martin, Washchuk and Rubino, and for Ms. Vaidyanathan, certain information concerning their registered defined contribution plans, including the 401K Plan, the company contributions to the non-qualified pension portion of the deferred compensation plan and the non-registered, unfunded plans described above.

Name[1]	Accumulated value at start of year ($)	Compensatory[2] ($)	Accumulated value at year end ($)
Geoffrey T. Martin[3]	1,386,182	199,555	1,712,362
Sean Washchuk	7008	34,425	43,364
Lalitha Vaidyanathan[3]	619,010	63,540	763,094
Ben Rubino[3]	874,768	57,404	1,053,376

NOTES:

(1) Mr. Lang and Mr. Birkner are not members of the defined contribution plans.
(2) The compensatory value includes any Company contribution made to the registered and non-registered plans during 2012.
(3) Values are reported in Canadian dollars and have been converted at the average year-to-date exchange rate as at December 31, 2012, being US$1.00=C$0.9996.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The following table sets forth particulars of any contractual entitlements of NEOs in the event of the termination of their employment without cause, or in the event of a change of control in the Company.

Summary Table of Termination and Change of Control Benefits

Name	Circumstances that trigger payment	Estimated incremental payments, payables and benefits assuming triggering event occurred on December 31, 2012 ($)[3]	Timing and duration of payments and benefits	How payment and benefit levels are determined	Any significant conditions or obligations that apply to receiving payments or benefits
Donald G. Lang	None	—	—	—	—
Geoffrey T. Martin	Termination without cause	$3,772,080[1]	Paid monthly over 24 months	Two times[2] total annual compensation, including base salary, target bonus, pension and a lump sum payment for retiree medical benefits.	Conditional upon observance of non-competition covenant
Sean Washchuk	Termination without cause	$547,725	Paid semi-monthly over 12 months	One times annual compensation, including base salary, target bonus, medical benefits and Company contribution to pension	Conditional upon observance of non-competition covenant
Lalitha Vaidyanathan	Termination without cause	$534,986	Paid biweekly over 12 months	12 months' base salary, target bonus, medical benefits and Company contribution to Deferred Compensation Plan	Conditional upon observance of non-competition covenant
Ben Rubino	Termination without cause	$512,895	Paid Biweekly over 12 months	12 months' base salary, target bonus, medical benefits and Company contribution to Deferred Compensation Plan	Conditional upon observance of non-competition covenant
Guenther Birkner	Termination without cause	$533,250	Paid in a lump sum upon termination	12 months' base salary, target bonus and benefits	

NOTES:

(1) This calculation is based on a termination in circumstances not involving a change in control.

(2) In the event that Mr. Martin's employment is terminated within one year of a change of control, he is entitled to three times his annual compensation, including base salary, target bonus and pension contribution, instead of the two times compensation reported above. (See "Change of Control" below.)

(3) Those amounts originally denominated in U$ or € have been converted into C$ at the average year-to-date-exchange rate as at December 31, 2012. (See "Calculation of Foreign Exchange".)

Employment Agreements

The Company does not have a written contract of employment with its Executive Chairman, Mr. Lang, The Company entered into employment agreements with Mr. Martin, Mr. Washchuk, Ms. Vaidyanathan, Mr. Rubino and Mr. Birkner.

Mr. Martin

The Company entered into an employment agreement with Mr. Martin on May 8, 2008. The agreement provides for an annual base salary subject to yearly review. In 2012, Mr. Martin's base salary was $780,688 (US$781,000). Pursuant to this agreement, he is entitled to participate in the Company's SMIP and certain LTIPs, as described above. He is entitled to standard benefits of the type normally available to executive officers. The agreement for Mr. Martin may be terminated for cause as defined in the agreement and may be otherwise terminated on 24-months' notice.

In addition to the foregoing, as part of his employment contract, Mr. Martin is eligible to receive a lump sum payment of $285,636 (US$285,750) after tax upon retirement to fund medical benefits for Mr. Martin, his spouse and his eligible dependents. This payment is only available on retirement if Mr. Martin elects to retire immediately following separation from the Company, and is subject to an annual reduction of 10% for each year over 60 if he has not retired. Mr. Martin is also eligible to receive this payment in the event of termination without cause or with change of control. The agreement contains standard non-competition and non-solicitation provisions. There are no provisions addressing a change of responsibility or constructive dismissal.

Mr. Washchuk

The Company entered into a written contract of employment with Mr. Washchuk upon his employment on October 5, 2011. The agreement provides for an annual base salary subject to yearly review. Pursuant to this agreement, he is entitled to participate in the Company's SMIP and certain LTIPs, as described above. He is entitled to standard benefits and perquisites of the type normally available to executive officers. Mr. Washchuk's agreement may be terminated for cause as defined in the agreement and otherwise terminated on 12-months' notice including target bonus. The agreement contains standard non-competition and non-solicitation provisions. There are no provisions addressing a change of responsibility or constructive dismissal.

Ms. Vaidyanathan

The Company entered into a formal employment agreement with Ms. Vaidyanathan on January 1, 2012. The agreement provides for an annual base salary subject to yearly review. Pursuant to this agreement, she is entitled to participate in the Company's SMIP and certain LTIPs, as described above. She is entitled to standard benefits and perquisites of the type normally available to executive officers. Ms. Vaidyanathan's agreement may be terminated for cause as defined in the agreement and otherwise terminated on 12-months' notice including target bonus. The agreement contains standard non-competition and non-solicitation provisions. There are no provisions addressing a change of responsibility or constructive dismissal.

