

INTERTAPE POLYMER GROUP INC

Form 6-K

April 21, 2015

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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 6-K**

**Report of Foreign Private Issuer**

**Pursuant to Rule 13a-16 or 15d-16 of**

**the Securities Exchange Act of 1934**

**For the month of April, 2015**

**Commission File Number 1-10928**

**INTERTAPE POLYMER GROUP INC.**

**9999 Cavendish Blvd., Suite 200, Ville St. Laurent, Quebec, Canada, H4M 2X5**

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:  
Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INTERTAPE POLYMER GROUP INC.

Date: April 21, 2015

By: /s/ Jeffrey Crystal  
Jeffrey Crystal, Chief Financial Officer

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**INTERTAPE POLYMER GROUP INC.**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

TAKE NOTICE that an Annual and Special Meeting of Shareholders (the **Meeting**) of INTERTAPE POLYMER GROUP INC. (the **Corporation**) will be held:

Place: Knightsbridge Meeting Room  
The Omni King Edward Hotel  
37 King Street East  
Toronto, Ontario M5C 1E9

Date: June 4, 2015

Time: 10:00 a.m. (eastern time)

The purposes of the Meeting are to:

1. receive and consider the consolidated financial statements of the Corporation for the fiscal year ended December 31, 2014 and the auditors' report thereon;
2. elect directors of the Corporation to hold office until the close of the next annual meeting;
3. appoint auditors and authorize the directors to fix their remuneration;
4. consider, and deemed advisable, adopt a resolution in the form annexed as Schedule A to the accompanying Management Information Circular (the **Circular**), ratifying, confirming and approving all unallocated options under the Corporation's Executive Stock Option Plan; and
5. transact such other business as may properly be brought before the Meeting.

The accompanying Management Information Circular provides detailed information relating to the matters to be dealt with at the Meeting and forms part of this notice.

The Corporation has elected to use the notice-and-access rules (**Notice-and-Access**) under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators for distribution of the materials for the Meeting to shareholders of the Corporation who do not own their shares in their own names as registered shareholders (**Beneficial Shareholders**). Notice-and-Access is a set of rules that allows issuers to post electronic versions of their proxy-related materials on SEDAR and on one additional website, rather than mailing paper copies to shareholders. Notice-and-Access is more environmentally friendly as it helps reduce paper use; it also reduces the Corporation's printing and mailing costs. Further information about Notice-and-Access is contained in the accompanying Circular; Beneficial Shareholders may also contact the Corporation toll free at 866-202-4713 for information regarding Notice-and-Access.

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The Corporation will not be using Notice-and-Access for delivery to shareholders who hold their shares directly in their respective names ( **Registered Shareholders** ); they will receive paper copies of the Circular, related materials and the Annual Report via prepaid mail.

Shareholders are encouraged to express their vote in advance by completing the enclosed form of proxy. Detailed instructions on how to complete and return proxies are provided on pages 2 and 3 of the accompanying Circular. To be effective, the completed form of proxy must be deposited with our transfer agent and registrar, CST Trust Company, B1 Level, 320 Bay Street, Toronto, Ontario M5H 4A6, at any time prior to 5:00 p.m. (eastern time) on June 3, 2015 or with the Chairman of the Meeting before the commencement of the Meeting or at any adjournment thereof.

Shareholders may also vote their shares by telephone or through the Internet using the procedures described in the enclosed form of proxy.

Shareholders registered at the close of business on April 21, 2015 will be entitled to receive notice of and vote at the Meeting.

DATED at Montreal, Canada

April 21, 2015

BY ORDER OF THE BOARD OF DIRECTORS

*(signed) Neil Wiener*

Secretary

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**NOTICE OF ANNUAL AND SPECIAL MEETING  
OF SHAREHOLDERS OF  
INTERTAPE POLYMER GROUP INC.**

TAKE NOTICE that an Annual and Special Meeting of Shareholders (the **Meeting**) of INTERTAPE POLYMER GROUP INC. (the **Corporation**) will be held at 10:00 a.m. (eastern time) on Thursday, June 4, 2015 at the Knightsbridge Meeting Room, The Omni King Edward Hotel, 37 King Street East, Toronto, Ontario, M5C 1E9. The purposes of the meeting are to:

1. receive and consider the consolidated financial statements of the Corporation for the fiscal year ended December 31, 2014 and the auditors' report thereon;
  2. elect directors of the Corporation to hold office until the close of the next annual meeting;
  3. appoint auditors and authorize the directors to fix their remuneration;
  4. consider, and deemed advisable, adopt a resolution in the form annexed as Schedule A to the Management Information Circular dated April 21, 2015 (the **Circular**), ratifying, confirming and approving all unallocated options under the Corporation's Executive Stock Option Plan, and
  5. transact such other business as may properly be brought before the Meeting.
- Additional information on the above matters can be found in the Circular under the heading **Business of the Meeting**.

**Notice-and-Access**

The Corporation has elected to use the notice-and-access rules (**Notice-and-Access**) under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators for distribution of the materials for the Meeting to shareholders of the Corporation who do not own their shares in their own names as registered shareholders (**Beneficial Shareholders**). Notice-and-Access is a set of rules that allows issuers to post electronic versions of their proxy-related materials on SEDAR and on one additional website, rather than mailing paper copies to shareholders. Notice-and-Access is more environmentally friendly as it helps reduce paper use; it also reduces the Corporation's printing and mailing costs. Beneficial Shareholders may obtain further information about Notice-and-Access by contacting the Corporation toll free at 866-202-4713.

The Corporation will not be using Notice-and-Access for delivery to shareholders who hold their shares directly in their respective names (**Registered Shareholders**); they will receive paper copies of the Circular, related materials and the Corporation's 2014 annual report via prepaid mail.

**Websites Where Materials are Posted**

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The Circular, this notice of meeting, the form of proxy, voting instruction form and the Corporation's 2014 annual report containing the Corporation's annual audited consolidated financial statements for the year ended December 31, 2014 and the related Management's Discussion and Analysis (collectively, the **Meeting Materials**) are available on the Corporation's website at [www.itape.com](http://www.itape.com) and under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com) (Canada) and at [www.sec.gov](http://www.sec.gov) (United States). All shareholders are reminded to review the Circular and other Meeting Materials before voting.

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**How to Obtain Paper Copies of Meeting Materials**

Beneficial Shareholders may obtain paper copies free of charge of the Circular, other Meeting Materials and the Corporation's 2014 annual report by contacting the Corporation toll free at 866-202-4713 or by email at [Itp\\$info@itape.com](mailto:Itp$info@itape.com). Any request for paper copies should be received by the Corporation by 5:00 p.m. (eastern time) on May 5, 2015 in order to allow sufficient time for a Beneficial Shareholder to receive the paper copy and return the voting instruction form or proxy by its due date.

**Voting**

The Board of Directors has fixed the close of business on April 21, 2015 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof.

If you are a **Beneficial Shareholder**, accompanying this notice of meeting are a voting instruction form and a supplemental mailing list return card for use by shareholders who wish to receive the Corporation's interim financial statements for the 2015 fiscal year. If you receive these materials through your broker or another intermediary, please complete, sign and return the materials in accordance with the instructions provided to you by such broker or other intermediary.

**Registered Shareholders** are encouraged to express their vote in advance by completing the enclosed form of proxy. Detailed instructions on how to complete and return proxies are provided on pages 2 and 3 of the accompanying Circular. To be effective, the completed form of proxy must be deposited with the Corporation's transfer agent and registrar, CTS Trust Company, B1 Level, 320 Bay Street, Toronto, Ontario M5H 4A6, at any time prior to 5:00 p.m. (eastern time) on June 3, 2015 or with the Chairman of the Meeting before the commencement of the Meeting or at any adjournment thereof. Registered Shareholders may also vote their shares by telephone or through the internet using the procedures described in the enclosed form of proxy.

Dated this 21<sup>st</sup> day of April, 2015.

**BY ORDER OF THE BOARD OF  
DIRECTORS**

By: *(signed) Neil Wiener*  
Secretary

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Management Information Circular

Notice of 2015 Annual and Special Meeting

to be held on June 4, 2015



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**INTERTAPE POLYMER GROUP INC.**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

TAKE NOTICE that an Annual and Special Meeting of Shareholders (the **Meeting**) of INTERTAPE POLYMER GROUP INC. (the **Corporation**) will be held:

Place: Knightsbridge Meeting Room  
The Omni King Edward Hotel  
37 King Street East  
Toronto, Ontario M5C 1E9

Date: June 4, 2015

Time: 10:00 a.m. (eastern time)

The purposes of the Meeting are to:

1. receive and consider the consolidated financial statements of the Corporation for the fiscal year ended December 31, 2014 and the auditors' report thereon;
2. elect directors of the Corporation to hold office until the close of the next annual meeting;
3. appoint auditors and authorize the directors to fix their remuneration;
4. consider, and deemed advisable, adopt a resolution in the form annexed as Schedule A to the accompanying Management Information Circular (the **Circular**), ratifying, confirming and approving all unallocated options under the Corporation's Executive Stock Option Plan; and
5. transact such other business as may properly be brought before the Meeting.

The accompanying Management Information Circular provides detailed information relating to the matters to be dealt with at the Meeting and forms part of this notice.

The Corporation has elected to use the notice-and-access rules (**Notice-and-Access**) under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators for distribution of the materials for the Meeting to shareholders of the Corporation who do not own their shares in their own names as registered shareholders (**Beneficial Shareholders**). Notice-and-Access is a set of rules that allows issuers to post electronic versions of their proxy-related materials on SEDAR and on one additional website, rather than mailing paper copies to shareholders. Notice-and-Access is more environmentally friendly as it helps reduce paper use; it also reduces the Corporation's printing and mailing costs. Further information about Notice-and-Access is contained in the accompanying Circular; Beneficial Shareholders may also contact the Corporation toll free at 866-202-4713 for information regarding Notice-and-Access.

The Corporation will not be using Notice-and-Access for delivery to shareholders who hold their shares directly in their respective names ( **Registered Shareholders** ); they will receive paper copies of the Circular, related materials and the Annual Report via prepaid mail.

Shareholders are encouraged to express their vote in advance by completing the enclosed form of proxy. Detailed instructions on how to complete and return proxies are provided on pages 2 and 3 of the accompanying Circular. To be effective, the completed form of proxy must be deposited with our transfer agent and registrar, CST Trust Company, B1 Level, 320 Bay Street, Toronto, Ontario M5H 4A6, at any time prior to 5:00 p.m. (eastern time) on June 3, 2015 or with the Chairman of the Meeting before the commencement of the Meeting or at any adjournment thereof.

Shareholders may also vote their shares by telephone or through the Internet using the procedures described in the enclosed form of proxy.

Shareholders registered at the close of business on April 21, 2015 will be entitled to receive notice of and vote at the Meeting.

DATED at Montreal, Canada

April 21, 2015

BY ORDER OF THE BOARD OF DIRECTORS

*(signed) Neil Wiener*

Secretary

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**INVITATION TO SHAREHOLDERS**

Dear Shareholders:

On behalf of the Board of Directors, management and employees of Intertape Polymer Group Inc. (the **Corporation** ), I invite you to attend the annual and special meeting of shareholders of the Corporation to be held at 10:00 a.m. (eastern time) on June 4, 2015 at the Omni King Edward Hotel (Knightsbridge meeting room), 37 King Street East. Toronto, Ontario M5C 1E9.

The items of business to be considered at this meeting are described in the Notice of Annual and Special Meeting of Shareholders of Intertape Polymer Group Inc. and accompanying Management Information Circular. The contents and the distribution of this Management Information Circular have been approved by the Board of Directors.

Your participation at this meeting is very important to the Corporation. I encourage you to vote, which can easily be done by following the instructions set out in the Management Information Circular. Management will review the Corporation's operational and financial performance during 2014 and provide an outlook for 2015. You will also have an opportunity to ask questions and to meet your directors and executives.

Many of the Corporation's public documents are available under Investor Relations on the Corporation's website at [www.itape.com](http://www.itape.com). I encourage you to visit the website during the year for information about the Corporation, including news releases and investor presentations. Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com).

I look forward to seeing you at the meeting.

Yours sincerely,

Gregory A. C. Yull

Chief Executive Officer and President

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**MANAGEMENT INFORMATION CIRCULAR**

**SOLICITATION OF PROXIES BY MANAGEMENT**

**This Management Information Circular (the Circular ) is furnished in connection with the solicitation by the management of Intertape Polymer Group Inc. (the Corporation ) of proxies to be used at the annual and special meeting of shareholders (the Meeting ) of the Corporation to be held at the time and place and for the purposes set out in the Notice of Meeting and all adjournments thereof.** Except as otherwise stated, the information contained herein is given as of March 31, 2015 and all dollar amounts in this Circular are in U.S. dollars. The solicitation of proxies by management will be made primarily by mail. However, directors, officers and employees of the Corporation may also solicit proxies by telephone, telecopier, e-mail or in person. The total cost of solicitation of proxies will be borne by the Corporation.

**INTERNET AVAILABILITY OF PROXY MATERIALS**

**Notice-and-Access**

The Corporation has elected to use notice-and-access rules ( **Notice-and-Access** ) under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ( **NI 54-101** ) for distribution of Proxy-Related Materials (as defined below) to shareholders who do not hold shares of the Corporation in their own names (referred to herein as **Beneficial Shareholders** ). Notice-and-Access is a set of rules that allows issuers to post electronic versions of proxy-related materials on SEDAR and on one additional website, rather than mailing paper copies. **Proxy-Related Materials** refers to this Circular, the Notice of Meeting, a voting instruction form and the Corporation's 2014 annual report containing the Corporation's annual audited consolidated financial statements as of and for the year ended December 31, 2014 and the related Management's Discussion and Analysis.

The use of the Notice-and-Access rules is more environmentally friendly as it helps reduce paper use. It also reduces the Corporation's printing and mailing costs. Beneficial Shareholders may obtain further information about Notice-and-Access by contacting CST Trust Company toll free at 800-387-0825 (within North America) or 416-682-3860 (outside North America).

The Corporation is not using Notice-and-Access for delivery to shareholders who hold their shares directly in their respective names (referred to herein as **Registered Shareholders** ). Registered Shareholders will receive paper copies of this Circular, related materials and the Corporation's 2014 annual report via prepaid mail.

**Websites Where Proxy-Related Materials are Posted**

The Proxy-Related Materials are available on the Corporation's website at [www.itape.com](http://www.itape.com) and under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com) (Canada) or at [www.sec.gov](http://www.sec.gov) (United States). All shareholders are reminded to review the Proxy-Related Materials, including this Circular, before voting.

**Notice Package**

Although the Proxy-Related Materials have been posted on-line as noted above, Beneficial Shareholders will receive paper copies of a notice package ( **Notice Package** ) via prepaid mail containing information prescribed by NI 54-101 such as the date, time and location of the Meeting, the website addresses where the Proxy-Related Materials are posted, a voting instruction form ( **VIF** ), and supplemental mail list return card for Beneficial Shareholders to request that they be included in the Corporation's supplementary mailing list for receipt of the Corporation's interim financial

statements for the 2015 fiscal year.

**How to Obtain Paper Copies of Proxy-Related Materials**

Beneficial Shareholders may obtain paper copies of this Circular, the Corporation's 2014 annual report and other Proxy-Related Materials free of charge by contacting the Corporation toll free at 866-202-4713 or by email at [Itp\\$info@itape.com](mailto:Itp$info@itape.com). Any request for paper copies which are required in advance of the Meeting should be sent so that the request is received by the Corporation by 5:00 p.m. (eastern time) on May 5, 2015 in order to allow sufficient time for Beneficial Shareholders to receive their paper copies and to return their voting instruction form by its due date.

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**APPOINTMENT AND REVOCATION OF PROXIES**

**General**

As mentioned above, shareholders may be **Registered Shareholders** or **Beneficial Shareholders**. If common shares of the Corporation (**Shares**) are registered in the name of an intermediary and not registered in the shareholder's name, they are said to be owned by a **Beneficial Shareholder**. An intermediary is usually a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates. The instructions provided below set out the different procedures for voting Shares at the Meeting to be followed by Registered Shareholders and Beneficial Shareholders.