Mr. Rubino

The Company entered into a formal employment agreement with Mr. Rubino on January 1, 2012. The agreement provides for an annual base salary subject to yearly review. Pursuant to this agreement, he is entitled to participate in the Company's SMIP and certain LTIPs, as described above. He is entitled to standard benefits and perquisites of the type normally available to executive officers. Mr. Rubino's agreement may be terminated for cause as defined in the agreement and otherwise terminated on 12-months' notice including target bonus. The agreement contains standard non-competition and non-solicitation provisions. There are no provisions addressing a change of responsibility or constructive dismissal.

Mr. Birkner

Mr. Birkner renewed his employment agreement with the Company effective January 1, 2011. The agreement provides for an annual base salary subject to yearly review. Pursuant to this agreement, he is entitled to participate in the Company's SMIP and certain LTIPs, as described above. He is entitled to standard benefits and perquisites of the type normally available to executive officers. Mr. Birkner's agreement provides for severance to be paid in the event of termination without cause equal to 12-months' base salary and target bonus. The agreement contains standard non-competition and non-solicitation provisions. There are no provisions addressing a change of responsibility or constructive dismissal.

Change of Control

By the terms of his employment agreement, Mr. Martin is entitled to 24 months of severance should his employment be terminated without cause**.** He is also entitled to receive the lump sum payment for retiree medical benefits described above. No further benefit is payable unless Mr. Martin's employment is terminated without cause within one year after a change of control of the Company. In such case, he is entitled to receive 36-months' severance (approximately $5,515,303) in lieu of 24 months, as provided by his employment agreement. In addition, Mr. Martin is eligible to receive the retirement medical benefit referred to in the earlier paragraph in the event of a change of control. None of the other NEOs are, by the terms of their employment agreements, entitled to any incremental payments or benefits upon a change of control.

In the event of change of control, the Company will pay to Mr. Lang 50% of his SERP value, increased in consideration of the applicable tax, if he so requests. The remaining 50% of the SERP will be paid, or will continue to be paid, as a pension benefit upon or during retirement.

COMPENSATION OF DIRECTORS

During the financial year ended December 31, 2012, directors' fees were paid to the directors of the Company other than Donald Lang and Geoffrey Martin on the basis of a retainer of $40,000 per annum and $2,000 per meeting attended of the board of directors and of each committee of the board of directors. Mr. Alan Horn, as Lead Director, received an additional honorarium of $12,500. Committee chairpersons received an annual retainer of $7,500, except for the chairman of the Audit Committee, who received an annual retainer of $12,500. Fees paid for attendance at telephone meetings were $1,000 per director per meeting. The board of directors, on an annual basis as part of the director compensation review, may, in its sole discretion, following consultation with the Nominating and Governance Committee, award to those directors who are not employees of the Company an additional compensation in the form of deferred share units ("DSUs"). (See "Deferred Share Unit Plan," below.) In determining the size of any award made, each of the Nominating and Governance Committee and the board will consider comparative compensation levels of peer companies and such other criteria as it deems appropriate in its sole discretion. On May 10, 2012, the board granted an award of 987 DSUs to each director other than Mr. Donald Lang and Mr. Geoffrey Martin. Directors are also entitled to be reimbursed for their reasonable out-of-pocket expenses incurred in the business of the Company. Directors were paid the foregoing sums in the currency of their place of residence. No compensation was granted to directors in the form of options to purchase Class B non-voting shares in 2012. Donald Lang and Geoffrey Martin, being employees of the Company, received no fees in their capacity as directors. They received options only in their capacity as officers of the Company. The Company has no retirement policy or retirement compensation plan for directors. The following table sets forth the fees paid to the directors of the Company other than NEOs in the 2012 calendar year.

2012 Director Compensation Table

Director	Fees earned in cash ($)	Share-based awards- fees received in DSUs(1) ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total(2) ($)
George Bayly	16,007	78,224	0	0	0	0	94,231
Paul Block	0	114,845	0	0	0	0	114,845
Philip Gresh	0	96,178	0	0	0	0	96,178
Edward Guillet	25,051	85,860	0	0	0	0	110,911
Alan Horn	0	111,000	0	0	0	0	111,000
Stuart Lang	55,000	37,500	0	0	0	0	92,500
Douglas Muzyka	19,121	85,860	0	0	0	0	104,981
Thomas Peddie	0	119,000	0	0	0	0	119,000
Jon Grant(3)	12,000	0	0	0	0	0	12,000

NOTES:

(1) Several directors received all or part of their fees in DSUs as described below. The amount shown reflects the aggregate of the amounts credited to such directors' DSU accounts on the dates for payment of directors' fees during 2012, and is valued in Canadian dollars.

(2) Compensation for Mr. Bayly, Mr. Block, Mr. Gresh, Mr. Guillet and Mr. Muzyka was paid or payable in US dollars. Cash amounts were translated into Canadian dollars based at the exchange rates at the time of the award.

(3) Mr. Grant retired from the board prior to the Annual Shareholders' Meeting of May 3, 2012, and did not stand for re-election.

Deferred Share Unit Plan

The Company has adopted a DSU Plan, which was approved by the shareholders of the Company on May 6, 2004, and amended November 2009.

Under the terms of the DSU Plan, non-employee members of the board of directors may elect to receive in lieu of cash remuneration that would otherwise be payable to such directors or any portion thereof, the number of DSUs equivalent to such cash remuneration. Directors electing to participate in the DSU Plan are awarded DSUs on a quarterly basis in lieu of all or part of the fees owing to them. In addition, the board of directors, in its discretion, may award additional DSUs to non-employee members of the board. A DSU is a bookkeeping entry equivalent to one Class B non-voting share. The number of DSUs credited to an account maintained for each participating director (other than for discretionary grants) is calculated by dividing the cash remuneration that would otherwise be payable by the fair market value of a Class B non-voting share of the Company on the date of issue of the DSU. Fair market value is calculated under the DSU Plan as the simple average of the high and low trading prices of the Class B non-voting shares for the five trading days immediately preceding the date of issue or redemption, as the case may be. DSUs cannot be redeemed or paid out until such time as the director ceases to be a director. A DSU entitles the holder to receive, on a deferred payment basis, either the number of Class B non-voting shares of the Company equating to the number of his or her DSUs, or, alternatively, at the election of the Company, a cash amount equal to the fair market value of an equal number of Class B non-voting shares of the Company on the date of notification of redemption. Upon a person ceasing to be a director, such person will have until December 31 of the calendar year following his or her retirement from the board of directors to redeem his or her DSUs.