The persons named in the enclosed instrument appointing a proxy holder are officers or directors of the Corporation. **Each shareholder has the right to appoint a person or company (who need not be a shareholder) to attend and act for him at the Meeting other than the persons designated in the enclosed form of proxy by inserting such other person's name in the blank space provided in the form of proxy and signing the form of proxy or by completing and signing another proper form of proxy.** Shareholders who have given a proxy also have the right to revoke it insofar as it has not been exercised. The right to appoint an alternate proxy holder and the right to revoke a proxy may be exercised by following the procedures set out below under **Registered Shareholders** or **Beneficial Shareholders**, as applicable.

If any shareholder receives more than one proxy or voting instruction form, it is because that shareholder's Shares are registered in more than one form. In such cases, shareholders should sign and submit all proxies or voting instruction forms received by them in accordance with the instructions provided.

**Registered Shareholders**

Registered Shareholders have two methods by which they can vote their Shares at the Meeting; namely in person or by proxy. To assure representation at the Meeting, Registered Shareholders are encouraged to return the proxy included with this Circular. Sending in a proxy will not prevent a Registered Shareholder from voting in person at the Meeting. The vote will be taken and counted at the Meeting. Registered Shareholders who do not plan to attend the Meeting or do not wish to vote in person can vote by proxy.

To be valid, the duly-completed form of proxy must be deposited at the offices of CST Trust Company, B1 Level, 320 Bay Street, Toronto, Ontario M5H 4A6 prior to 5:00 p.m. (eastern time) on June 3, 2015 or with the Chairman of the Meeting before the commencement of the Meeting or any adjournment thereof. A Registered Shareholder may return the completed proxy as follows:

- (a) by **mail** in the enclosed envelope; or
- (b) by the **Internet** (by accessing the following Internet site: [www.cstvotemyproxy.com](http://www.cstvotemyproxy.com) and entering the personalized thirteen-digit e-voting control number printed on your form of proxy and following the instructions on the website); or
- (c) by **telephone** by calling 1-888-489-7352 as described on the enclosed proxy; or

(d) by **email** by scanning the proxy and emailing it to proxy@canstockta.com; or

(e) by **registered mail**, by **hand** or by **courier** to the attention of CST Trust Company, B1 Level, 320 Bay Street, Toronto, Ontario M5H 4A6.

To exercise the right to appoint a person or company to attend and act for a Registered Shareholder at the Meeting, such shareholder must strike out the names of the persons designated on the enclosed instrument appointing a proxy and insert the name of the alternate appointee in the blank space provided for that purpose. The instrument appointing a proxy holder must be executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporate body, by its authorized officer or officers.

To exercise the right to revoke a proxy, in addition to any other manner permitted by law, a shareholder who has given a proxy may revoke it by instrument in writing, executed by the shareholder or his attorney authorized in writing, or if the shareholder is a corporation, by a duly-authorized officer or attorney thereof, and deposited: (i) with CST Trust Company, B1 Level, 320 Bay Street, Toronto, Ontario M5H 4A6 at any time up to and including prior to 5:00 p.m. (eastern time) on June 3, 2015, or (ii) with the Chairman of the Meeting on the date of the Meeting, or at any adjournment thereof, and upon either of such deposits the proxy is revoked.



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**BENEFICIAL SHAREHOLDERS**

Beneficial Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as **NOBOs**. Beneficial Shareholders who have objected to their intermediary disclosing the ownership information about themselves to the Corporation are referred to as **OBOs**.

As mentioned above, the Corporation is using Notice-and-Access to provide Proxy-Related Materials to Beneficial Shareholders. Therefore, a Notice Package will be sent via prepaid mail directly to the NOBOs and, indirectly, through intermediaries to the OBOs; the Corporation is assuming the cost of such delivery to OBOs.

**Meeting Materials Received by OBOs from Intermediaries**

The Corporation has distributed copies of the Notice Package to intermediaries for distribution to OBOs. Intermediaries are required to deliver the Notice Package to all OBOs of the Corporation who have not waived their right to receive these materials, and to seek instructions as to how to vote Shares. Often, intermediaries will use a service company (such as, for example, Broadridge Financial Solutions, Inc.) to forward the Notice Package to OBOs.

OBOs who receive the Notice Package will typically be given the ability to provide voting instructions in one of two ways:

- (a) Generally, an OBO will be given a VIF which must be completed and signed by the OBO in accordance with the instructions provided by the intermediary. In this case, the mechanisms described above for Registered Shareholders cannot be used and the instructions provided by the intermediary must be followed.
- (b) Occasionally, an OBO may be given a proxy that has already been signed by the intermediary. This form of proxy is restricted to the number of Shares owned by the OBO but is otherwise not completed. This form of proxy need not be signed by the OBO but must be completed by the OBO and returned to CST Trust Company in the manner described above for Registered Shareholders.

The purpose of these procedures is to allow OBOs to direct the proxy voting of the Shares that they own but that are not registered in their name. Should an OBO who receives either a form of proxy or a VIF wish to attend and vote at the Meeting in person (or have another person attend and vote on its behalf), the OBO should strike out the persons named in the form of proxy as the proxy holder and insert the OBO's (or such other person's) name in the blank space provided or, in the case of a VIF, follow the corresponding instructions provided by the intermediary. In either case, OBOs who received a Notice Package from their intermediary should carefully follow the instructions provided by the intermediary.

To exercise the right to revoke a proxy, an OBO who has completed a proxy (or a VIF, as applicable) should carefully follow the instructions provided by the intermediary.

Proxies returned by intermediaries as non-votes because the intermediary has not received instructions from the OBO with respect to the voting of certain Shares or, under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those Shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Shares represented by such non-votes will, however, be counted in determining whether there is a quorum at the Meeting.

**Meeting Materials Received by NOBOs from the Corporation**

As permitted under NI 54-101, the Corporation has used a NOBO list to send the Notice Package directly to the NOBOs whose names appear on that list. If you are a NOBO and the Corporation's transfer agent, CST Trust Company, has sent the Notice Package directly to you, your name and address and information about your holdings of Shares have been obtained from the intermediary holding such shares on your behalf in accordance with applicable securities regulatory requirements.

As a result, NOBOs can expect to receive in the Notice Package a scannable VIF from CST Trust Company. Please complete and return the VIF to CST Trust Company in the envelope provided. In addition, telephone voting and internet voting are available, as further described in the VIF. Instructions with respect to the procedures for telephone and internet voting can be found in the VIF. CST Trust Company will tabulate the results of VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by VIFs received by CST Trust Company.

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By choosing to send the Notice Package to you directly, the Corporation (and not the intermediary holding Shares on your behalf) has assumed responsibility for delivering the Notice Package to you and executing your proper voting instructions. The intermediary holding Shares on your behalf has appointed you as the proxy holder of such shares, and therefore you can provide your voting instructions by completing the proxy included with this Circular in the same way as a Registered Shareholder. Please refer to the information under the heading **Appointment and Revocation of Proxies Registered Shareholders** for a description of the procedure to return a proxy, your right to appoint another person or company to attend the meeting, and your right to revoke the proxy.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his or her broker, a Beneficial Shareholder may attend the Meeting as proxy holder for the Registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Shares as proxy holder for the Registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.

### **EXERCISE OF DISCRETION BY PROXIES**

Where a choice is specified, the Shares represented by proxy will be voted for, withheld from voting or voted against, as directed, on any poll or ballot that may be called. Where no choice is specified, the proxy will confer discretionary authority and will be voted in favour of all matters referred to on the form of proxy. **Accordingly, in the absence of any direction to the contrary, Shares represented by properly-executed proxies in favour of the persons designated in the enclosed form of proxy will be voted FOR the: (i) election of directors, (ii) appointment of auditors and authorization of the directors to fix their remuneration, and (iii) ratification, confirmation and approval of all unallocated options under the Corporation's Executive Stock Option Plan, the whole as stated under such headings in this Circular.**

The proxy also confers discretionary authority to vote for, withhold from voting or vote against amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters not specifically mentioned in the Notice of Meeting but which may properly come before the Meeting. Management has no present knowledge of any amendments or variations to matters identified in the Notice of Meeting or any business that will be presented at the Meeting other than that referred to in the Notice of Meeting. However, if any other matters not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein and, in such case, it is their intention to vote in accordance with the recommendations of management of the Corporation.

### **VOTING SHARES**

As of March 31, 2015, there were 59,835,868 Shares issued and outstanding. Each Share entitles the holder thereof to one vote. The Corporation has fixed April 21, 2015 as the record date (the **Record Date**) for the purpose of determining shareholders entitled to receive notice of the Meeting. Pursuant to the *Canada Business Corporations Act* (**CBCA**), the Corporation is required to prepare, no later than ten days after the Record Date, an alphabetical list of shareholders entitled to vote as of the Record Date that shows the number of Shares held by each shareholder. A shareholder whose name appears on the list referred to above is entitled to vote the Shares shown opposite the shareholder's name at the Meeting. The list of shareholders is available for inspection during usual business hours at the registered office of the Corporation, 800 Place Victoria, Suite 3700, Montreal, Québec H4Z 1E9 and at the Meeting.



**Table of Contents****PRINCIPAL SHAREHOLDER**

As of March 31, 2015, to the knowledge of the directors and executive officers of the Corporation, the following is the only person who beneficially owns, or exercises control or direction over, directly or indirectly, more than 10% of the issued and outstanding Shares:

<b>Name</b>	<b>Number of Shares held</b>	<b>Percentage</b>
FMR LLC <sup>(1)</sup>	6,675,400	11.0

- (1) Based on a report dated February 13, 2015 filed by FMR LLC with the United States Securities and Exchange Commission reflecting ownership as of December 31, 2014.

**BUSINESS OF THE MEETING****Receiving the Financial Statements**

The audited consolidated financial statements of the Corporation as of and for the year ended December 31, 2014 and the Auditor's Report thereon will be placed before the Meeting. These audited consolidated financial statements may be obtained from the Corporation upon request and will be available at the Meeting. The audited consolidated financial statements of the Corporation as of and for the fiscal year ended December 31, 2014 are available on the Corporation's website at [www.itape.com](http://www.itape.com) under Investor Relations and have been filed with the Canadian securities regulatory authorities as well as the United States Securities and Exchange Commission.

**Election of Directors**

The Corporation's Articles of Amalgamation provide for a minimum of three and a maximum of eleven directors. The Board of Directors has fixed the number of directors at eight for the year to come. Each director elected at the Meeting will hold office until the next annual meeting of shareholders or until the election of his successor, unless the director's seat on the Board of Directors becomes vacant for any reason.

Unless authority to do so is withheld, the persons named in the accompanying form of proxy intend to vote **FOR** the election of the nominees whose names appear on pages 8 and 9 hereof. Management does not expect that any of the nominees will be unable to serve as a director.

**Appointment of Auditors**

Management and the Board of Directors propose that Raymond Chabot Grant Thornton LLP be appointed as the Corporation's auditors until the close of the next annual meeting. Raymond Chabot Grant Thornton LLP have been the Corporation's auditors for more than five years.

The Audit Committee has a policy that restricts the services that may be provided by, and the fees paid to, the auditors. All services provided by the auditors must be permitted by law, permitted by the Audit Committee policy and be pre-approved by the Audit Committee as per the policy. Fees paid to the auditors for the past two fiscal years ended December 31, 2014 and 2013 are detailed below:

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	<b>2014</b>	<b>2013</b>
	<b>(CDN\$)</b>	<b>(CDN\$)</b>
Audit Fees	953,000	840,000
Audit-Related Fees	5,850	9,250
Tax Fees	114,275	78,225
All Other Fees		
<b>Total</b>	<b>1,073,125</b>	<b>927,475</b>

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The nature of each category of fees is described below.

*Audit Fees.* Audit fees were for professional services rendered for the integrated audit of the Corporation's consolidated financial statements and internal control over financial reporting, assisting the Audit Committee in discharging its responsibilities for the review of the Corporation's interim unaudited consolidated financial statements and services that generally only the independent auditor can reasonably provide, such as consent letters and assistance and review of documents filed with the Canadian securities regulatory authorities and the United States Securities and Exchange Commission.

*Audit-Related Fees.* Audit-related fees were for assurance and related services that are reasonably related to the performance of the audit not reported under the caption *Audit Fees* above. These services included consultations concerning financial accounting and reporting standards as well as the audit of certain of the Corporation's pension plans.

*Tax Fees.* Tax fees were for tax compliance, tax advice and tax planning. These services included the preparation of the Canadian subsidiaries' income tax returns, assistance with questions regarding tax audits from the various taxation authorities in Canada and tax planning relating to common forms of domestic and international taxation.

*All Other Fees.* All other fees were for services provided other than the audit fees, audit-related fees and tax fees described above. No such fees have been billed in the last two fiscal years.

Except where authorization to vote with respect to the appointment of auditors is withheld, the persons named in the accompanying form of proxy intend to vote **FOR** the appointment of Raymond Chabot Grant Thornton LLP as the auditors of the Corporation until the next annual meeting of shareholders, at remuneration to be determined by the Board of Directors.

## **Ratification, Confirmation and Approval of Unallocated Options under the Corporation's Executive Stock Option Plan**

At the Meeting, Shareholders will be asked to consider and, if deemed advisable pass a resolution in the form annexed as Schedule A to the Circular, ratifying, confirming and approving all unallocated options under the Corporation's Executive Stock Option Plan ( **ESOP** ), as required by the Toronto Stock Exchange (the **TSX** ). See below for information regarding the proposed ratification, confirmation and approval of unallocated options under the ESOP. The Board of Directors recommends that shareholders vote in favour of the resolution ratifying, confirming and approving all unallocated options under the ESOP. Unless authority to do so is withheld, the persons named in the accompanying form of proxy intend to vote **FOR** the foregoing resolution.

## **Other Matters**

Management has no present knowledge of any amendments or variations to matters identified in the Notice of Meeting or any business that will be presented at the Meeting other than that referred to in the Notice of Meeting. However, if any other matters not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein and, in such case it is their intention to vote in accordance with the recommendations of management of the Corporation.

## **RATIFICATION, CONFIRMATION AND APPROVAL OF UNALLOCATED OPTIONS UNDER THE EXECUTIVE STOCK OPTION PLAN**

The Corporation adopted the ESOP in 1992. Since its adoption, the ESOP has been amended on several occasions. As a result of an amendment approved by shareholders at a special meeting of shareholders of the Corporation held on September 5, 2007, the ESOP provides that the total number of Shares reserved for issuance thereunder is equal to 10% of the issued and outstanding Shares from time-to-time. The ESOP is considered to be an evergreen plan, since the number of Shares subject to options which have been exercised will be available for subsequent grants under the ESOP and the number of Shares available for option grants increases as the number of issued and outstanding Shares increases. As such, under the rules of the TSX, a security-based compensation arrangement such as the ESOP must, when initially put in place, receive shareholder approval at a duly-called meeting of shareholders, and all unallocated options are subject to ratification by shareholders every three years thereafter. Shareholders last ratified unallocated options under the ESOP at a special meeting of shareholders of the Corporation held on September 6, 2012. Accordingly, at the Meeting, shareholders will be asked to consider and if deemed advisable, to approve with or without variation, an ordinary resolution (the **ESOP Resolution**) ratifying, confirming and approving all unallocated options under the ESOP, as required by the TSX. The text of the ESOP Resolution is annexed as Schedule A to this Circular.

In accordance with the rules of the TSX, in order to be adopted, the ESOP Resolution must be approved by a majority of the votes cast by the shareholders of the Corporation, either present in person or represented by proxy at the Meeting. The Board recommends that shareholders vote in favour of the adoption of the ESOP Resolution. **Unless otherwise specified, the persons named in the accompanying form of proxy or voting instruction form intend to vote FOR the ESOP Resolution.** If the ESOP Resolution is not passed at the Meeting, no further grants of stock options may be made under the ESOP.



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The purpose of the ESOP is to promote a proprietary interest in the Corporation among the executives, key employees and directors of the Corporation and its subsidiaries, in order to both encourage such persons to further the development of the Corporation and assist the Corporation in attracting and retaining key personnel necessary for the Corporation's long-term success. The Board of Directors designates from time-to-time those persons to whom options are to be granted and determines the number of Shares subject to such options. Generally, participation in the ESOP is limited to persons holding positions that can have an impact on the Corporation's long-term results. The number of Shares to which the options relate is determined by taking into account, *inter alia*, the market value of the Shares and each optionee's base salary.