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

OPTION-BASED AWARDS TO DIRECTORS

Share-based awards (other than DSUs) and option-based awards to directors have been discontinued since 2004, and no such awards were issued to directors in 2012. Information relating to share-based and option-based awards to directors outstanding at the end of the most recently completed financial year is set forth in the table below. Share-based and option-based awards to directors who are also NEOs are described above under the heading "Incentive Plan Awards." A description of the Employee Stock Option Plan, pursuant to which the options described in the table below were granted, is set forth above under the heading "Employee Stock Option Plan." No options previously granted to directors vested in 2012. The directors do not participate, as directors, in any share-based awards.

Outstanding Share-Based Awards and Option-Based Awards to Directors as of December 31, 2012

	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options(1) ($)	Number of shares or units of shares that have not vested(2) (#)	Market or payout value of share-based awards that have not vested(2) ($)	Market or payout value of vested share-based awards not paid out or distributed(2) ($)
George Bayly	n.a.	n.a.	n.a.	n.a.	0	0	314,343
Paul Block	n.a.	n.a.	n.a.	n.a.	0	0	526,756
Philip Gresh	n.a.	n.a.	n.a.	n.a.	0	0	111,344
Edward Guillet	n.a.	n.a.	n.a.	n.a.	0	0	469,580
Alan Horn	n.a.	n.a.	n.a.	n.a.	0	0	698,545
Stuart Lang	5,000	18.51	March 7, 2013	122,400	0	0	191,005
Douglas Muzyka	n.a.	n.a.	n.a.	n.a.	0	0	671,418
Thomas Peddie	n.a.	n.a.	n.a.	n.a.	0	0	1,162,149
Jon Grant(3)	n.a.	n.a.	n.a.	n.a.	0	0	0

NOTES:

(1) Value of unexercised options is the difference between the option exercise price and $42.99, the closing price of the Company's Class B non-voting shares on the TSX on December 31, 2012, multiplied by the number of options.
(2) DSUs vest on the date they are granted, but they are not redeemable until the recipient ceases to be a director. The cumulative value of vested but undistributed DSU awards to the directors is calculated by multiplying $42.99, being the closing price of the Company's Class B non-voting shares on the TSX on December 31, 2012, by the number of DSUs held by the director at December 31, 2012. Donald Lang and Geoffrey Martin hold no DSUs.
(3) Mr. Grant retired from the board prior to the Annual Shareholders' Meeting of May 3, 2012, and did not stand for re-election.

Share-based Awards, Option-based Awards and Non-equity Incentive Plan Compensation to Directors Vested or Earned During 2012

Name	Option-based awards – Value vested during the year ($)(1)	Share-based awards –Value vested during the year(2) ($)	Non-equity incentive plan compensation –Value earned during the year ($)
George Bayly	0	78,224	0
Paul Block	0	114,845	0
Philip Gresh	0	96,178	0
Edward Guillet	0	85,860	0
Alan Horn	0	111,000	0
Stuart Lang	0	37,500	0
Douglas Muzyka	0	85,860	0
Thomas Peddie	0	119,000	0
Jon Grant(3)	0	0	0

NOTES:

(1) Messrs. Donald G. Lang and Geoffrey T. Martin received RSUs or option grants during the 2012 calendar year, but only in their capacity as officers of the Company, not as directors. Details of these grants are set forth in the "Summary Compensation Table" and in the "Compensation Discussion and Analysis," above.

(2) Directors' fees are paid quarterly. Where a director elects to receive some or all of his fees in DSUs, the value of the DSUs is based on the average closing price of Class B non-voting shares on the TSX over the five days preceding the payment of directors' fees. Where a special award of DSUs is made to directors, its value is also determined by applying the average closing price of Class B non-voting shares on the TSX over the five days preceding the date of the grant.

(3) Mr. Grant retired from the board prior to the Annual Shareholders' Meeting of May 3, 2012, and did not stand for re-election.

Indebtedness of Directors and Executive Officers to the Company and its Subsidiaries Under Securities Purchase and Other Programs

The following tables set forth the indebtedness (other than routine indebtedness as defined in Form 51-102F5) incurred by all current and former directors, officers and employees of the Company and its subsidiaries for the purchase of securities of the Company and for other purposes as of February 28, 2013.

Aggregate Indebtedness

Purpose	To the Company or its subsidiaries	To another entity
Share purchases	0	0
Other	$1,942,825	0

Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

Name and principal position as at December 31, 2013	Involvement of Company or subsidiary	Largest amount outstanding during 2012	Amount outstanding as at February 28, 2013	Financially assisted securities purchases during 2013	Security for indebted-ness	Amount forgiven during 2013
Securities Purchase Programs						
None						
Other Programs						
Geoffrey T. Martin *President and Chief Executive Officer*	Company (lender)	$1,932481 (U$1,878,931)	$1,942,825(1) (U$1,888,989)	0	None	0

NOTES:

(1) This entry concerns a bridge loan granted to Mr. Martin to assist him with an income tax assessment incurred on the vesting of 123,334 restricted shares in March of 2008. The loan has an interest rate of 4.17% for 2012. This loan is held on a demand basis. The loan is not secured.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

As of July 8, 2012, the Company had purchased policies of insurance for the benefit of itself and its directors and officers against liability incurred by them in the performance of their duties as directors or as officers of the Company. The cumulative amount of the premium paid in respect of this policy in 2012 was $188,000. The policies do not specify that any part of the premium is paid in respect of either directors as a group or officers as a group. The entire premium is paid by the Company. The aggregate amount of coverage under the policies is $45,000,000 in respect of any one occurrence. By the terms of the policies, the Company may claim for 100% of the loss, up to the policy aggregate, over and above the first $250,000, such $250,000 being the deductible for the Company under the primary policy. In addition, in certain limited circumstances where complete indemnity of the director or officer by the Company is not possible, the director or officer may claim on the policies for 100% of the loss, without a deductible being applicable. In addition to the above policies, there is a further $5,000,000 coverage layer above $45,000,000 for the directors and officers (Side A Difference in Conditions (DIC) Excess), which provides dedicated and exclusive limits for claims made against director(s) and officer(s) only when the Company cannot or will not indemnify the individual. The policy contains standard industry exclusions and no claims have been made to date.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Company has a formalized system of corporate governance practices set forth in its "Statement of Governance Policies." These policies include a written charter for the board of directors and each committee of the board as well as a description of the roles and responsibilities of the Executive Chairman of the board of directors and of the President and Chief Executive Officer of the Company. The board of directors has also approved a code of business conduct and ethics for its directors, officers and employees, entitled the "Global Business Ethics Guide" (the "code"), and a formal, written communications and public disclosure policy. The full text of the Statement of Governance Policies and the code may be viewed on the Company's website at www.cclind.com.

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

INSTRUMENT REQUIREMENTS	COMMENTS
Disclose the identity of directors who are independent.	George V. Bayly, Paul J. Block, Philip M. Gresh, Edward E. Guillet, Alan D. Horn, Douglas W. Muzyka and Thomas C. Peddie.
Disclose the identity of directors who are not independent, and describe the basis for that determination.	Donald G. Lang, Stuart W. Lang and Geoffrey T. Martin are not independent. Donald G. Lang is Executive Chairman of the Corporation, and Stuart W. Lang has a direct family relationship with him. Geoffrey T. Martin is the President and Chief Executive Officer of the Corporation.
Disclose whether or not a majority of directors are independent.	A majority of the directors are independent.
If a director is presently a director of any other issuer that is a reporting issuer in a Canadian jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	George V. Bayly – ACCO Brands Corporation, Graphic Packaging International LLC and Treehouse Foods, Inc.; Edward E. Guillet – Waste Connections, Inc.; Alan D. Horn – Rogers Communications Inc. and Fairfax Financial Holdings Limited; Donald G. Lang – AGF Management Ltd.
Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year.	With each meeting of the board, its Audit Committee and its Human Resources Committee, there is a private session restricted to independent directors from which non-independent directors and management are excluded to permit independent directors to discuss any matters of concern *in camera*. *In camera* meetings are chaired by the Lead Director, or, in the case of the committees, by their chair, who is an independent director. There were seven meetings of the board of directors held during 2012, and *in camera meetings* of independent directors were held at all of the seven regular meetings.

INSTRUMENT REQUIREMENTS	COMMENTS
Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities.	The Executive Chairman, Donald G. Lang, is not independent. The Lead Director, Alan D. Horn, is an independent director. The responsibilities of the Lead Director include the following: (i) To develop the agenda for in camera board meetings where non-independent directors and members of management are excluded; (ii) To act as liaison between management and the board where and if required; (iii) To chair board meetings in the absence of the Executive Chairman; (iv) To consider any other appropriate structures and procedures to ensure that the board can function independently of management; (v) To undertake the lead on any other corporate governance initiatives that the board may request from time to time; (vi) To report to the Executive Chairman concerning the deliberations of the independent directors as required; (vii) To provide feedback to the Executive Chairman and act as a sounding board with respect to strategies, accountability and other issues; and (viii) To review and approve the travel and entertainment expenses of the Executive Chairman. The lead director is required to be an independent director, and is elected annually by the board following the annual meeting of shareholders.
Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.	Please refer to the table under "Election of Directors," above.
Disclose the text of the board's written mandate.	Please see the board's mandate, set forth below under the title "The Charter of the Board."
Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee.	The position descriptions for the Executive Chairman and the chair of each committee of the board are set out in the Statement of Governance Policies, which is available on the Corporation's website at www.cclind.com.
Disclose whether or not the board and the CEO have developed a written position description for the CEO.	The board has adopted a position description for the CEO, which is set out in the Statement of Governance Policies, available on the Corporation's website at www.cclind.com.
Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and	Upon election to the board, new directors receive a comprehensive orientation package including the principal governance, disclosure, insider