The following is a description of certain features of the ESOP:

- (a) options expire not later than ten years after the date of grant and, unless otherwise determined by the Board of Directors, all vested options under a particular grant expire 24 months after the vesting date of the last tranche of such grant;
- (b) if an option is to expire during a period when the optionee is prohibited by the Corporation from trading in the Shares pursuant to the policies of the Corporation (a **Blackout Period**), or within ten business days of the expiry of such Blackout Period, the term of such option will be automatically extended for a period of ten business days immediately following the end of the Blackout Period;
- (c) options that are granted to directors who are not executive officers of the Corporation vest as to 25% on the date of grant, with another 25% vesting on each of the first three anniversaries of the date of grant;
- (d) all other options granted vest as to one-third on each of the first, second and third anniversaries of the date of grant;
- (e) the aggregate number of options that may be granted to directors who are not part of management may not exceed 1% of the number of issued and outstanding Shares;
- (f) the exercise price of the options is determined by the Board of Directors, but cannot be less than the Market Value of the Shares, defined in the ESOP as the closing price of the Shares on the TSX for the day immediately preceding the effective date of the grant;
- (g) the number of Shares reserved for issuance to any person cannot exceed 5% of the number of issued and outstanding Shares;
- (h) the number of Shares issuable to any one insider of the Corporation and such insider's associates within a one-year period cannot exceed 5% of the number of issued and outstanding Shares;

- (i) the number of Shares issuable at any time to insiders under the ESOP or any other compensation arrangement of the Corporation cannot exceed 10% of the number of issued and outstanding Shares;
- (j) the number of Shares issued to insiders within a one-year period under the ESOP or any other compensation arrangement of the Corporation cannot exceed 10% of the number of issued and outstanding Shares;
- (k) options granted under the ESOP may not at any time be repriced;
- (l) options granted under the ESOP may not be assigned;
- (m) in the event that a *bona fide* offer to purchase all or part of the outstanding Shares is made to all shareholders, notice thereof must be given by the Corporation to all optionees and all options will become immediately exercisable, but only to the extent necessary to enable an optionee to tender his or her shares should the optionee so desire;

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- (n) the ESOP does not provide for financial assistance from the Corporation to optionees;
- (o) when a director of the Corporation ceases to be a director, all non-vested options are immediately cancelled and the former director is entitled to exercise, within a period of three months from such event, options that had vested at the time the director ceased to be a director;
- (p) in the case of retirement of an optionee, all non-vested options are immediately cancelled and the former employee is entitled to exercise, within a period of twelve months from retirement, options that had vested at the time of retirement;
- (q) in the case of an optionee's death, all non-vested options are immediately cancelled and the estate is entitled to exercise, within a period of twelve months from death, options that had vested at the time of death;
- (r) when an optionee ceases to be an employee of the Corporation or a subsidiary of the Corporation for any reason other than retirement or death, all non-vested options are immediately cancelled and the optionee is entitled to exercise, within a period of three months from the termination of employment, options that had vested at the time of termination of employment; and
- (s) subject to the approval of the TSX, the Board of Directors of the Corporation may amend or terminate the ESOP at any time but, in such event, the rights of optionees related to any options granted but unexercised under the ESOP shall be preserved and maintained and no amendment can confer additional benefits upon optionees without prior approval by the shareholders of the Corporation.

The following is a description with respect to grants and exercises of options under the ESOP, as required by the TSX:

Since the inception of the ESOP in 1992 and as of the date hereof:

- (i) the Corporation has granted options in respect of an aggregate of 13,589,333 Shares,
- (ii) options in respect of 7,228,467 Shares have lapsed due to expiration or cancellation, and
- (iii) options in respect of 4,020,866 Shares have been exercised, so that, as of the date hereof, there were options issued and outstanding in respect of an aggregate of 2,340,000 Shares, representing approximately 3.9% of the issued and outstanding Shares.

**ELECTION OF DIRECTORS**

**Number of Directors**

The Board of Directors currently consists of nine directors. The Board of Directors has fixed the number of directors at eight for the year to come. The persons named in the enclosed form of proxy intend to vote for the election of the

eight nominees whose names are set out below. Each director will hold office until the next annual meeting of shareholders or until the election of his successor, unless the director's seat on the Board of Directors becomes vacant for any reason.

**Nominees for Election to the Board of Directors**

The following table sets out the name of each of the persons proposed to be nominated for election as a director, all other positions and offices with the Corporation now held by such person, his province or state and country of residence and principal occupation, the date on which such person became a director of the Corporation, the members of each committee of the Board of Directors and the number of Shares that such person has advised are beneficially owned or over which control or direction is exercised, directly or indirectly, by such person as of the date indicated below.

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<b>Name, province or state and country of residence and position with the Corporation</b>	<b>Principal occupation</b>	<b>Director since</b>	<b>Number of Shares beneficially owned or over which control or direction is exercised as of March 31, 2015<sup>(1)</sup></b>
Robert M. Beil <sup>(3)(4)</sup> Arizona, U.S.A. Director	Retired	September 5, 2007	52,196
George J. Bunze, CPA <sup>(3)(5)</sup> Québec, Canada Director	Vice-Chairman and Director Kruger Inc. (manufacturer of paper, tissue, wood products, energy (hydro/wind) and wine and spirits products)	June 28, 2007	50,371
Frank Di Tomaso, FCPA, FCA, ICD.D <sup>(5)</sup> Québec, Canada Director	Corporate Director	August 5, 2014	10,000
Robert J. Foster <sup>(4)(5)</sup> Ontario, Canada Director	CEO and President Capital Canada Limited (investment banking firm)	June 8, 2010	47,500
James Pantelidis <sup>(5)</sup> Ontario, Canada Director	Director and Chairman of the Board Parkland Fuel Corporation (marketer of petroleum products) Director and Chairman of the Board EnerCare Inc. (water heater company)	May 16, 2012	10,000
Jorge N. Quintas <sup>(4)(6)</sup> Porto, Portugal	President Nelson Quintas SGPS, SA	June 29, 2009	39,357

Director	(manufacturer of electrical and telecommunication cables)		
Gregory A. C. Yull <sup>(2)</sup>	Chief Executive Officer and President of the Corporation	August 2, 2010	409,450
Florida, U.S.A.			
Director, Chief Executive Officer and President of the Corporation			
Melbourne F. Yull <sup>(2)</sup>	President	June 28, 2007 <sup>(7)</sup>	2,032,604
Florida, U.S.A.	Sammana Group, Inc.		
Director	(holding company)		

- (1) This information was provided to the Corporation by the respective directors.
- (2) Member of the Executive Committee.
- (3) Member of the Corporate Governance and Nominating Committee.
- (4) Member of the Human Resources and Compensation Committee.
- (5) Member of the Audit Committee.
- (6) Mr. Quintas was also a director of the Corporation from May 2005 to June 2006.
- (7) Mr. Yull was also a director of the Corporation from its incorporation on December 22, 1989 to June 14, 2006 (when he retired as Chairman of the Board of Directors and Chief Executive Office of the Corporation) and, prior thereto, a director of a predecessor company from 1981. He served as Executive Director of the Corporation between June 28, 2007 and June 8, 2010.

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The following is a brief biography of Frank Di Tomaso, who became a director of the Corporation subsequent to the last annual meeting of shareholders.

Frank Di Tomaso has been a Chartered Professional Accountant since 1972, a Fellow CPA, CA since 1999 and an ICD.D since 2009. He was a Partner and Advisory Partner of a major international accounting firm from 1981 until 2012, where he held the position of Managing Partner Audit Public Companies. Mr. Di Tomaso has management experience specialized in finance, accounting and attestation in diversified industries. He currently serves on the board of directors of Birks Group Inc., National Bank Trust, National Bank Life Insurance Company, Yorbeau Resources Inc. and Laurentian Pilotage Authority. Mr. Di Tomaso is engaged both in the business and social community including membership in many business associations and not-for-profit organizations. In that regard, he received the Award of Distinction from the John Molson School of Business Concordia University, Montreal, Québec in 2004, in recognition of his outstanding contribution to the business world and the community.

Directors who are not officers of the Corporation are required to own a minimum of 10,000 Shares within five years of joining the Board of Directors in order to remain eligible for future grants of Deferred Share Units ( **DSUs** ). As of March 31, 2015, all of the directors who are not officers of the Corporation are in compliance with the ownership requirement.

To the knowledge of the Corporation, none of the foregoing nominees for election as director of the Corporation:

- (a) is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any company that:
  - (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an **Order** ), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
  - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) is, or within the last ten years has been, a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors

or had a receiver, receiver manager or trustee appointed to hold his assets.

None of the foregoing nominees for election as director of the Corporation has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

**Majority Voting for Directors**

In April 2013, the Board of Directors adopted a majority voting policy. Under this policy, in an uncontested election of directors, any nominee proposed for election as a director who receives a greater number of withheld votes than for votes is expected to promptly following the date of the shareholders meeting at which the election occurred, tender his or her resignation to the Chairman of the Board of Directors for consideration by the Corporate Governance and Nominating Committee of the Board of Directors (the **Committee**), with the resignation to take effect upon acceptance by the Board of Directors. This policy applies only to uncontested elections, that is elections in which the number of nominees for director is equal to the number of directors to be elected.



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The Board of Directors will act on the Committee's recommendation within 90 days following the date of the shareholders' meeting at which the election occurred. Following the Board of Directors' decision on the Committee's recommendation, the Board of Directors will promptly disclose, by way of a press release, the Board of Directors' decision whether or not to accept the director's resignation offer, together with an explanation of the process by which the decision was made and, if applicable, the Board of Directors' reason or reasons for rejecting the tendered resignation.

The Committee will be expected to accept the resignation except in situations where extenuating circumstances would warrant the applicable director continuing to serve on the Board of Directors. In considering whether or not to accept the resignation, the Committee will consider all factors deemed relevant by the Committee including, without limitation, the stated reason or reasons why shareholders withheld votes from the election of that nominee, the length of service and the qualifications of the director whose resignation has been tendered (including, for example, the impact the director's resignation would have on the Corporation's compliance with the requirements of applicable corporate and securities laws and the rules of any stock exchange on which the Corporation's securities are listed or posted for trading), such director's contributions to the Corporation, and whether the director's resignation from the Board of Directors would be in the best interests of the Corporation.

The Committee will also consider a range of possible alternatives concerning the director's tendered resignation as the Committee deems appropriate including, without limitation, acceptance of the resignation, rejection of the resignation, or rejection of the resignation coupled with a commitment to seek to address and cure the underlying reasons reasonably believed by the Committee to have substantially resulted in the withheld votes.

A director who tenders his or her resignation will not participate in any meetings to consider whether the resignation will be accepted.

Shareholders should note that, as a result of the majority voting policy, a withhold vote is effectively the same as a vote against a director nominee in an uncontested election.

## **DIRECTORS AND OFFICERS INSURANCE**

The Corporation maintains directors' and officers' liability insurance covering liability, including defense costs, of directors and officers of the Corporation incurred as a result of acting in such capacity, provided that they acted honestly and in good faith with a view to the best interests of the Corporation. The current limit of the insurance is \$50 million. An annual premium of \$121,705 was paid by the Corporation in 2014 with respect to the period from December 1, 2014 to December 1, 2015. Claims payable to the Corporation are subject to retention or a deductible of up to \$50,000 per occurrence.

## **COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS**

### **Compensation Discussion and Analysis**

This discussion describes the Corporation's compensation program for each person who acted as Chief Executive Officer ( **CEO** ) and Chief Financial Officer ( **CFO** ) and the three most highly-compensated executive officers (or three most highly-compensated individuals acting in a similar capacity), other than the CEO and CFO, whose total compensation was more than \$150,000 in the Corporation's last financial year (each a **Named Executive Officer** or **NEO** and collectively, the **Named Executive Officers** ). This section addresses the Corporation's philosophy and objectives and provides a review of the process that the Human Resources and Compensation Committee of the Board of Directors (the **Compensation Committee** ) follows in deciding how to compensate the Named Executive Officers.

This section also provides discussion and analysis of the Compensation Committee's specific decisions regarding the compensation of the Named Executive Officers for the financial year ended December 31, 2014. During the financial year ended December 31, 2014, Bernard J. Pitz served as CFO until January 30, 2014, Michael C. Jay, Corporate Controller of the Corporation since 2011, served as Interim Chief Financial Officer ( **Interim CFO** ) from January 30, 2014 to May 9, 2014, and Jeffrey Crystal served as CFO commencing May 9, 2014.

The CEO, CFO and other NEOs (who report directly to the CEO) are required to own a minimum of 300,000, 50,000 and 50,000 Shares, respectively, in order to remain eligible for future stock option grants. As of March 31, 2015, all are in compliance with the foregoing ownership requirements, other than the CFO who has three years from his date of appointment (that is, until May 9, 2017) to comply.

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### *Compensation Committee*

The Compensation Committee is composed of three directors, namely Robert M. Beil (Chairman), Robert J. Foster and Jorge N. Quintas, none of whom is or has been at any previous time an employee of the Corporation or any of its subsidiaries, and all of whom are considered independent within the meaning of National Instrument 52-110 *Audit Committees*. The Compensation Committee reviews annually the performance of the executives and ensures that it understands compensation trends and that the programs in place are adequate. When circumstances warrant it, the Compensation Committee may make recommendations that deviate from current policies. The Board of Directors is of the view that the Compensation Committee collectively has the knowledge, experience and background to fulfill its mandate, and that each of the members of the Compensation Committee has direct experience relevant to his responsibilities regarding executive compensation. Each of the members of the Compensation Committee is an experienced senior executive. In particular, Messrs. Foster and Quintas are presidents of their respective firms and Mr. Beil has extensive experience with the design and implementation of executive compensation packages. These collective skills and extensive experience enable the Compensation Committee to make decisions on the suitability of the Corporation's compensation policies and practices.

### *Compensation Program Philosophy*

The Corporation's executive compensation philosophy and program objectives are directed primarily by two guiding principles. First, the program is intended to provide competitive levels of compensation, at expected levels of performance, in order to attract, motivate and retain talented executives. Second, the program is intended to create an alignment of interest between the Corporation's executives and shareholders so that a significant portion of each executive's compensation is linked to maximizing shareholder value. In support of this philosophy, the executive compensation program is designed to reward performance that is directly relevant to the Corporation's short-term and long-term success. The Corporation attempts to provide both short-term and long-term incentive compensation that varies based on corporate and individual performance.

Three primary components comprise the Corporation's compensation program. They are basic salary, annual incentive bonuses based on performance, and long-term incentive plans allowing for multiple award vehicles such as stock options granted pursuant to the Corporation's ESOP and performance share units ( **PSUs** ) pursuant to the Performance Share Unit Plan (the **PSU Plan** ).

Each element of compensation fulfills a different role in attracting, retaining and motivating qualified executives and employees with the expertise and skills required in the business of the Corporation, who can effectively contribute to its long-term success and objectives. The following describes the Corporation's executive compensation program by component of compensation and discusses how each component relates to the Corporation's overall executive compensation objective. In establishing the executive compensation program, the Corporation believes that:

- (a) base salaries provide an immediate cash incentive for the Corporation's Named Executive Officers and should be at levels competitive with peer companies that compete with the Corporation for business opportunities and executive talent;
- (b) annual incentive bonuses encourage and reward performance over the financial year compared to predefined goals and objectives and reflect progress toward company-wide performance objectives and personal objectives; and

- (c) long-term incentives such as stock options and PSUs ensure that the Named Executive Officers are motivated to achieve long-term growth of the Corporation and continuing increases in shareholder value, and provide capital accumulation linked directly to the Corporation's performance.

The Corporation places equal emphasis on base salary, stock options and PSUs as short-term and long-term incentives, respectively. As the PSU Plan provides the Corporation with a long-term incentive for executives, it is likely that no stock appreciation rights ( **SARs** ) will be issued in the future under the Corporation's Stock Appreciation Rights Plan (the **SAR Plan** ). Annual incentive bonuses are related to performance and may form a greater or lesser part of the entire compensation package in any given year.

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### *Purpose*

The Corporation's executive compensation program has been designed to accomplish the following long-term objectives:

- (a) create a proper balance between building shareholder wealth and competitive executive compensation while maintaining good corporate governance;
- (b) produce long-term, positive results for the Corporation's shareholders;
- (c) align executive compensation with corporate performance and appropriate peer-group comparisons; and
- (d) provide market-competitive compensation and benefits that will enable the Corporation to recruit, retain and motivate the executive talent necessary to be successful.