INSTRUMENT REQUIREMENTS	COMMENTS
(ii) the nature and operation of the issuer's business.	trading and ethics policies of the Company, recent regulatory filings and other materials to assist them in familiarizing themselves with the Company and its business operations. These materials include descriptions of the roles of the board of directors and the committees of the board. New directors also receive copies of the most recent strategic plan, copies of the company's compensation philosophy and incentive plans. They also engage in introductory meetings with the senior management of the Company to be briefed on the nature and operations of the Company's businesses, and visit representative plants.
Briefly describe what measures, if any, the board takes to provide continuing education for its directors.	The Nominating and Governance Committee is responsible for developing programs of continuing education for directors. Subject to availability, such programs may include plant visits, attendance at industry association conventions and trade shows, formal courses and presentations by expert speakers. External guests are invited to board meetings from time to time to offer information concerning various geographic markets, financial markets and related industry trends. In June of 2012, the Board received presentations on the Company's activities and initiatives by Ben Rubino, President, Home & Personal Care Worldwide, as well as commentary by a representative of Barclay's Bank and a presentation from a supplier, Raflatac, offering an industry view from a supplier's perspective. In December, the board received presentations from Allison Phillips of supplier Avery Dennison and presentations by internal managers Charles Herrmann, Vice President, Sales and Marketing of CCL Container and Jim Sellors, President of Healthcare Solutions for North America and Australia. Directors are also enrolled in the Institute of Corporate Directors and benefit from the Institute's seminars and publications. At least once a year, a board meeting is held at a representative plant. In 2012, the board visited the Company's plants in Solingen, Meerane and Holzkirchen, Germany, and in Hohenems, Austria, and were briefed on the various manufacturing technologies represented at those plants. Directors are also asked to make an individual plant visit annually. Also, at each quarterly board meeting, the CEO presents a detailed operations report in which he discusses trends and developments within the Company's industry segments and those of the Company's customers and suppliers.

INSTRUMENT REQUIREMENTS	COMMENTS
Disclose whether or not the board has adopted a written code of business conduct and ethics for the directors, officers and employees. If the board has adopted a written code: (i) disclose how a person or company may obtain a copy of the code; (ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.	The board has adopted the code. (i) A copy of the code may be viewed on the Corporation's website at www.cclind.com or it may be obtained by contacting the Secretary of the Corporation at 105 Gordon Baker Road, Suite 500, Willowdale, Ontario M2H 3P8. (ii) The monitoring of compliance with the code is within the mandate of the Human Resources Committee, which is also responsible for administering and granting any waivers in respect of the code. The Human Resources Committee and the Audit Committee receive the report of the Senior Vice President, Human Resources and Corporate Communications, on a quarterly basis regarding any matters or issues involving the code. The Company makes available an anonymous hotline for the reporting of suspected breaches of the code. Submissions or complaints made on the hotline are reviewed for investigation and resolution of issues by the Senior Vice President, Human Resources and Corporate Communications, who reports hotline matters to the board of directors through the Human Resources Committee, and, where applicable, through the Audit Committee. (iii) Not applicable.
Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.	Should any matter arise in which a director has a material interest, he or she is expected to declare his or her interest and absent himself or herself from the discussion and voting over such matter.
Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.	The board and the CEO have reviewed and approved the code and management has been charged with the responsibility of distributing and promulgating this code among the Corporation's employees. Distribution of the code is accompanied by explanatory presentations, and the general manager of each business unit is asked to acknowledge in writing that he/she has promulgated the code to the employees under his or her authority. The code provides for an anonymous, company-wide "ethics hotline" for reporting breaches of the code and any issues relating to accounting and financial wrong-doing.

INSTRUMENT REQUIREMENTS	COMMENTS
Describe the process by which the board identifies new candidates for board nomination.	The Nominating and Governance Committee has developed a matrix of skills and competencies represented on the board and identified such other skills and competencies as may be under-represented. This matrix is used as the basis of further recruitment efforts, which may be conducted by the Nominating and Governance Committee through informal channels and through the use of recruitment agencies.
Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.	The board has a Nominating and Governance Committee composed entirely of independent directors.
If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	Please see the text of the charter under the title "Charter of the Nominating and Governance Committee" set forth below.
Describe the process by which the board determines the compensation for the issuer's directors and officers.	The Nominating and Governance Committee is responsible for determining the compensation of directors, and the Human Resources Committee is responsible for determining the compensation of the Corporation's officers. Compensation is determined using comparative data. In the case of corporate officers, the level of experience and the performance of the individual are taken into consideration. Comparative total compensation data received from independent consulting firms is used in making determinations. Where appropriate, bonuses are paid as a percentage of salary based on the achievement of certain targets. Please refer to the "Compensation Discussion and Analysis," set forth above for a detailed discussion.
Disclose whether or not the board has a compensation committee composed entirely of independent directors.	The board has a Human Resources Committee, which fulfills the role of a compensation committee. It is composed entirely of independent directors.
If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	Please refer to the mandate of the committee set forth under the title "Charter of the Human Resources Committee," below.
If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The board has an Environment and Health & Safety Committee, the function of which is to provide a forum for detailed discussion, examination and review of the Corporation's needs and practices in matters pertaining to regulatory compliance in the areas of

INSTRUMENT REQUIREMENTS	COMMENTS
	environmental control and occupational health and safety and to consider and approve new measures, practices and procedures in these areas. For further details, please see the mandate of the committee set forth under the title “Charter of the Environment and Health & Safety Committee,” below.
Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments.	The Nominating and Governance Committee initiates, every second year (or more frequently, as the board may determine from time to time), a formal assessment of the board as a whole, which assessment may include an evaluation of the board’s committees and of each individual director. One-on-one interviews are then conducted by the Lead Director with each director to review the formal assessment, both of the performance of the board and of the directors themselves, to solicit the director’s views on the effectiveness of the board, its committees and the individual directors and to receive each director’s recommendations. In addition, the board annually assesses the performance of the CEO.

Audit Committee

For disclosure regarding the Company’s Audit Committee, please refer to the section entitled “Item 17–Audit Committee” in the Company’s 2012 Annual Information Form. To obtain a copy of the Annual Information Form, please refer to the information set forth under the title “Additional Information” below.

The Charter of the Board

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

- Advocate and support the best interests of the Company.

- Annually review and approve strategic, business and capital plans for the Company, monitor management’s execution of such plans and require appropriate action to be taken when performance falls short of goals; review at least annually a strategic plan which takes into account the opportunities and risks of the business.

- Ascertain whether specific and relevant corporate measurements are developed and ensure the integrity of the internal control and management information systems that are in place with regard to business performance.

- Select, evaluate, and compensate the Executive Chairman and the CEO.

- Satisfy itself of the integrity of the Executive Chairman and the CEO, and other senior officers, and that these individuals create a culture of integrity throughout the Company.

- Review and monitor management's determination and assessment of the principal risks of the Company's business and pursue the implementation by management of appropriate systems to manage such risks.

- Review measures implemented and maintained by the Company to ensure compliance with statutory and regulatory requirements.

- Monitor the practices of management against the Company's disclosure policy to ensure appropriate and timely communication of material information concerning the Company to its shareholders.

- Monitor overall safety and environmental programs.

- Monitor the development and implementation of programs for management succession and development, which programs include training and monitoring senior management.

- Monitor the evaluation and compensation of senior management.

- Develop or approve selection criteria for new candidates for directorship.

- Direct the implementation of measures for receiving feedback from shareholders, including the monitoring of the use of the Company's website as a means of receiving and responding to comments and questions from interested persons.

- Establish and communicate to management the Board's expectations of management.

- Develop the Company's approach to corporate governance, including the development of a set of corporate governance principles and guidelines that are specifically applicable to the Company, which responsibility may be delegated to a committee of the board.

- Develop and review as part of the board's Governance Policy, the expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at board meetings and advance review of meeting materials.

- Discharge such other duties as may be required in the good stewardship of the Company.

Board Approvals

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

Financial Approvals:

- Strategic plan, annual business and capital plans
- Annual financial statements and auditor's report
- Quarterly financial statements and press release
- Budgeted capital expenditures in excess of $4,000,000*
- Unbudgeted capital expenditures in excess of $2,000,000*
- All acquisitions, divestitures and joint ventures, and any capital calls or further investments in joint ventures and trade investments
- Significant refinancings by debt or equity
- Dividend policy
- Share re-purchase programs

* Amounts stated in Canadian Dollars. Currency conversion set at rates prevailing at the time the matter is presented for approval or action.

Human Resources Approvals:

- Appointments / successions/ dismissals of the Executive Chairman and the CEO
- Directly or by delegation to the Human Resources Committee:
  (a) compensation and incentive arrangements for Executive Chairman and CEO and those officers reporting directly to the CEO; and
  (b) employment/termination agreements for corporate officers reporting directly to the CEO.

Administration and Compliance Approvals:

- Appointment of Board Committees and their Chairs
- Nomination of directors
- Recommendation of Auditor to the shareholders
- Proxy circular, Management's Discussion & Analysis and Annual Information Form
- Appointment of Executive Chairman
- Major policies

Board Committees

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

Charter of the Audit Committee

The principal purpose of the Audit Committee is to provide a forum for detailed discussion, examination and review of the Company's auditing needs, financial reporting, and information systems activities and the selection, instruction, evaluation and compensation of external and internal auditors of the Company and external providers of financial and information management systems services to the Company. Qualifications for membership in the Audit Committee include status as an independent director, financial literacy and an interest in supervising the financial management and reporting of the Company. Members of the committee are selected and removed by a vote of the board. The structure of the committee consists of a chair and two or three directors appointed by the board. In accordance with OSC requirements, the Audit Committee must be composed of a minimum of three directors of the Company, each of whom must be an independent director and "Financially Literate", meaning possessed of the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The Executive Vice President and CFO acts as staff facilitator to the Committee. The Audit Committee has the authority to communicate directly with the internal and external auditors. The mandate of the Audit Committee of the board is as follows:

- Review the quality and acceptability of the accounting policies, principles and practices of the Company.

- Review the quarterly and year-end financial statements, Management Discussion and Analysis, and earnings press releases of the Company before the Company publicly discloses this information, and report its findings for approval to the board. In addition, the Audit Committee shall review the annual Management Proxy Circular and the Annual Information Form of the Company and ensure that the prescribed disclosure regarding the Audit Committee is contained in the Annual Information Form and is cross-referenced to the Annual Information Form from the Management Proxy Circular.

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

- 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 reports of the internal audit department of the Company and provide direction and guidance to the internal auditors.

- Where there are unsettled issues raised by the auditor that do not have a material affect on the annual audited financial statements, require that there be a written response identifying a course of action that would lead to their resolution.

- Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

- Review and approve the Company's hiring policies regarding partners and employees and former partners and employees of the present and former auditor of the Company.

- Review and monitor the adequacy and integrity of the Company's management information systems.

- Monitor the adequacy of financial resources.

- Review the quality of the asset side of the balance sheet of the Company.

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

Charter of the Human Resources Committee

The principal purpose of the Human Resources Committee is to provide a forum for detailed discussion, examination and review of the Company's needs and practices in the selection, evaluation, compensation and retention of officers and employees. The Human Resources Committee considers and approves or recommends to the board of directors any changes associated with these practices. Qualifications for membership in the Human Resources Committee include status as an independent director and an interest in human resources development and administration. Members of the committee are selected and removed by a vote of the board. The structure of the committee consists of a chairperson and a minimum of two directors appointed by the board. The Senior Vice President Human Resources and Corporate Communications acts as secretary and staff facilitator to the Committee. The chairperson of the committee directs the operations of the committee through the establishment of the agenda for meetings, which are called at regular intervals and as may be required to meet the needs of the Company. The chairperson of the committee reports on the activities of the committee at board meetings. The Human Resources Committee has the authority to engage and compensate, at the Company's expense, any outside advisor it determines to be necessary to carry out its duties. The mandate of the Human Resources Committee of the board is as follows:

- Consider, recommend and oversee the implementation of executive compensation programs including base salaries, short term and long term incentives, bonuses, security-based compensation, pension and perquisite programs. These programs are to be linked with the Company's business strategy and performance.