### *Compensation Process*

The Compensation Committee administers the Corporation's compensation program in accordance with the mandate set out in the Compensation Committee's charter, which has been adopted by the Board of Directors. Part of the mandate is to evaluate and recommend to the Board of Directors compensation policies and programs for the Corporation's directors, executive officers and senior management, including option grants under the ESOP, awards of SARs under the SAR Plan, and awards of PSUs under the PSU Plan, as described below. The Compensation Committee also has the mandate to recommend to the Board of Directors grants under the Deferred Share Unit Plan (the **DSU Plan**).

The Compensation Committee has the authority to retain compensation consultants to assist in the evaluation of director, CEO and senior executive compensation. In 2012, the Corporation retained Buck Consultants, LLC (**Buck Consultants**) for advice relating to the competitiveness and appropriateness of the compensation programs of the Corporation for the President and CEO and other key executives. The services provided by Buck Consultants may include, but are not limited to, advice on base salaries, short-term, medium-term and long-term incentive programs, pension plans, social benefits, awards and provisions regarding employment and change of control. In connection with these services, Buck Consultants may review the Corporation's compensation policies (including making recommendations on the companies forming part of the peer group of companies representative of the competitive market for the Corporation, positioning regarding compensation and performance, performance measures, etc.), the design of the programs and the levels of compensation compared to market and may make observations and recommendations regarding amendments where appropriate.

The CEO makes recommendations to the Compensation Committee as to the compensation of the Corporation's executive officers, other than himself. The Compensation Committee annually reviews the compensation levels for the executive officers and certain members of senior management. The Compensation Committee makes recommendations to the Board of Directors as to the compensation of the CEO and the other Named Executive Officers for approval, in accordance with the same criteria upon which the compensation of all other executive officers is based. For the fiscal year ended December 31, 2014, the Compensation Committee reviewed information it received from the CEO. It used this information to determine and approve such changes to the general compensation

levels that it considered appropriate. In addition, on the recommendation of the CEO as concerns executive officers, the Compensation Committee recommended to the Board of Directors discretionary stock option grants for executive officers and senior management and for the CEO. In arriving at its decisions, the Compensation Committee reviewed industry comparisons for similar-sized companies and for other companies in the packaging materials sector. Based on these criteria, for the fiscal year ended December 31, 2013 the peer group was comprised of the following companies: AEP Industries Inc., AptarGroup, Inc., Boise Inc., EnPro Industries, Exopack Holding, Corp., Myers Industries, Inc., Packaging Corporation of America and Tredegar Corporation.

Buck Consultants reviewed the composition of this peer group. Following that review, Buck Consultants developed a peers-of-peers list as a framework for a revised peer group. Based on discussions with management, the list was refined to include companies that have revenues between 0.4x and 2.4x the Corporation's revenues and are in the closest Global Industry Classification Standards (GICS), that is, have the same 4-digit or 8-digit codes as the Corporation. Based on these criteria, the revised comparative group was comprised of the following companies: AEP Industries Inc., Buckeye Technologies, Inc., Clearwater Paper Corporation, Dorman Products, Inc., Kapstone Paper and Packaging Co., Multi-Color Corporation, Myers Industries, Inc., Neenah Paper, Inc., OMNOVA Solutions Inc., P.H. Glatfelter Company, Schweitzer-Mauduit International, Spartech Corporation, Tredegar Corporation and Wausau Paper Corp.

Although the Compensation Committee may rely on information and advice obtained from consultants, all decisions with respect to executive compensation are made by the Board of Directors upon recommendation of the Compensation Committee and may reflect factors and considerations that differ from information and recommendations provided by such consultants, such as merit and the need to retain high-performing executives. Accordingly, the Board of Directors may exercise discretion either to award compensation absent attainment of the relevant performance goal or similar condition or to reduce or increase the size of any award or payout to one or more Named Executive Officers. During 2014, Buck Consultants met with the Compensation Committee Chair and attended relevant portions of Compensation Committee meetings, as necessary.

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*Base Salaries*

The base salaries of the Named Executive Officers are reviewed annually to ensure that they take into account the following factors: market and economic conditions; levels of responsibility and accountability of each Named Executive Officer; skill and competencies of each Named Executive Officer; retention considerations; and level of demonstrated performance.

*Variable Cash Incentive Awards Bonuses*

The Compensation Committee's philosophy with respect to executive officer bonuses is to align the payments of bonuses with the performance of the Corporation, based on predefined goals and objectives established by the Compensation Committee and management. As a result of the fiscal 2014 performance of the Corporation, the Compensation Committee recommended the payment of bonuses to the Named Executive Officers for the fiscal year ended December 31, 2014.

Each of the Named Executive Officers, with the exception of Bernard J. Pitz, received a performance bonus for 2014. Bonuses paid depend on the level of achievement of financial objectives of the Corporation. The Corporation attributes to each executive, depending on his level within the Corporation, a bonus target level set as a percentage of his salary, representing the amount which will be paid if all objectives are achieved according to the targets set. Actual bonuses may vary between zero and twice the target bonus, based on the level of achievement of the predetermined objectives set out at the beginning of the fiscal year. The objectives and weight attached thereto are re-evaluated on an annual basis by the Compensation Committee and communicated to the relevant individuals.

For the fiscal year ended December 31, 2014, the bonuses were based on the Corporation achieving certain target amounts for:

- (a) Adjusted EBITDA, which the Corporation defines as net earnings (loss) before (i) interest and other finance costs; (ii) income tax expense (benefit); (iii) amortization of intangible assets; (iv) depreciation of property, plant and equipment; (v) manufacturing facility closures, restructuring and other related charges; (vi) stock-based compensation expense (benefit); (vii) impairment of goodwill; (viii) impairment of long-lived assets and other assets; (ix) write-down on assets classified as held-for-sale; (x) (gain) loss on disposal of property, plant, and equipment and (xi) other discrete items as disclosed; and
- (b) Cash flows from operating activities

At the Compensation Committee's recommendation, the Board of Directors elected to use Adjusted EBITDA in determining bonuses for 2014 because certain expenses and charges incurred by the Corporation during the year (e.g., manufacturing facility closures, restructuring and other related charges) were in the long-term interest of the Corporation and such amounts should not impact the ability of the Named Executive Officers to achieve the performance bonus targets.

The target amount for Adjusted EBITDA for 2014 was set at \$109.3 million (the **Adjusted EBITDA Target**) and the target amount for cash flows from operating activities was \$83.6 million (the **Cash Flows Target**). The Corporation's Adjusted EBITDA for 2014 used for the purposes of determining bonuses was \$103.5 million, which was 94.7% of the Adjusted EBITDA Target. The Corporation's Adjusted EBITDA for 2014 used in determining bonuses was adjusted to exclude the favourable impact of a reduction in discretionary company contribution to the US Plan,

defined below. The impact of this adjustment was to reduce the bonuses paid. The Corporation's cash flows from operating activities for 2014 was \$86.9 million, which was 104.0% of the Cash Flows Target.



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The following table presents the target incentive compensation as a percentage of salary, the indicators used in 2014 to measure the Corporation's performance for purposes of the short-term incentive compensation program and their relative weight.

	<b>Gregory Bernard A.C. Yull</b>	<b>Jeffrey J. Pitz<sup>(1)</sup></b>	<b>Crystal<sup>(2)</sup></b>	<b>Michael C. Jay<sup>(3)</sup></b>	<b>Shawn Nelson</b>	<b>Douglas Nalette</b>	<b>Joseph Tocci</b>
2014 Annual Base Salary	525,000	330,000		201,939	323,575	339,900	302,357
Incentive compensation as a percentage of salary	Minimum Target Maximum	0% 100% 150%	0% 0% 0%	0% 75% 150%	0% 40% 42%	0% 50% 100%	0% 50% 100%
Relative weight of financial indicators							
<i>Adjusted EBITDA</i>		50%	0%	50%	50%	50%	50%
<i>Cash flows from operating activities</i>		50%	0%	50%	0%	50%	50%
<i>Personal Performance Metrics</i>		0%	0%	0%	50%	0%	0%
<b>Total</b>		<b>100%</b>	<b>0%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

(1) Mr. Pitz's tenure as Chief Financial Officer of the Corporation ended on January 30, 2014 and as a result he was not entitled to participate in the 2014 Senior Management Bonus Plan.

(2) Mr. Crystal was appointed Chief Financial Officer of the Corporation on May 9, 2014.

(3) Mr. Jay served as Interim Chief Financial Officer of the Corporation from January 30, 2014 to May 9, 2014.

The bonus is calculated using, for each of the Adjusted EBITDA and Cash flows from operating activities objectives, the following formula and is equal to the sum of all results:

Annual eligible base salary                      X    Bonus percentage as determined based on the performance relative to the applicable objective's target and as capped by the applicable maximum                      X    Weight of financial indicator

For purposes of the above calculation, bonus percentage is between 35% and 100% if between approximately 90% and 100% of the target objectives were achieved by the Corporation, respectively. For achievement between 90% and 100%, the bonus percentage is interpolated between 35% and 100%.

The Named Executive Officers were also eligible for an additional bonus calculated using an Adjusted EBITDA Target amount of \$117.3 million (the **Reach Adjusted EBITDA Target**). This additional bonus is calculated using the following formula (note that the fraction below is capped by the applicable maximum):



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Cash flows from operating activities X Maximum bonus amount Target X Weight of financial indicator  
 Cash Flows Target bonus amount  
 Reach Cash Flows Target Cash  
 Flows Target

The following table presents the objectives for 2014 approved by the Board of Directors and the results achieved by the Corporation:

	Target	Result <sup>(1)</sup>	Evaluation of Performance
Adjusted EBITDA	\$ 109,300,000	\$ 103,537,411	94.7%
Cash flows from operating activities	83,600,000	86,910,179	104.0%
Reach Adjusted EBITDA	117,300,000	103,537,411	88.3%
Reach Cash Flows	91,900,000	86,910,179	94.6%

- (1) The 2014 Adjusted EBITDA result was adjusted to exclude the favourable impact of a reduction in discretionary company contributions to the US Plan, defined below. The impact of this adjustment was to reduce the bonuses paid.

The following table presents, for each target objective, the bonus amount earned by the Named Executive Officers for 2014.

	Gregory A. Beyard	Richard J. Pitz	Jeffrey Crystall	Michael C. Jay	Shawn Nelson	Douglas Nalett	Joseph Tocci
<i>Adjusted EBITDA</i>	\$ 122,037	\$ 0	\$ 57,532	\$ 18,773	\$ 37,608	\$ 39,505	\$ 35,142
<i>Cash flows from operating activities</i>	\$ 262,500	\$ 0	\$ 123,750	\$ 0	\$ 80,894	\$ 84,975	\$ 75,589
<i>Reach Adjusted EBITDA</i>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<i>Reach Cash Flows</i>	\$ 52,345	\$ 0	\$ 49,354	\$ 0	\$ 32,262	\$ 33,889	\$ 30,146
<i>Personal Performance Metrics</i>	\$ 0	\$ 0	\$ 0	\$ 40,381	\$ 0	\$ 0	\$ 0
<i>Discretionary<sup>(2)</sup></i>	\$ 0	\$ 0	\$ 0	\$ 20,000	\$ 0	\$ 0	\$ 0
<b>Total</b>	\$ 436,882	\$ 0	\$ 230,635	\$ 79,154	\$ 150,763	\$ 158,370	\$ 140,877

- (1) As disclosed above, Mr. Pitz's tenure as Chief Financial Officer of the Corporation ended on January 30, 2014 so he did not receive any bonus payment for 2014.

- (2) Management approved a discretionary bonus to Mr. Jay, paid in February 2014, upon his appointment as Interim Chief Financial Officer.

It is the Corporation's policy to recoup from executive officers or employees of the Corporation and its subsidiaries, as the case may be, annual incentive bonuses, special bonuses, other incentive compensation and equity-based awards, whether vested or unvested, paid, issued or granted to them, in the event of fraud, restatement of the Corporation's financial results, material errors or omissions in the Corporation's financial statements, or other events as may be determined from time to time by the Board of Directors in its discretion.

*Stock Option Plan*

The Corporation provides long-term incentive compensation to its Named Executive Officers through the ESOP. The ESOP is described in detail under the headings "Ratification, Confirmation and Approval of Unallocated Options under the Executive Stock Option Plan" and "Securities Authorized for Issuance under Equity Compensation Plans - Executive Stock Option Plan". The Compensation Committee recommends the granting of stock options from time to time based on its assessment of the appropriateness of doing so in light of the long-term strategic objectives of the Corporation, its current stage of development, the need to retain or attract particular key personnel, the number of stock options already outstanding and overall market conditions. The Compensation Committee views the granting of stock options as a means of promoting the success of the Corporation and higher returns to its shareholders. As such, the Compensation Committee does not grant stock options in excessively dilutive numbers or at exercise prices not reflective of the Corporation's underlying value. During the fiscal year ended December 31, 2014, the Compensation Committee recommended the grant of 287,500 stock options to the Named Executive Officers.

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### *2012 Stock Appreciation Rights Plan*

On June 20, 2012, the Board of Directors adopted the SAR Plan. The purpose of the SAR Plan is to (a) promote a proprietary interest in the Corporation among its executives and directors; (b) encourage the Corporation's executives and directors to further the Corporation's development; and (c) attract and retain the key employees necessary for the Corporation's long-term success. The SAR Plan is administered by the Compensation Committee of the Board of Directors and authorizes the Corporation to award SARs to eligible persons. A SAR is a right to receive a cash payment equal to the difference between the base price of the SAR and the market value of a Share on the date of exercise. SARs can be settled only in cash. During the fiscal year ended December 31, 2014, the Compensation Committee did not recommend the granting of SARs to the Named Executive Officers or directors.

### *Performance Share Unit Plan*

On April 22, 2014, the Board of Directors adopted the PSU Plan for executive officers and employees of the Corporation and its subsidiaries. The PSU Plan was approved by the shareholders of the Corporation at an annual and special meeting held on June 11, 2014. The purpose of the PSU Plan is to provide executive officers and employees with a proprietary interest in the Corporation through the granting of PSUs. The PSU Plan is also intended to increase the interest in the Corporation's welfare of those executive officers and employees who share primary responsibility for the management, growth and protection of the business of the Corporation, to furnish an incentive to such executive officers and employees to continue their services for the Corporation and its subsidiaries and to provide a means through which the Corporation and its subsidiaries may attract able persons to enter their employment. During the fiscal year ended December 31, 2014, the Compensation Committee recommended the granting of an aggregate of 87,250 PSUs to the Named Executive Officers.

### *Group Benefits/Perquisites*

The Compensation Committee believes that the perquisites for Named Executive Officers should be limited in scope and value and commensurate with perquisites offered by peer group companies. The perquisites, including property or other personal benefits provided to a Named Executive Officer that are not generally available to all employees in the year ended December 31, 2014 did not exceed in any case the lesser of \$50,000 or 10% of the Named Executive Officer's total salary.

### *Assessment of Risk Associated with the Corporation's Compensation Policies and Practices*

The Compensation Committee has assessed the Corporation's compensation plans and programs for its executive officers to ensure alignment with the Corporation's business plan and to evaluate the potential risks associated with those plans and programs. The Compensation Committee has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Corporation.

The Compensation Committee considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

Neither NEOs nor directors are permitted to purchase financial instruments (such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds) that are designed to hedge or offset a decrease in market value of equity securities of the Corporation granted as compensation or held, directly or indirectly, by the NEO or director.

### *Executive Compensation-Related Fees*

Executive Compensation-Related Fees consist of fees for professional services billed by each consultant or advisor, or any of its affiliates, that are related to determining compensation for any of the Corporation's directors and executive officers. In the fiscal year ended December 31, 2014, the Corporation paid to its compensation consultants Executive Compensation-Related Fees amounting to \$23,217 (\$56,107 for the fiscal year ended December 31, 2013).

### **Performance Graph**

The following graph compares the cumulative five-year total return provided to shareholders on the Corporation's Shares relative to the cumulative total returns of the Standard & Poors/TSX Composite Total Return Index ( **S&P/TSX Composite** ). An investment of \$100 (with reinvestment of all dividends) is assumed to have been made in the Corporation's Shares and in the Index on December 31, 2009 and their relative performance is tracked through December 31, 2014.

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The Corporation's share price in comparison to the S&P/TSX Composite Index under performed for the 2010 period and over performed for the 2011 through 2014 periods. The aggregate annual compensation of the Named Executive Officers increased in 2010 through 2014.

There was a variable cash incentive award in 2010 based on the financial performance of the Tapes and Films Division in 2009. In 2011 through 2014, there were variable cash incentive awards based on the financial performance of the Corporation (Divisions have been eliminated).

**The Compensation Committee does not establish compensation or incentive levels based solely on the market value of the Shares. The Compensation Committee believes that there are a variety of factors that have an impact on the market value of the Shares that are not reflective of the underlying performance of the Named Executive Officers, including the general market volatility.**

**Summary of the Compensation of the Named Executive Officers**

The following table provides information for the financial years ended December 31, 2014, 2013 and 2012 regarding compensation paid to or earned by the Named Executive Officers.

**Summary Compensation Table**

Name and Principal Occupation	Year	Salary (\$)	Share- Based Awards <sup>(1)</sup> (\$)	Option- Based Awards <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation <sup>(3)</sup> (\$)		All other Compensation <sup>(5)</sup> (\$)	Total Compensation <sup>(6)</sup> (\$)
					Annual Incentive Plans	Long-Term Incentive Plans		
Gregory A. C. Yull	2014	525,000	455,200	562,841	436,882	14,300	26,462 <sup>(6)</sup>	2,020,685
CEO & President	2013	514,423		1,063,034	759,139	15,300	24,566 <sup>(7)</sup>	2,376,462
	2012	489,519	2,179,511		600,000	15,000	23,444 <sup>(8)</sup>	3,307,474
Bernard J. Pitz <sup>(10)</sup>	2014	56,807						56,807
Chief Financial Officer	2013	390,297		311,474	568,822	15,300	29,818	1,315,711
	2012	378,929	670,255		452,704	15,000	1,225 <sup>(9)</sup>	1,518,113
Michael C. Jay <sup>(11)</sup>	2014	200,449	30,157	29,375	79,154	14,300	91,667 <sup>(13)</sup>	445,102
Interim Chief Financial Officer	2013	193,404		69,216	81,681	15,300		359,601
	2012	178,711	101,554		79,900	14,150		374,315
Jeffrey Crystal <sup>(12)</sup>	2014	222,272	193,460	93,081	230,635	7,362	104,126	850,936

Chief Financial

Officer



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Name and Principal Occupation	Year	Salary (\$)	Share- Based Awards <sup>(1)</sup> (\$)	Option- Based Awards <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation <sup>(3)</sup> (\$)		All Other Compensation <sup>(4)</sup> (\$)	Total Compensation <sup>(5)</sup> (\$)
					Annual Incentive Plans	Long-Term Incentive Plans		
Shawn Nelson	2014	323,574	113,800	95,470	150,763	14,300	697,907	
Senior Vice- President Sales	2013	321,037		173,041	306,095	15,300	815,473	
Douglas R. Nalette	2012	311,687	324,972		314,150	15,000	965,809	
Senior Vice- President	2014	339,900	113,800	95,470	158,370	14,300	714,233	
President Operations	2013	337,235		173,041	321,538	15,300	847,114	
Joseph Tocci, Senior Vice-President	2012	320,000	324,972		330,000	15,500	989,972	
Joseph Tocci, Senior Vice-President	2014	302,357	86,488	58,751	140,877	14,300	602,773	
Vice-President	2013	299,986		173,041	286,023	15,300	774,350	
Logistics & Supply Chain	2012	291,248	324,972		293,550	15,000	924,770	

- (1) The amount shown for each share-based award is the grant date fair value of the SARs that were granted to the Named Executive Officer under the SAR Plan during the specified financial year. It should be noted that the actual value received, if any, will be different and could also be nil, depending on variations in the price of the Shares. The base value of a SAR is the closing price of the Corporation's Shares on the TSX on the trading day immediately preceding the day on which a SAR is granted. The base value of SARs granted in 2012 is CDN\$7.56. The grant date fair value of share-based awards granted on June 28, 2012 to Bernard J. Pitz, Michael C. Jay, Shawn Nelson, Douglas R. Nalette and Joseph Tocci is estimated at the date of the grant using the Black-Scholes option pricing model, a commonly-used method, with the following assumptions: estimated volatility of 65.74%, estimated dividend yield of 0%, risk-free interest rate of 1.17%, and expected term of five years. The grant date fair value of share-based awards granted on June 28, 2012 to Gregory A. C. Yull is estimated at the date of the grant using the Black-Scholes option pricing model, with the following assumptions: estimated volatility of 59.62%, estimated dividend yield of 0%, risk-free interest rate of 1.38%, and expected term of seven years. No share-based awards were granted to NEOs during the 2013 financial year. Even if the Corporation uses the Black-Scholes method to determine the value for accounting purposes used for its consolidated financial statements, such value may be different from the value appearing in the table above as the Corporation uses a specific Black-Scholes factor at each date of grant calculated based on assumptions as to the sensibility of the security, the risk-free interest rate, the dividend rate and the life expectancy appropriate as of such date, the whole as described in the notes to the consolidated financial statements. The amounts shown above for each share based award also include the grant date fair value of PSUs that were granted to the Named Executive Officer under the PSU Plan. It should be noted that the actual value received, if any, could be different and could also be nil, depending on the level of attainment of the performance objectives of the plan. The number

- of Shares earned can range from 0 to 150% of the grant amount based on entity performance criteria, specifically the total shareholder return ranking versus a specified peer group of companies. The base value of a PSU is the fair value estimate at the grant date using the Monte Carlo simulation model implemented in a risk-neutral framework taking into account the following assumptions: performance period starting price of CDN\$12.74, valuation date stock price of CDN\$12.72, estimated dividend yield of 0%, risk free rate of 0.91%, estimated volatility of 38%, and a term of three years. The base value of PSUs granted in 2014 is CDN\$12.43.
- (2) The amount shown for each option-based award is the grant date fair value of the stock options awarded to the Named Execution Officer under the ESOP for the specified financial year. It should be noted that the actual value received, if any, will be different and could also be nil, depending on variations in the price of the Shares. The grant date fair value of awards granted on March 17, 2014 to Michael C. Jay, Douglas R. Nalette, Shawn Nelson and Joseph Tocci is estimated at the date of the grant using the Black-Scholes option pricing model with the following assumptions: estimated volatility of 37.3%, estimated dividend yield of 2.83%, risk-free interest rate of 1.64%, and expected term of five years. The grant date fair value of awards granted on March 17, 2014 to Gregory A. C. Yull is estimated at the date of the grant using the Black-Scholes option pricing model with the following assumptions: estimated volatility of 39.3%, estimated dividend yield of 2.83%, risk-free interest rate of 1.98%, and expected term of seven years. The grant date fair value of awards granted on May 13, 2014 to Jeffrey Crystal is estimated at the date of the grant using the Black-Scholes option pricing model with the following assumptions: estimated volatility of 37.1%, estimated dividend yield of 2.87%, risk-free interest rate of 1.62%, and expected term of five years. The grant date fair value of awards granted on June 5, 2013 to Gregory A. C. Yull is estimated at the date of the grant using the Black-Scholes option pricing model with the following assumptions: estimated volatility of 43.80%, estimated dividend yield of 2.75%, risk-free interest rate of 1.76%, and expected term of seven years. The grant date fair value of awards granted on June 5, 2013 to Michael C. Jay, Bernard J. Pitz, Shawn Nelson, Douglas R. Nalette and Joseph Tocci is estimated at the date of the grant using the Black-Scholes option pricing model with the following assumptions: estimated volatility of 42.50%, estimated dividend yield of 2.75%, risk-free interest rate of 1.45%, and expected term of five years. No option-based awards were granted to NEOs during the 2012 financial year. Even if the Corporation uses the Black-Scholes method to determine the value for accounting purposes used for its consolidated financial statements, such value may be different from the value appearing in the table above as the Corporation uses a specific Black-Scholes factor at each date of grant calculated based on assumptions as to the sensibility of the security, the risk-free interest rate, the dividend rate and the life expectancy appropriate as of such date, the whole as described in the notes to the Corporation's consolidated financial statements.
- (3) The amounts shown for annual incentive plans represent amounts awarded under the Corporation's senior management bonus plan. Award amounts are based on the level of achievement of financial objectives of the Corporation. See the section above entitled "Variable Cash Incentive Awards - Bonuses" for additional information. These amounts were paid to NEOs on March 10, 2015.
- (4) Represents the Corporation's contribution to its defined contribution pension plan, which qualifies as a deferred salary arrangement under section 401(k) of the United States Internal Revenue Code. In addition, the non-compensatory charge relating to the defined benefit plan for Gregory A. C. Yull is \$1,497,153 in 2014, \$(440,125) in 2013 and \$1,956,535 in 2012.
- (5) Except as otherwise indicated, the value of perquisites received by each of the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than the lesser of \$50,000 or 10% of the Named Executive Officer's total salary for the financial year.
- (6) Primarily includes an amount of \$26,462 with respect to a Corporation-leased vehicle and tax gross-up paid by the Corporation to Mr. Yull pursuant to the terms of his employment agreement.

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- (7) Primarily includes an amount of \$24,530 with respect to a Corporation-leased vehicle and tax gross-up paid by the Corporation to Mr. Yull pursuant to the terms of his employment agreement.
- (8) Primarily includes an amount of \$21,589 with respect to a Corporation-leased vehicle and tax gross-up paid by the Corporation to Mr. Yull pursuant to the terms of his employment agreement.
- (9) Represents amounts paid with respect to relocation costs.
- (10) Bernard J. Pitz served as CFO until January 30, 2014.
- (11) Michael C. Jay, Corporate Controller of the Corporation, served as Interim CFO from January 30, 2014 to May 9, 2014.
- (12) Jeffrey Crystal was appointed CFO on May 9, 2014.
- (13) Represents amounts earned in 2014 with respect to the Retention Bonus Agreement payment made on January 23, 2015.

**Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards**

The following table sets out the details of all incentive plan awards outstanding for the Named Executive Officers at December 31, 2014, the end of the most recently-completed financial year of the Corporation.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (CDN\$)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(1)</sup> (CDN\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-based awards that have not Vested <sup>(2)</sup> (CDN\$)	Market or Payout Value of Vested Share-based awards not paid out or distributed <sup>(3)</sup> (CDN\$)
Gregory A. C. Yull	350,000	1.90	08/05/2020	5,848,500			
	350,000	1.55	06/07/2021	5,971,000			
	265,000	12.04	06/05/2023	1,741,050			
	160,000	12.55	3/17/2024	969,600	290,453	3,884,100	
Bernard J. Pitz <sup>(4)</sup>							
Michael C. Jay <sup>(5)</sup>	15,000	12.04	06/05/2019	98,550			
	10,000	12.55	03/17/2020	60,600	15,150	212,100	
Jeffrey Crystal <sup>(6)</sup>	32,500	12.14	05/13/2020	210,275	17,000	474,555	
Shawn Nelson	35,000	2.19	06/10/2016	574,700	50,000	721,150	
	50,000	1.80	06/27/2017	840,500			
	50,000	12.04	06/05/2019	328,500			

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	32,500	12.55	3/17/2020	196,950		
Douglas R. Nalette	35,000	2.19	06/10/2016	574,700		
	50,000	1.80	06/27/2017	840,500		
	50,000	12.04	06/05/2019	328,500		
	32,500	12.55	3/17/2020	196,950	50,000	721,150
Joseph Tocci	17,500	2.19	06/10/2016	287,350		
	37,500	1.80	06/27/2017	630,375		
	50,000	12.04	06/05/2019	328,500		
	20,000	12.55	3/17/2020	121,200	47,600	654,154 442,000

- (1) This column contains the aggregate value of in-the-money unexercised options as of December 31, 2014, calculated based on the difference between the closing price of the Shares underlying the stock options on the TSX on December 31, 2014 (being CDN\$18.61) and the exercise price of the stock options. Actual gains, if any, on exercise will depend on the value of the Shares on the date of exercise. There is no guarantee that gains will be realized.
- (2) This column contains the aggregate payout value as of December 31, 2014 of SARs and PSUs that have not vested. SARs are calculated based on the difference between the closing price of the Shares on the TSX underlying the SARs on December 31, 2014 (being CDN\$18.61) and the base price of the SARs (being CDN\$7.56). Actual gains, if any, on exercise will depend on the value of the Shares on the date of exercise. There is no guarantee that gains will be realized. The actual value received on exercise, if any, will be different and could also be nil, depending on variations in the prices of the Shares. PSUs are calculated as the number of PSU s granted multiplied by a percentage of target (being 150% at December 31, 2014) based on the PSU Agreement and the closing price of the Shares on the TSX underlying the PSUs on December 31, 2014 (being CDN\$18.61.) PSU s granted multiplied by a percentage of target based on the PSU Agreement is the number of shares that would vest if the performance period had ended on December 31, 2014. The actual value received on exercise, if any, will be different and could also be nil, depending on variations in the prices of the Shares.
- (3) This column contains the aggregate payout value as of December 31, 2014 of vested SARs and PSUs that have not been paid out or distributed, calculated based on the difference between the closing price of the Shares underlying the SARs on the TSX on December 31, 2014 (being CDN\$18.61) and the base price of the SARs (being CDN\$7.56). Actual gains, if any, on exercise will depend on the value of the Shares on the date of exercise. There is no guarantee that gains will be realized. The actual value received on exercise, if any, will be different and could also be nil, depending on variations in the price of the Shares. There are no vested PSUs as of December 31, 2014.
- (4) Bernard J. Pitz served as CFO until January 30, 2014. Pursuant to the terms of the ESOP, all non-vested stock options held by Bernard J. Pitz at the time of his departure were immediately cancelled and he was entitled to exercise, within a period of three months from the end of employment, stock options that had vested on the date his employment ended.
- (5) Michael C. Jay, Corporate Controller of the Corporation, served as Interim CFO from January 30, 2014 to May 9, 2014.
- (6) Jeffrey Crystal was appointed CFO on May 9, 2014.

**Table of Contents***Incentive Plan Awards Value Vested or Earned During the Year*

The following table sets out, for each Named Executive Officer, the value of option-based awards and share-based awards which vested during the year ended December 31, 2014 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2014.

Name	Option-Based Awards Vested During the Year <sup>(1)</sup> (CDN\$)	Share-Based Awards Vested During the Year <sup>(2)</sup> (CDN\$)	Non-Equity Incentive Plan Compensation Value Earned During the Year (CDN\$)
Gregory A. C. Yull	2,030,588	532,212	nil
Bernard J. Pitz <sup>(3)</sup>	nil	nil	nil
Michael C. Jay <sup>(4)</sup>	2,950	26,563	nil
Jeffrey Crystal <sup>(5)</sup>	nil	nil	nil
Shawn Nelson	226,213	85,000	nil
Douglas R. Nalette	226,213	85,000	nil
Joseph Tocci	226,213	85,000	nil

- (1) The value is calculated as if the stock options were exercised on the vesting date of each relevant grant. The value is equal to the excess of the closing price of the Shares underlying the options on the vesting date over the exercise price on the vesting date. Actual gains, if any, on exercise will depend on the value of the Shares on the date of exercise. There is no guarantee that gains will be realized.
- (2) The value is calculated as if the SARs were exercised on the vesting date of each relevant grant. The value is equal to the excess of the closing price of the Shares underlying the SARs on the vesting date over the base price of the SARs on the vesting date. There is no guarantee that gains will be realized. The actual value received on exercise, if any, will be different and could also be nil, depending on variations in the price of the Shares.
- (3) Bernard J. Pitz served as CFO until January 30, 2014.
- (4) Michael C. Jay, Corporate Controller of the Corporation, served as Interim CFO from January 30, 2014 to May 9, 2014.
- (5) Jeffrey Crystal was appointed CFO on May 9, 2014.

For a summary description of the terms and conditions of the ESOP, see the description under the headings

Ratification, Confirmation and Approval of Unallocated Options under the Corporation's Executive Stock Option Plan and Securities Authorized for Issuance under Equity Compensation Plans Executive Stock Option Plan . For a summary description of the terms and conditions of SAR Plan, see below under the heading Securities Authorized for Issuance under Equity Compensation Plans Stock Appreciation Rights Plan .