- Monitor succession planning to encourage the development of appropriate successors for the President and CEO and key executives as identified from time to time by the Committee.

- Annually consider and recommend corporate salary guidelines.

- In consultation with the board, review and approve the corporate goals and objectives relevant to the compensation of the Executive Chairman and President and CEO, evaluate their performance in light of those corporate goals and objectives and make recommendations to the board with respect to their compensation levels based on this evaluation.

- Approve any title or status changes to officers reporting directly to the President and CEO.

- Annually consider and approve the compensation packages for senior corporate officers and inform the board accordingly.

- Make recommendations to the board with respect to incentive compensation and equity-based plans for the Executive Chairman and President and CEO.

- Annually review the performance of officers reporting directly to the President and CEO relative to performance and compensation.

- Consider and approve employment and termination agreements for officers reporting directly to the President and CEO.

- Approve pension plan amendments that do not materially alter plan liabilities or reflect changes in the Company's policy towards retirement benefits, and recommend any material changes to the board for its approval.

- Review and recommend for approval by the board any newly created pension plans, registered or unregistered, or the wind up of any existing plan.

- Monitor the activities of the Pension Committee. Annually review funding and administration of the Company's pension plans and fund performance as reported by the Pension Committee and approve any material changes to the Company's "Statement of Investment Policies and Goals", which governs pension fund investment strategy.

- Compensation advisors in respect of executive compensation may be retained by or at the direction of the Human Resources Committee or the board for the purposes of determining competitive executive compensation and other compensation matters.

- Review executive compensation disclosures set forth in the Company's annual Compensation Disclosure & Analysis; and recommend approval to the board prior to the Company's public disclosure of this information.

- Review and reassess the adequacy of the charter of the Human Resources Committee on an annual basis.

- Monitor the operation of the Company's Global Business Ethics Guide, consider and approve any waivers of compliance with the said guide and report to the full board concerning same, and direct to the Audit Committee and complaints of a financial nature.

Charter of the Nominating and Governance Committee

The purpose of the Nominating and Governance Committee is to provide a forum for detailed discussion, examination and review of the Company's needs in the selection of directors and the formation of the committees of its board as well as of its governance policies and practices. Qualifications for membership in the committee include status as an independent director and an interest in the development of corporate governance practices and procedures. Members of the committee are selected and removed by a vote of the board. The structure of the committee consists of a chairperson and two directors appointed by the board. The Secretary and General Counsel of the Company acts as secretary and staff facilitator to the committee. The mandate of the Nominating and Governance Committee of the board is as follows:

- Lead the process of recruiting, interviewing and recommending candidates to the board. Propose new nominees for directorship to the full board, as required.

- Develop and maintain a matrix of the skills, competencies and requirements represented on the board and those to be sought in candidates for directorship that would be helpful to the board and the Company, as well as a list of potential candidates for directorship responsive to such matrix of skills and needs, and consider whether each new nominee can devote sufficient time and resources to his or her duties as a board member.

- Annually recommend membership of the board committees and their respective chairs to the board for approval.

- Monitor the orientation and training of new directors, and provide guidance for the establishment and operation of a continuing education program for directors.

- Facilitate the assessment of the performance of the board, its committees and of individual directors through the administration of a periodic assessment exercise, and present the results to the board.

- Annually assess the Company's compliance with the governance and disclosure guidelines of the Ontario Securities Commission.

- Annually assess the adequacy of the Company's Statement of Governance Policies and its Disclosure Policy, and to propose any appropriate amendments to the board.

- Review annually and recommend any changes in the compensation for directors.

Charter of the Environment and Health & Safety Committee

The purpose of the Environment and Health & Safety ("EHS") Committee is to provide a forum for detailed discussion, examination and review of the Company's needs and practices in matters pertaining to regulatory compliance in the areas of environmental control and occupational health & safety and to consider and approve new measures, practices and procedures in these areas. Qualifications for membership in the EHS Committee include an interest in matters of environmental protection and occupational health & safety. Members of the committee are selected and removed by a vote of the board. The structure of the committee consists of a chairperson appointed by the board and two directors. The Vice President, Risk and Environmental Management of the Company acts as secretary and staff facilitator to the committee. The mandate of the EHS Committee of the board is as follows:

- Review regularly the EHS auditing procedure in place to monitor the effectiveness of compliance systems and procedures, and amend audit protocols as needed.

- Review significant compliance and other issues brought forward by the EHS officer and direct senior management to take adequate steps to correct the situation and report back on completion.

- Verify whether all Company operations have appropriate written contingency plans to deal with EHS incidents.

- Require that the Company have a documented system requiring the prompt reporting of significant events as defined in the CCL contingency plan.

- Monitor continuing commitment to EHS policy by senior management.

- Review status of significant environmental issues on an on-going basis.

- Review environmental liabilities and assessment of reserve requirements annually, and provide comment to the Audit Committee as necessary.

- Approve the winners of the annual EHS Awards.

Composition of Board and Committees

The board presently has seven independent directors out of a total of ten directors, and the Company will seek to maintain a ratio of independent to non-independent directors of 2/3 or greater. The roles of the Executive Chairman of the board and of the CEO are separate, and the board has a lead director who is an independent director. A "board interlock" occurs where there are reciprocal directorships between the boards of two companies, as when two companies share two or more directors other than in a parent/subsidiary situation. There are no board interlocks involving the Company's board of directors and the board of directors of any other company.

As of the date of this circular, the committees of the board of directors are made up of the directors appearing in the table below. Chairpersons of board committees are marked with a "C."

Director	Audit Committee	Human Resources Committee	Nominating and Governance Committee	Environment and Health & Safety Committee
G. Bayly		X		
P. Block	X		C	
P. Gresh		X		X
E. Guillet		C	X	
A. Horn	X			
S. Lang				X
D. Muzyka				C
T. Peddie	C		X	

Share Ownership Requirements

Each director is expected to acquire shares or deferred share units of the Company valued at a market price for the Company's shares at not less than three times his or her annual base retainer in directors' fees within three years of the director's initial election or appointment, and to maintain such an interest in the capital of the Company throughout the period of his or her directorship. In the event that the annual base retainer is increased, each director shall have three years from the date of the increase of the retainer to acquire additional shares representing the amount of the increase at market value as of the date of such increase. The Executive Chairman and the CEO, who are also directors, but who receive no retainer as directors, are expected to acquire within five years of their appointments and to hold throughout their term of office, as a minimum, shares of the Company and RSUs in any combination of a value equal to three times their base salaries. The Company encourages share ownership by directors by making available its DSU Plan, through which directors may receive all or part of their remuneration in DSUs. In addition, the compensation of the directors was enhanced on May 3rd of 2012 through a grant of 987 DSUs to each director who was not an, with the expectation for further DSU grants on a yearly basis at the discretion of the board. As at the date hereof, all directors have achieved their share ownership targets. The value of the equity holdings of each director appears in the table set forth under "Election of Directors," above.

Disclosure and Communications Policy

The Company has designated four senior officers to facilitate the dissemination of information to shareholders of the Company and other interested parties and to receive feedback from them. The Executive Chairman in consultation with the CEO and CFO has responsibility for communicating financial information of the Company to shareholders, the media and the investment community, and for receiving and responding to inquiries and comments from them. The Senior Vice President, Human

Resources and Corporate Communications, shares responsibility with the Executive Chairman, the CEO and the CFO for developing the Company's annual report to its shareholders, and for disseminating general information concerning the activities of the Company. In addition to the foregoing, the Company has established a "Disclosure Committee" made up of key persons within the Company's internal flow of information to review and verify the information to be disclosed in the Company's news releases and regulatory filings. The Company provides timely information regarding its activities to its shareholders and others through news releases and the distribution of quarterly and annual reports, and responds through its appointed officers to inquiries that these documents may generate. The Company's news releases are also posted to its website at www.cclind.com. Meetings with analysts and institutional shareholders held at the conclusion of quarterly reporting periods are accessible by conference call on a dial-in basis to interested members of the public.

The Company has a written policy, reviewed annually by the Nominating and Governance Committee, concerning the timely disclosure and dissemination of material information, establishing procedures to avoid selective disclosure and prohibiting the use of material, undisclosed information for purposes of trading in the Company's securities by officers and employees of the Company. To help prevent selective disclosure, the policy requires employees to direct all outside inquiries to the Executive Chairman, the CEO, the CFO or the Senior Vice President, Human Resources and Corporate Communications. In addition, trading in the Company's securities by the Company's officers and directors is restricted for the periods from the time of commencement of the preparation of its quarterly financial statements until the statements have been released to the media and distributed to the public. During such periods, employees involved in the preparation of such statements are required to maintain secrecy and may not trade in the Company's securities. In addition, directors are required to advise the senior management of the Company of any intended trade in the Company's securities, so that a determination can be made as to whether the timing of the trade would be appropriate in view of the Company's policy concerning timely disclosure of material information.

External Auditor Service Fees

The auditor of the Company is KPMG LLP, Chartered Accountants.

Audit Fees - The aggregate audit fees paid to KPMG LLP related to the audit of the annual consolidated financial statements and the review of the interim financial statements were $1,330,958 in 2012 and $1,506,408 in 2011.

Audit-Related Fees - The aggregate fees billed 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 $49,853 in 2012 ($65,488 in 2011). These fees related to the audit of the Company's pension plans, the report on compliance with debt covenants, an audit for Thailand Board of Investments, and an attestation report on compliance with local Mexican tax rules and regulations.

Tax Fees - The aggregate fees billed for professional services rendered by KPMG LLP and its affiliates for tax compliance, tax advice and tax planning for the Company's Canadian and international operations were $556,936_in 2012 and $503,084 in 2011.

All Other Fees - KPMG LLP and its affiliates did not perform or invoice services for the Company that come within the definition of "other services."

SHAREHOLDER PROPOSALS FOR THE 2014 ANNUAL MEETING

The Company will review shareholder proposals intended to be included in proxy material for the 2014 annual meeting of shareholders that are received by the Company at its offices at 105 Gordon Baker Road, Suite 500, Willowdale, Ontario M2H 3P8, Attention: Corporate Secretary, by no later than December 11, 2013.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com and on the Company's website at www.cclind.com. Financial information regarding the Company is provided in the Company's comparative consolidated annual financial statements and Management's Discussion and Analysis ("MD&A") for the financial year ended December 31, 2012.

Copies of the following documents are available without charge to shareholders upon written request to the Secretary of the Company at 105 Gordon Baker Road, Suite 500, Willowdale, Ontario M2H 3P8, or, following distribution of these materials, they may be obtained from the SEDAR website at www.sedar.com or the Company's website at www.cclind.com:

(i) the 2012 Annual Report to the Shareholders containing the comparative consolidated financial statements for the year ended December 31, 2012, together with the accompanying report of the auditors;

(ii) MD&A pertaining to the Company's comparative consolidated financial statements;

(iii) this Management Proxy Circular; and

(iv) the Company's most recent Annual Information Form.

GENERAL

The information contained herein is given as of March 11, 2013, unless otherwise noted. The contents and the distribution of this Management Proxy Circular have been approved by the directors of the Company.

DATED at Toronto this 11th day of March, 2013.

By Order of the Board of Directors,

Per: B. I. SIROTA,
Secretary