**Termination and Change of Control Benefits**

The following agreements between the Corporation and Named Executive Officers were in effect at the end of the Corporation's most recently-completed financial year.

The Corporation entered into change of control agreements as of January 2001 with Shawn Nelson (Senior Vice-President Sales), as of October 28, 2004 with Douglas R. Nalette (Senior Vice-President Operations), as of September 8, 2006 with Joseph Tocci (Senior Vice-President Logistics & Supply Chain), and as of November 17, 2009 with Bernard J. Pitz. These agreements provide that if, within a period of six months after a change of control of

the Corporation: (a) the executive voluntarily terminates his employment with the Corporation; or (b) the Corporation terminates the executive's employment without cause, such executive will be entitled to, subject to the restrictions of Section 409A of the Internal Revenue Code of 1986, in deferred compensation, a lump sum in the case of his resignation or an indemnity in lieu of notice in a lump sum in the case of his termination, equal to either 12 or 24 months of such executive's remuneration at the effective date of such resignation or termination, as follows: Shawn Nelson, 12 months, Douglas R. Nalette, 12 months, Joseph Tocci, 12 months and Bernard J. Pitz, 24 months, and continued insurance coverage then in effect if permitted by its carrier during such period.

Furthermore, these agreements also provide that if during the term of the executive's employment a *bona fide* offer is made to all shareholders of the Corporation which, if accepted, would result in a change of control of the Corporation, then, subject to any applicable law, all of the executive's options which have not yet become vested and exercisable will become vested and exercisable immediately. Upon expiry of such *bona fide* offer, if it does not result in a change of control of the Corporation, all of the executive's unexercised options which were not vested prior to such offer, shall immediately revert to their unvested status and to their former provisions with respect to the time of their vesting.

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On August 2, 2010, the Corporation entered into an Executive Employment Agreement with Gregory A. C. Yull. Pursuant to the terms of the Agreement, Mr. Yull will receive an annual base salary of \$450,000, increased to \$475,000 commencing June 1, 2011 and \$500,000 commencing on June 1, 2012. Annual base salary adjustments will be determined by the Board of Directors as of June 1, 2013 and thereafter. Mr. Yull will also be entitled to a performance bonus for each fiscal year ranging from zero to 150% of his then current annual base salary based on the achievement of specific goals that are mutually agreed to between Mr. Yull and the Board of Directors. For 2014, Mr. Yull's bonus was based on the Corporation achieving certain target amounts for Adjusted EBITDA Targets and Cash Flows Targets as further described in the section entitled "Compensation of Executive Officers and Directors - Variable Cash Incentive Awards - Bonuses". During the first three years of Mr. Yull's employment, commencing June 8, 2010, Mr. Yull was granted 350,000 stock options annually in accordance with the ESOP and thereafter at the discretion of the Board of Directors. In 2012, instead of receiving an award of 350,000 stock options in accordance with his employment agreement, Mr. Yull agreed to receive 500,905 SARs. The options to be granted during each of the first three years will become exercisable in annual increments of 25% on each of the first four anniversaries of the grant date. Such options expire on the tenth anniversary of the grant date, subject to the early expiry provisions of the ESOP. The exercise price of such options is equal to the closing market price of the Shares on the last trading day prior to the date of such grant. At least 50% of the Shares acquired by Mr. Yull pursuant to the exercise of the options granted under the Executive Employment Agreement must be retained by Mr. Yull and not sold or disposed of for a period of three years following the date on which the option was exercised.

Provided Mr. Yull has served under the Agreement a minimum of five years, unless earlier terminated by the Corporation without cause or by Mr. Yull for "Good Reason", as defined in the Agreement, he will receive a defined benefit supplementary pension annually for life equal to the lesser of (i) \$600,000 if he separates from service at age 65 or older, \$570,000 at age 64, \$540,000 at age 63, \$510,000 at age 62, \$480,000 at age 61, or \$450,000 at age 60, and (ii) two percent of the average of his total cash compensation (base salary and performance bonus) for the highest five years of his employment during the prior ten years as of the time of separation, multiplied by his years of service with the Corporation. In the event of Mr. Yull's death, his surviving spouse would receive 50% of the annual supplementary pension benefit within 90 days of his death and continuing annually during her lifetime.

In the event the Corporation terminates Mr. Yull's employment for any reason other than cause, or Mr. Yull terminates his employment for "Good Reason", as defined in the Agreement, Mr. Yull will be entitled to severance pay in an amount equal to two times the sum of his base salary and the average performance bonus paid to Mr. Yull in the last two fiscal years ending on the date prior to his date of termination. Subject to the restrictions of Section 409A of the Internal Revenue Code of 1986, such amount will be paid 65% in a lump sum and the balance in eight equal quarterly instalments. In addition, all unvested options that would otherwise vest during the 24 months following the date of termination will be immediately vested and remain exercisable for a period of twelve months. Lastly, the retirement benefits set out above will vest.

In the event that Mr. Yull's employment is terminated as a result of his Permanent Disability, as defined in the Agreement, or death, he will be entitled to receive (i) accrued and unpaid base salary earned up to the date of termination, (ii) a pro-rated performance bonus that he would have received in respect of the fiscal year in which the termination occurred, (iii) vacation pay earned up to the date of termination, and (iv) provided the date of termination is on or after the fifth year anniversary of the Agreement, the retirement benefits set out above will vest. In addition, all unvested stock options held by Mr. Yull will immediately vest and remain exercisable for a period of nine months following the date of termination for Permanent Disability or death.

In the event that Mr. Yull's employment is terminated by the Corporation without cause or for "Good Reason" within two years of a "Change of Control", as defined in the Agreement, he will be entitled to receive (i) accrued and unpaid base salary earned up to the date of termination, (ii) a pro-rated performance bonus that he would have received in

respect of the fiscal year in which the termination occurred, based upon the average performance bonus paid to Mr. Yull in the last two fiscal years, (iii) vacation pay earned up to the date of termination, and (iv) severance pay in an amount equal to three times the sum of his base salary and the average performance bonus paid in the last two fiscal years immediately preceding the date of termination. In addition, all unvested stock options held by Mr. Yull will immediately vest and remain exercisable for a period of 36 months following the date of termination, and the retirement benefits set out above will vest. Mr. Yull will also be entitled to participate, at his cost, in the benefits under the Corporation's medical and dental benefit program until such time as he reaches the age of eligibility for coverage under Medicare. Lastly, disability and life insurance benefits will be provided for the benefit of Mr. Yull pursuant to any benefit plans and programs then provided by the Corporation generally to its executives and continue for a period of 36 months following the date of termination.



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Mr. Yull has also agreed to a customary non-compete for two years from the date of termination.

On March 21, 2014, the Company and Jeffrey Crystal agreed to certain terms of employment. Under these terms, Mr. Crystal receives an annual base salary of \$330,000. Mr. Crystal is also entitled to a bonus ranging from zero to 50% of his then-current annual base salary based on the achievement of certain target amounts for Adjusted EBITDA Targets and Cash Flow Targets, with the bonus opportunity increasing to 100% of his then-current annual base salary based on the achievement of certain stretch Adjusted EBITDA goals, as further described above in the section entitled **2014 Senior Management Bonus Plan** (also as further described in such section, certain percentages set forth in the terms of Mr. Crystal's employment were adjusted in connection with the calculation of his 2014 bonus). In addition, the Corporation agreed to cover certain of Mr. Crystal's relocation costs. Further, the terms provide that Mr. Crystal will be entitled to severance pay in an amount equal to twelve months' base annual salary, or if Mr. Crystal were terminated within six months of change of control, he will be entitled to severance pay in an amount equal to 18 months' base annual salary. Alternatively, if Mr. Crystal were to resign within six months of change of control, or the Corporation were to terminate Mr. Crystal after six months of change of control, he will be entitled to severance pay in an amount equal to twelve months' base annual salary. Mr. Crystal will also be entitled to continue insurance coverage then in effect if permitted by its carrier during such period.

On October 30, 2009, the Corporation entered into an employment letter agreement with Bernard J. Pitz. Pursuant to the terms of the letter agreement, Mr. Pitz received an annual base salary of \$360,000. Further, Mr. Pitz was awarded 182,927 options with a grant price of CDN\$3.61. In addition, the Corporation agreed to cover Mr. Pitz' relocation costs. Mr. Pitz was also entitled to a bonus ranging from zero to 150% of his then current annual base salary based on the achievement of specific goals that were mutually agreed to between Mr. Pitz and the Board of Directors. For 2014, Mr. Pitz's bonus was to have been based on the Corporation's achieving certain target amounts for Adjusted EBITDA Targets and Cash Flow Targets as further described in the section entitled **Compensation of Executive Officers and Directors' Compensation Discussion and Analysis' Variable Cash Incentive Awards' Bonuses**. Due to Mr. Pitz's departure from the Corporation in January 2014, he was not entitled to participate in the 2014 Senior Management Bonus Plan.

On November 17, 2009, the Corporation entered into a second letter agreement with Mr. Pitz. Pursuant to the terms of the letter agreement, in the event the Corporation terminated Mr. Pitz' employment for any reason other than **Cause** as defined in the letter agreement, or Mr. Pitz terminated his employment for **Good Reason** as defined in the letter agreement, Mr. Pitz was to have been entitled to severance pay in an amount equal to twelve times his highest total base monthly salary received in any one month during the twelve months prior to Mr. Pitz's last day of employment, provided that if Mr. Pitz's termination of employment occurred within twelve months of the appointment of a Chief Executive Officer of the Corporation other than Gregory A. C. Yull, then the severance payment due to Mr. Pitz would have been equal to 24 times Mr. Pitz's highest monthly salary. Subject to the restrictions of Section 409A of the Internal Revenue Code of 1986 (**Section 409A**), such amount was to have been paid in either 12 or 24 equal monthly instalments as applicable (**Severance Period**). In the event there was a Section 409A Change in Control within six months prior to Mr. Pitz's termination of employment or during the Severance Period, the remainder of the unpaid severance payments was to have been accelerated and paid in a single lump sum within ten days after the 409A Change in Control occurred, subject to Section 409A. In the event there was an occurrence of **Good Reason** and Mr. Pitz had not terminated his employment within 60 days of the occurrence, he would have been deemed to have waived such Good Reason. If Mr. Pitz's employment had terminated for **Cause**, or had he resigned without **Good Reason** or retired, Mr. Pitz would not have been eligible for severance pay. Mr. Pitz was also entitled to participate in the benefits under the Corporation's medical, dental, vision, life insurance and accidental death and dismemberment coverage during the Severance Period, subject to the then-current cost sharing features of the plans. In the event Mr. Pitz obtained other employment during the first twelve months of severance payments, the Corporation's obligation to pay such severance would have ceased. In the event Mr. Pitz obtained employment after twelve months

but during the remainder of the Severance Period, the severance payments would have been reduced by the amount of compensation paid to Mr. Pitz by his subsequent employer.

On November 17, 2009, the Corporation also entered into a change of control agreement with Mr. Pitz. The agreement provides that if, within a period of six months after a change of control of the Corporation: (a) Mr. Pitz voluntarily terminated his employment with the Corporation; or (b) the Corporation terminated his employment without cause, Mr. Pitz would have been entitled to, subject to the restrictions of Section 409A of the Internal Revenue Code of 1986, in deferred compensation, a lump sum in the case of his resignation or an indemnity in lieu of notice in a lump sum in the case of his termination, equal to 24 months of Mr. Pitz's base remuneration at the effective date of such resignation or termination. Mr. Pitz was also entitled to continue insurance coverage then in effect if permitted by its carrier during such period.

Effective January 23, 2014, the Corporation entered into a Retention Bonus Agreement with Michael C. Jay. Pursuant to the terms of the Agreement, Mr. Jay was to receive a lump sum \$100,000 retention bonus provided that Mr. Jay remained in employment through January 22, 2015 and satisfactorily performed the duties of Interim CFO and Corporate Controller. These conditions have since been satisfied and, as a result, this bonus has been paid.

**Table of Contents***Estimated Termination Payments*

The table below reflects amounts or values that would have been payable to or received by each Named Executive Officer still employed by the Corporation if his employment had been terminated on December 31, 2014 without cause or following a change of control:

Name	Termination Without Cause		Change of Control	
	Severance	Continuation of Benefits	Severance	Continuation of Benefits
Gregory A. C. Yull	2,309,139	3,240	3,463,709	4,860
Bernard J. Pitz <sup>(1)</sup>	393,382	11,710	786,763	23,419
Michael C. Jay <sup>(2)</sup>	15,534	3,722	15,534	3,722
Jeffrey Crystal <sup>(3)</sup>	330,000	17,992	495,000	26,988
Shawn Nelson	323,575	12,599	323,575	12,599
Douglas R. Nalette	339,900	5,762	339,900	5,762
Joseph Tocci	302,357	12,880	302,357	12,880

- (1) As disclosed above, Mr. Pitz served as CFO through January 30, 2014. The amount set out in the table above is the amount that would have been payable to or received by Mr. Pitz if his employment had been terminated on January 30, 2014.
- (2) As disclosed above, Mr. Jay served as Interim CFO from January 30, 2014 to May 9, 2014. There is no Change of Control Agreement in place between the Corporation and Mr. Jay. The amount set out in the table above is the amount that would have been payable to or received by Mr. Jay in accordance with Corporation policy if his employment had been terminated on December 31, 2014.
- (3) As disclosed above, Mr. Crystal was appointed CFO on May 9, 2014.

**Director Compensation**

Compensation of directors is established in order to allow the Corporation to attract and retain highly-qualified and devoted directors with a varied and relevant experience, taking into account the numerous segments of activities which the Corporation exploits, and to align the interests of the directors with those of the shareholders.

Directors receive annual fees and additional compensation which varies depending on their attendance at meetings of the Board of Directors or of its committees. Compensation is paid semi-annually.

The following table presents the different components of the compensation the directors may be entitled to receive, with the exception of Gregory A. C. Yull, who does not receive any compensation for serving as director as he is an executive of the Corporation.

Type of Compensation	Amount
<b>Annual Amount</b>	
Annual retainer fee	\$ 30,000
	\$ 90,000

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Chair of the Board of Directors (includes the annual retainer fee)		
Lead Director (includes the annual retainer fee)	\$	35,000
Chair of the Audit Committee	\$	10,000
Member of the Audit Committee	\$	5,000
Chair of the Compensation Committee and of the Corporate Governance and Nominating Committee	\$	5,000
Member of the Compensation Committee and of the Corporate Governance and Nominating Committee	\$	2,000
Chair of the Executive Committee	\$	5,000
Member of the Executive Committee	\$	2,000
<b>Other Compensation</b>		
Attendance fee for each meeting of the Board of Directors and committees	\$	1,000
		(\$ 500 by telephone)

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Under the DSU Plan, directors are able to elect to receive 50% or 100% of their annual retainer in the form of DSUs. In such event, the cash retainer is paid on a semi-annual basis with the number of DSUs to be issued determined by reference to the volume weighted average trading price of the Shares on the TSX for the five trading days preceding the date on which the DSUs are issued. While DSUs vest immediately, they are paid out only when a director ceases to be a member of the Board of Directors.

Directors are also reimbursed for travel and other out-of-pocket expenses incurred for attending Board of Directors and Committee meetings. If an independent director who is not an employee of the Corporation or of one of its subsidiaries is asked to provide additional services to the Corporation as director beyond the customary responsibilities of a director, such director may receive additional compensation determined by the Nominating and Corporate Governance Committee.

The Corporation does not have a retirement plan for directors who are not employees or former employees of the Corporation.

**Summary of Director Compensation**

The Corporation paid its directors an aggregate of \$688,492 for their services as directors in respect of the fiscal year ended December 31, 2014. The following table presents the details of all compensation and fees paid to the directors of the Corporation for the fiscal year ended December 31, 2014 (except for Mr. Gregory A. C. Yull, who is a Named Executive Officer).

<b>Director</b>	<b>Fees earned<sup>(1)(3)</sup></b>	<b>Share-based awards<sup>(2)</sup></b>	<b>Option-based awards<sup>(2)</sup></b>	<b>Non-equity incentive plan compensation<sup>(4)</sup></b>	<b>Pension value<sup>(4)</sup></b>	<b>All other compensation</b>	<b>Total</b>
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Eric E. Baker	104,500	34,953					139,453
Robert M. Beil	47,000	34,953					81,953
George J. Bunze	53,000	34,953					87,953
Frank Di Tomaso <sup>(5)</sup>	19,000	37,321					56,321
Robert J. Foster	55,500	34,953					90,453
James Pantelidis	46,000	34,953					80,953
Jorge N. Quintas	38,500	34,953					73,453
Gregory A. C. Yull							
Melbourne F. Yull	43,500	34,953					78,453
<b>Total</b>	<b>407,000</b>	<b>281,992</b>					<b>688,992</b>

- (1) Directors may elect to receive in lieu of cash either 50% or 100% of such semi-annual directors' fees in the form of DSUs. No fractional shares may be granted, therefore any fractional share entitlements are satisfied by the payment of an amount in cash equal to such fractional share entitlement multiplied by the DSU value on the settlement date.
- (2) The amount shown for each share-based award is the grant date fair value of the DSUs that were granted to the director under the DSU Plan for the specified financial year which is calculated as the volume weighted average

trading price of the Shares on the TSX for the five trading days preceding the date on which the DSU value is determined.

- (3) The amount shown includes DSUs elected in lieu of cash for semi-annual directors' fees earned that were not yet granted as of December 31, 2014.
- (4) The Corporation does not have a retirement plan for directors who are not employees of the Corporation.
- (5) Frank Di Tomaso was appointed to the Board of Directors on August 5, 2014.

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The following table presents the breakdown of fees earned by each director as such for the fiscal year ended December 31, 2014 (except for Mr. Gregory A. C. Yull, who is a Named Executive Officer).

Director	Committee			Board Attendance Fee (\$)	Committee Attendance Fee (\$)	Total Fees Earned (\$)
	Board Retainer Fee (\$)	Committee Retainer Fee (\$)	Chair Retainer Fee (\$)			
Eric E. Baker	90,000	2,000	5,000	6,500	1,000	104,500
Robert M. Beil	30,000	2,000	5,000	7,500	2,500	47,000
George J. Bunze	30,000	2,000	10,000	7,500	3,500	53,000
Frank Di Tomaso <sup>(1)</sup>	12,500	2,000		2,500	2,000	19,000
Robert J. Foster	35,000	7,000		7,500	6,000	55,500
James Pantelidis	30,000	5,000		7,500	3,500	46,000
Jorge N. Quintas	30,000	2,000		5,000	1,500	38,500
Gregory A. C. Yull						
Melbourne F. Yull	30,000		5,000	7,500	1,000	43,500
<b>Total</b>	287,500	22,000	25,000	51,500	21,000	407,000

(1) Frank Di Tomaso was appointed to the Board of Directors on August 5, 2014.

**Outstanding Director Incentive Plan Awards for the Fiscal Year Ended December 31, 2014**

The following table presents for each director all outstanding awards at the end of the fiscal year ended December 31, 2014 (except for Mr. Gregory A. C. Yull who is a Named Executive Officer; see the heading Compensation of Executive Officers and Directors Summary of the Compensation of the Named Executive Officers Incentive Plan Awards Outstanding Share-Based Awards and Option-Based Awards ).

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Exercise Price (CDN\$)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(1)</sup> (CDN\$)	Number of Shares or Units that have not Vested (#)	Market or Payout Value of Share-based awards that have not Vested <sup>(2)</sup> (CDN\$)	Market or Payout Value of Vested Share-based awards not paid out or distributed <sup>(3)(4)</sup> (CDN\$)
Eric E. Baker	50,000	2.19	06/10/2016	821,000	2,500	27,625	217,146
	20,000	1.55	06/07/2017	341,200			

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	10,000	12.04	06/05/2019	65,700			
Robert M. Beil	2,500	2.19	06/10/2016	41,050			
	10,000	1.55	06/07/2017	170,600			
	10,000	12.04	06/05/2019	65,700	2,500	27,625	156,831
George J. Bunze	5,000	1.55	06/07/2017	85,300			
	10,000	12.04	06/05/2019	65,700	2,500	27,625	177,172
Frank Di Tomaso							55,830
Robert J. Foster	7,500	2.19	06/10/2016	123,150			
	10,000	1.55	06/07/2017	170,600			
	10,000	12.04	06/05/2019	65,700	2,500	27,625	180,875
James Pantelidis	10,000	12.04	06/05/2019	65,700	7,500	82,875	304,455
Jorge N. Quintas	2,500	2.19	06/10/2016	41,050			
	5,000	1.55	06/07/2017	85,300			
	10,000	12.04	06/05/2019	65,700	2,500	27,625	169,039
Melbourne F. Yull	12,500	2.19	06/10/2016	205,250			
	10,000	1.55	06/07/2017	170,600			
	10,000	12.04	06/05/2019	65,700	2,500	27,625	171,254



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- (1) This column sets out the aggregate value of in-the-money unexercised options as of December 31, 2014, calculated based on the difference between the closing price of the Shares underlying the stock options on the TSX on December 31, 2014 (being CDN\$18.61) and the exercise price of the stock options. Actual gains, if any, on exercise will depend on the value of the Shares on the date of exercise. There is no guarantee that gains will be realized.
- (2) This column contains the aggregate payout value as of December 31, 2014 of SARs that have not vested, calculated based on the difference between the closing price of the Shares underlying the SARs on the TSX on December 31, 2014 (being CDN\$18.61) and the base price of the SARs (being CDN\$7.56). Actual gains, if any, on exercise will depend on the value of the Shares on the date of exercise. There is no guarantee that gains will be realized. The actual value received on exercise, if any, will be different and could also be nil, depending on variations in the price of the Shares.
- (3) This column contains the aggregate payout value as of December 31, 2014 of vested SARs that have not been exercised and DSUs that have not been settled. SARs are calculated based on the difference between the closing price of the Shares underlying the SARs on the TSX on December 31, 2014 (being CDN\$18.61) and the base price of the SARs (being CDN\$7.56). Actual gains, if any, on exercise will depend on the value of the Shares on the date of exercise. There is no guarantee that gains will be realized. The actual value received on exercise, if any, will be different and could also be nil, depending on variations in the price of the Shares. DSUs are calculated based on the closing price of the Shares on the TSX underlying the DSUs on December 31, 2014 (being CDN\$18.61).
- (4) Amounts presented do not include DSUs elected in lieu of cash for semi-annual directors' fees earned that were not yet granted as of December 31, 2014.

The following table presents for each director all DSUs elected in lieu of cash for semi-annual directors' fees earned that were not yet granted as of December 31, 2014.

Name	Number of DSUs not yet granted at December 31, 2014 <sup>(1)</sup>	
	Fees Earned for which DSUs elected in lieu of cash (\$)	
Eric E. Baker	3,187	51,500
Robert M. Beil	696	11,250
George J. Bunze	1,671	27,000
Frank Di Tomaso		
Robert J. Foster	1,671	27,000
James Pantelidis		
Jorge N. Quintas	1,114	18,000
Melbourne F. Yull	1,330	21,500

- (1) The amount shown for estimated DSUs to be granted in lieu of cash for semi-annual directors' fees earned is calculated based on the volume weighted average trading price of the Shares on the TSX for the five trading days preceding December 31, 2014 of \$16.16 (CDN \$18.74)

*Incentive Plan Awards Value Vested or Earned During the Year*

The following table sets out for each director (except for Mr. Gregory A. C. Yull who is a Named Executive Officer), the value of option-based awards and share-based awards which vested during the year ended December 31, 2014 and

the value of non-equity incentive plan compensation earned during the year ended December 31, 2014. For Mr. Gregory A. C. Yull, see the heading Compensation of Executive Officers and Directors - Summary of the Compensation of the Named Executive Officers Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards ).

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Name	Option-Based Awards	Share-Based Awards	Non-Equity Incentive Plan Compensation
	Vested During the Year <sup>(1)</sup> (CDN\$)	Vested During the Year <sup>(2)</sup> (CDN\$)	Value Earned During the Year (CDN\$)
Eric E. Baker	56,875	105,730	nil
Robert M. Beil	56,875	61,944	nil
George J. Bunze	56,875	76,710	nil
Frank Di Tomaso		40,740	nil
Robert J. Foster	56,875	79,399	nil
James Pantelidis	1,475	70,035	nil
Jorge N. Quintas	56,875	70,806	nil
Melbourne F. Yull	56,875	72,414	nil

- (1) The value is calculated as if the stock options were exercised on the vesting date of each relevant grant. The value is equal to the excess of the closing price of the Shares underlying the options on the vesting date over the exercise price on the vesting date excluding stock options that are not in-the-money. Actual gains, if any, on exercise will depend on the value of the Shares on the date of exercise. There is no guarantee that gains will be realized.
- (2) The value is calculated as if the SARs were exercised on the vesting date of each relevant grant. The value is equal to the excess of the closing price of the Shares underlying the SARs on the vesting date (CDN \$11.81) over the base price of the SARs on the vesting date (CDN \$7.56). There is no guarantee that gains will be realized. The actual value received on exercise, if any, will be different and could also be nil, depending on variations in the price of the Shares. The DSUs value equals the closing price of the Shares underlying the DSUs on the vest date. Amounts presented do not include DSUs elected in lieu of cash for semi-annual directors fees earned that were not yet granted as of December 31, 2014.

For a summary description of the terms and conditions of the ESOP, see the headings Ratification, Confirmation and Approval of Unallocated Options under the Corporation's Executive Stock Option Plan and Securities Authorized for Issuance under Equity Compensation Plans - Executive Stock Option Plan. For a summary description of the terms and conditions of SAR Plan, see below under the heading Securities Authorized for Issuance under Equity Compensation Plans Stock Appreciation Rights Plan.

**Pension and Other Post-Retirement Benefit Plans**

The following table sets out the entitlements of each of Melbourne F. Yull and Gregory A. C. Yull under the defined benefit plans that provide for payments or benefits at, following, or in connection with retirement (all figures were calculated using the accounting methods and assumptions disclosed in Note 17 to the Consolidated Financial Statements of the Corporation for the fiscal year ended December 31, 2014).

Name	Annual Benefits Payable (\$)			Opening Present Value of Defined Benefit Obligation (\$)	Compensation Change (\$)	Non-Compensation Change (\$)	Closing Present Value of Defined Benefit Obligation (\$)
	Number of Years Credited Service	At Year End	At Age 65				

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Melbourne F. Yull	25	260,935	N/A	2,729,302	(260,935)	632,373	3,100,740
Gregory A. C. Yull	25	600,000	600,000	3,364,007		1,497,513	4,861,520

Melbourne F. Yull was Chairman of the Board of Directors and Chief Executive Officer of the Corporation from January 11, 1995 to June 14, 2006. Prior thereto, Mr. Yull was the President and a director of the Corporation or a predecessor thereof, from 1981. The former employment agreement entered into between the Corporation and Mr. Yull provides that Mr. Yull receives from the Corporation a defined benefit supplementary pension annually for life in an amount equal to 2% of the average of Mr. Yull's annual gross salary for the final five years of his employment with the Corporation, multiplied by his years of service with the Corporation to retirement. Accordingly, Mr. Yull receives a pension from the Corporation in an amount of \$260,935 per year.

Gregory A. C. Yull is President, Chief Executive Officer and a director of the Corporation. The employment agreement entered into between the Corporation and Gregory A. C. Yull provides that he will receive from the Corporation a defined benefit supplementary pension annually for life in an amount equal to the lesser of (i) \$450,000 if he separates from service to the Corporation at age 60 up to a maximum amount of \$600,000 at age 65 increasing rateably for each additional year of service past age 60, and (ii) 2% of the average of his total cash compensation (base salary and performance bonus) for the highest five years of his employment during the prior ten years as of the time of separation of his employment with the Corporation, multiplied by his years of service with the Corporation. As of December 31, 2014, Mr. Yull's accumulated benefit was an amount of \$600,000 per year.

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The Corporation maintains defined contribution pension plans in the United States and Canada. Each Named Executive Officer participates in the Intertape Polymer Corp. USA Employees' Stock Ownership and Retirement Savings Plan (the **US Plan**). The US Plan is a defined contribution pension plan and qualifies as a deferred salary arrangement under section 401(k) of the United States Internal Revenue Code. Under the US Plan, employees who have been employed for at least 90 days may defer a portion of their pre-tax earnings subject to statutory limitations. The Corporation may make discretionary contributions for the benefit of eligible employees. The US Plan permits eligible employees to choose how their account balances are invested on their behalf within a range of investment options provided by third-party fund managers. The following table sets out the Corporation's contributions to the US Plan and the accumulated value as of December 31, 2014 for each Named Executive Officer.

Name	Accumulated Value at Year		
	Accumulated Value at Start of Year (\$)	Compensatory (\$) <sup>(1)</sup>	End (\$)
Gregory A. C. Yull	1,401,147	14,300	1,780,471
Bernard J. Pitz <sup>(2)</sup>	257,670		339,297
Michael C. Jay <sup>(3)</sup>	71,830	14,300	111,470
Jeffrey Crystal <sup>(4)</sup>		7,362	7,905
Shawn Nelson	726,844	14,300	917,951
Douglas R. Nalette	567,039	14,300	753,504
Joseph Tocci	480,789	14,300	603,170

(1) The Corporation's contribution for the fiscal year ended December 31, 2014 was paid in 2015.

(2) As disclosed above, Mr. Pitz served as CFO until January 30, 2014.

(3) As disclosed above, Mr. Jay served as Interim CFO from January 30, 2014 to May 9, 2014.

(4) As disclosed above, Mr. Crystal was appointed CFO on May 9, 2014.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS****Equity Compensation Plan Information**

The following table sets out certain details as of December 31, 2014 with respect to stock options granted under the ESOP, PSUs and DSUs.

Plan category	Number of securities issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (CDN\$) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
	2,549,401	7.01	3,494,246

**Equity compensation plans  
approved by security holders**

**Equity compensation plans**

**not approved by security holders**

<b>Total</b>	2,549,401	7.01	3,494,246
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**Executive Stock Option Plan**

Since the inception of the ESOP in 1992 and as of March 31, 2015:

- (i) the Corporation has granted options in respect of an aggregate of 13,589,333 Shares,
  - (ii) options in respect of 7,228,467 Shares have lapsed due to expiration or cancellation, and
  - (iii) options in respect of 4,020,866 Shares have been exercised,
- so that, as of March 31, 2015, there were options issued and outstanding in respect of an aggregate of 2,340,000 Shares, representing approximately 3.9% of the issued and outstanding Shares, and a total of 3,643,583 Shares were available for future grants of stock options, representing approximately 6.1% of the issued and outstanding Shares.

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At the Meeting, shareholders will be asked to consider the ratification, confirmation and approval of all unallocated options under the ESOP. See Ratification, Confirmation and Approval of Unallocated Options under the Executive Stock Option Plan on pages 6 to 8 of this Circular.

## **Stock Appreciation Rights Plan**

On June 20, 2012, the Board of Directors of the Corporation adopted the SAR Plan. The purpose of the SAR Plan is to (a) promote a proprietary interest in the Corporation among its executives and directors; (b) encourage the Corporation's executives and directors to further the Corporation's development; and (c) attract and retain the key employees necessary for the Corporation's long-term success. The SAR Plan is administered by the Compensation Committee of the Board of Directors and authorizes the Corporation to award SARs to eligible persons. A SAR is a right to receive a cash payment equal to the difference between the base price of the SAR and the market value of a Share on the date of exercise. SARs can be settled only in cash.

The following is a description of certain features of the SAR Plan:

- (a) SARs expire not later than ten years after the date of grant. The expiry date of SARs, and their vesting schedule, if any, will be set out in the applicable agreement evidencing the grant of SARs to a participant;
- (b) the aggregate number of SARs that may be granted to directors who are not employees of the Corporation cannot exceed 1% of the number of issued and outstanding Shares;
- (c) the base price of a SAR will be the closing price of the Shares on the TSX on the trading day immediately preceding the day on which a SAR is granted; and
- (d) upon the occurrence of a change in control (as defined in the SAR Plan), all SARs outstanding at such time will become fully and immediately vested and will remain exercisable until their expiration, termination or cancellation pursuant to the terms of the SAR Plan and the applicable grant agreement.

The award agreements for the SARs granted in 2012 provide that the SARs granted to employees and executives will vest and may be exercisable 25% per year over four years and that the SARs granted to directors, who are not officers of the Corporation, will vest and may be exercisable 25% on the grant date, and a further 25% will vest and may be exercisable per year over three years.

Since the inception of the SAR Plan and as of March 31, 2015:

- (i) the Corporation has awarded 1,240,905 SARs,
- (ii) 153,750 SARs have lapsed due to expiration or cancellation, and

(iii) 441,703 SARs have been exercised, so that, as of March 31, 2015, there were 645,452 SARs outstanding.

### **Performance Share Unit Plan**

On April 22, 2014, the Board of Directors adopted the PSU Plan for executive officers and employees of the Corporation and its subsidiaries. The PSU Plan was approved by the shareholders of the Corporation at an annual and special meeting held on June 11, 2014. The purpose of the PSU Plan is to provide executive officers and employees with a proprietary interest in the Corporation through the granting of PSUs. The PSU Plan is also intended to increase the interest in the Corporation's welfare of those executive officers and employees who share primary responsibility for the management, growth and protection of the business of the Corporation, to furnish an incentive to such executive officers and employees to continue their services for the Corporation and its subsidiaries and to provide a means through which the Corporation and its subsidiaries may attract able persons to enter their employment.



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The following is a summary of the material terms of the PSU Plan and is subject to, and qualified by, the full text of the PSU Plan.

The Board of Directors, in its sole discretion, may from time to time approve the grant of PSUs to one or more executive officers or employees in respect of future services, the number of PSUs to be granted and the terms and conditions of such PSUs. Each grant of PSUs will be evidenced by a grant letter from the Corporation addressed to the executive officer or employee, setting out the date of grant, the number of PSUs granted, the performance objective(s) which must be attained in order for PSUs to be earned, any applicable reduction or increase in the number of Shares underlying the PSUs depending on the level of attainment of the relevant performance objective(s), the vesting conditions, the settlement period, and any other terms and conditions applicable to such PSUs.

Each PSU represents the right of an executive officer or employee, once such PSU is earned and has vested in accordance with the grant letter and the PSU Plan, to receive such number of Shares between 0 and 1.5 as will be calculated by the Corporation in accordance with the grant letter, depending on the level of attainment of the relevant performance objective(s), subject to the terms and conditions of the grant letter and the PSU Plan.

The level of attainment of the performance objective(s), the number of PSUs earned and eligible to vest and the number of Shares underlying such PSUs will be determined by the Board of Directors from time to time. Upon such determination by the Board, the Corporation will deliver to the executive officer or employee a letter confirming the number of PSUs earned by the executive officer or employee and the number of Shares underlying such PSUs. Any PSUs not earned in accordance with the foregoing will expire and the executive officer or employee will not have any rights or entitlements whatsoever in respect of any such PSUs.

Once a PSU is earned and has vested in accordance with the grant letter and the PSU Plan, it may be settled during a period established by the Board of Directors in accordance with the grant letter.

An executive officer or employee may request the settlement of PSUs which are earned and have vested in accordance with the grant letter and PSU Plan, at any time during the settlement period, in such manner as the Board of Directors may determine from time to time and in accordance with such rules and regulations as the Board of Directors may prescribe from time to time. As soon as reasonably practicable following the settlement date, the Corporation will settle the PSUs by delivering to the executive officer or employee, at the sole discretion of the Corporation, any of the following: (i) a number of Shares acquired on the open market equal to the number of settled PSUs; (ii) a number of Shares issued by the Corporation equal to the number of settled PSUs; or (iii) any combination of clauses (i) and (ii) above.

PSUs expire on the business day preceding December 31 of the third calendar year following the first year in which the executive officer or employee rendered services in respect of the grant of PSUs. Any PSU which has vested in accordance with the applicable grant letter and the PSU Plan but which has not been settled at the expiry date will be automatically settled on such date.

In the event of a Change of Control of the Corporation, as that term is defined in the PSU Plan, (i) the settlement period of all vested PSUs will terminate on the date of the Change of Control, (ii) if applicable, and subject to clause (iii), the PSU Plan and all unvested PSUs will be assumed or continued by the successor entity to the Corporation or will be replaced by or substituted for a new PSU Plan and new PSUs of the successor entity with identical terms and conditions, subject to an equitable adjustment in accordance with the PSU Plan, and (iii) if the adjustment in clause (ii) is not deemed practicable by the Board of Directors of the Corporation, the Board of Directors will accelerate vesting of all unvested PSUs, with effect as of the Change of Control, with the deemed attainment of 100% of the relevant performance objective(s).

If a holder of PSUs ceases to be an executive officer or employee of the Corporation or one of its subsidiaries for whatever reason, including resignation, voluntarily departure, termination for cause, termination other than for cause, permanent disability or death, all unvested PSUs will be forfeited and the settlement period of all vested PSUs will terminate on the later of the executive officer or employee's last day of work with the Corporation or subsidiary, as the case may be, and the date of the Board's determination of the level of attainment of the performance objective(s), the number of PSUs earned and eligible to vest and the number of Shares underlying such PSUs.

As soon as reasonably practicable following the settlement date, the Corporation or a subsidiary will make a lump-sum cash payment to an executive officer or employee, net of any withholdings, in an amount equal to the number of Shares issued or delivered to the executive officer or employee multiplied by the amount of cash dividends per Common Share declared and paid by the Corporation from the date of grant of the PSUs to such executive officer or employee, so that the executive officer or employee will be treated for purposes of dividends as if he or she had been the holder of such Shares as and from the date of grant of the PSUs.

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A maximum of 1 million Shares may be issued from treasury under the PSU Plan, representing approximately 1.7% of the issued and outstanding Shares as of March 31, 2015. The Corporation expects that the PSU Plan will be in effect for a number of years and that the maximum of 1 million Shares issuable from treasury will be sufficient for that purpose.

PSUs may not be assigned or transferred, other than by will or the laws of succession.

The number of Shares: (i) issued to insiders of the Corporation, within any one-year period, and (ii) issuable to insiders of the Corporation, at any time, under the PSU Plan, or when combined with all of the Corporation's other security-based compensation arrangements, cannot exceed 10% of the total number of issued and outstanding Shares, respectively. For such purpose, the term insider means those who are reporting insiders of the Corporation as defined in National Instrument 55-104 *Insider Reporting Requirements and Exemptions* of the Canadian Securities Administrators.

Subject to the exceptions set out below, the Board of Directors may amend, suspend or terminate the PSU Plan, or any portion thereof, at any time, and may do so without shareholder approval, subject to those provisions of applicable law, if any, that require the approval of shareholders or any governmental or regulatory body. Without limiting the generality of the foregoing, the Board of Directors may make the following types of amendments to the PSU Plan without seeking shareholder approval:

- (a) amendments of a housekeeping or ministerial nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error or omission in the PSU Plan or to correct or supplement any provision of the PSU Plan that is inconsistent with any other provision of the PSU Plan;
- (b) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX);
- (c) amendments necessary in order for PSUs to qualify for favourable treatment under applicable taxation laws;
- (d) amendments respecting administration of the PSU Plan;
- (e) any amendment to any PSU, whether or not such PSU is held by an insider, provided such amendment does not entail an extension beyond the original expiry date;
- (f) amendments necessary to suspend or terminate the PSU Plan; and
- (g) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law.

Shareholder approval will be required for the following types of amendments:

- (i) amendments to the number of Shares issuable under the PSU Plan, including an increase to a maximum percentage or number of Shares;
  - (ii) any amendment extending the term of a PSU held by an insider beyond its original expiry date except as otherwise permitted by the PSU Plan;
  - (iii) any amendment to the amendment provisions of the PSU Plan;
  - (iv) any amendment to remove or to exceed the insider participation limit set out in the PSU Plan; and
  - (v) amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).
- In the event of any conflict between paragraphs (a) to (g) and paragraphs (i) to (v) above, the latter shall prevail.

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As of March 31, 2015, 389,640 PSUs have been granted pursuant to the PSU Plan.

### **Deferred Share Unit Plan**

On April 22, 2014, the Board of Directors adopted the DSU Plan for the Corporation's non-executive directors. The DSU Plan was approved by the shareholders of the Corporation at an annual and special meeting held on June 11, 2014. The purpose of the DSU Plan is to provide the Corporation's non-executive directors with a form of compensation which promotes a greater alignment of the interests of the non-executive directors and the shareholders of the Corporation in creating long-term shareholder value.

The DSU Plan is under the direction of the Board of Directors. The Compensation Committee makes recommendations to the Board of Directors in relation to the DSU Plan and DSU awards.

The following is a summary of the material terms of the DSU Plan and is subject to, and qualified by, the full text of the DSU Plan.

The Board of Directors, upon the recommendation of the Compensation Committee, may in its sole discretion grant DSUs to one or more non-executive directors of the Corporation from time-to-time. In addition, each non-executive director may elect to receive, in lieu of cash, either 50% or 100% of all fees payable to such director as a member of the Board or lead director or as a member or chair of a committee of the Board, net of any applicable withholdings, in the form of DSUs. The DSUs will be credited to an account maintained for the director by the Corporation.

If a non-executive director elects to receive DSUs in lieu of fees, the director will receive a number of DSUs obtained by dividing the amount of such fees by the DSU Value on the date on which the DSUs are awarded, with such DSUs being awarded to non-executive directors on a semi-annual basis. DSU Value is defined in the DSU Plan as the volume weighted average trading price of the Shares on the TSX for the five trading days preceding the date on which the DSU Value is determined.

Holders of DSUs cannot settle their DSUs while they are members of the Board of Directors of the Corporation. Once they cease to be a member of the Board, the Corporation will settle the DSUs by delivering to the former director, at the sole discretion of the Corporation, any of the following: (i) a number of Shares acquired in the open market equal to the number of settled DSUs; (ii) a number of Shares issued by the Corporation equal to the number of settled DSUs; or (iii) any combination thereof, in each case, net of any applicable withholdings.

A maximum of 250,000 Shares may be issued from treasury under the DSU Plan, representing approximately 0.4% of the issued and outstanding Shares as of March 31, 2015. The Corporation expects that the DSU Plan will be in effect for a number of years and that the maximum of 250,000 Shares issuable from treasury will be sufficient for that purpose.

DSUs may not be assigned or transferred, other than by will or the laws of succession.

The number of Shares: (i) issued to insiders of the Corporation, within any one-year period, and (ii) issuable to insiders of the Corporation, at any time, under the DSU Plan, or when combined with all of the Corporation's other security-based compensation arrangements, cannot exceed 10% of the total number of issued and outstanding Shares, respectively. For such purpose, the term insider means those who are reporting insiders of the Corporation as defined in National Instrument 55-104 *Insider Reporting Requirements and Exemptions* of the Canadian Securities Administrators.

Subject to the exceptions set out below, the Board of Directors may amend, suspend or terminate the DSU Plan, or any portion thereof, at any time, and may do so without shareholder approval, subject to those provisions of applicable law, if any, that require the approval of shareholders or any governmental or regulatory body. Without limiting the generality of the foregoing, the Board of Directors may make the following types of amendments to the DSU Plan without seeking shareholder approval:

- (a) amendments of a housekeeping or ministerial nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error or omission in the DSU Plan or to correct or supplement any provision of the DSU Plan that is inconsistent with any other provision of the DSU Plan;

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- (b) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX);
- (c) amendments necessary in order for DSUs to qualify for favourable treatment under applicable taxation laws;
- (d) amendments respecting administration of the DSU Plan;
- (e) any amendment to any DSU, whether or not such DSU is held by an insider, provided such amendment does not entail an extension beyond the original expiry date;
- (f) amendments necessary to suspend or terminate the DSU Plan; and
- (g) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law.

Shareholder approval will be required for the following types of amendments:

- (i) amendments to the number of Shares issuable under the DSU Plan, including an increase to a maximum percentage or number of Shares;
- (ii) any amendment extending the term of a DSU held by an insider beyond its original expiry date except as otherwise permitted by the DSU Plan;
- (iii) any amendment to the amendment provisions of the DSU Plan;
- (iv) any amendment to remove or to exceed the insider participation limit set out in the DSU Plan; and
- (v) amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

In the event of any conflict between paragraphs (a) to (g) and paragraphs (i) to (v) above, the latter shall prevail.

As of March 31, 2015, 46,675 DSUs have been granted pursuant to the DSU Plan.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

**Aggregate Indebtedness**

None of the executive officers, directors, employees and former executive officers, directors and employees of the Corporation and its subsidiaries as of March 31, 2015, owe any indebtedness to the Corporation and its subsidiaries, and no indebtedness of such persons to other entities was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any subsidiary thereof.

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

During the fiscal year ended December 31, 2014, and as of the date of this Circular, none of the directors, executive officers, employees (or previous directors, executive officers or employees of the Corporation), each proposed nominee for election as a director of the Corporation (or any associate of a director, executive officer or proposed nominee) was or is indebted to the Corporation with respect to the purchase of securities of the Corporation and for any other reason pursuant to a loan.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

For the purposes of this Circular, informed person means: (i) a director or executive officer of the Corporation; (ii) a director or executive officer of a person or corporation that is itself an informed person or subsidiary of the Corporation; (iii) any person or corporation who beneficially owns, or exercises control or direction over, directly or indirectly, voting securities of the Corporation or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, other than voting securities held by the person or corporation as underwriter in the course of a distribution; and (iv) the Corporation if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.



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To the best of the Corporation's knowledge, no informed person or proposed director of the Corporation, and no associate or affiliate of the foregoing persons, at any time since the beginning of its last completed financial year, has or had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the beginning of its last completed financial year that has materially affected the Corporation or any of its subsidiaries, or in any proposed transaction that could materially affect the Corporation or any of its subsidiaries, or in any matter to be acted upon at this Meeting.

## **SHAREHOLDER PROPOSALS**

The CBCA provides that a Registered Shareholder or a Beneficial Shareholder that is entitled to vote at an annual meeting of the Corporation may submit to the Corporation notice of any matter that the person proposes to raise at the meeting (referred to as a **Proposal**) and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Proposal. The CBCA further provides that the Corporation must set out the Proposal in its management proxy circular along with, if so requested by the person who makes the Proposal, a statement in support of the Proposal by such person. However, the Corporation will not be required to set out the Proposal in its management proxy circular or include a supporting statement if, among other things, the Proposal is not submitted to the Corporation at least 90 days before the anniversary date of the notice of meeting that was sent to the shareholders in connection with the previous annual meeting of shareholders of the Corporation. As the notice in connection with the Meeting is dated April 22, 2015, the deadline for submitting a Proposal to the Corporation in connection with the next annual meeting of shareholders is January 15, 2016.

The foregoing is a summary only. Shareholders should carefully review the provisions of the CBCA relating to Proposals and consult with a legal advisor.

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

The Board of Directors and management of the Corporation believe that the highest standards of corporate governance are essential in the effective management of the Corporation as well as in the Corporation's ability to build sustainable worth for its customers, business partners, employees and investors. The Board of Directors is committed to maintaining a high standard of corporate governance, and regularly reviews and updates its corporate governance systems in light of changing practices, expectations and legal requirements.

The Corporation is a Canadian reporting issuer and the Shares are listed and posted for trading on the TSX. The Corporation's corporate governance practices reflect applicable rules and guidelines adopted by the Canadian Securities Administrators as set out in National Policy 58-201 *Corporate Governance Guidelines* and National Instrument 58-101 *Disclosure of Corporate Governance Practices* (collectively, the **CSA Guidelines**). Further, the Corporation's governance practices also comply with the governance rules of the United States Securities and Exchange Commission applicable to foreign issuers and those mandated by the United States *Sarbanes-Oxley Act of 2002*.

The CSA Guidelines set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. The Corporation's corporate governance practices are substantially in alignment with the CSA Guidelines. In accordance with the CSA Guidelines, the Corporation discloses, on an annual basis and in prescribed form, the corporate governance practices that it has adopted.

Pursuant to its mandate, the Board of Directors supervises the management of the business and affairs of the Corporation, including the development of major policy and strategy and the identification of the risks of the

Corporation's business and implementation of the appropriate systems to manage these risks. The Board of Directors has explicitly assumed responsibility for the stewardship of the Corporation and has adopted a formal mandate setting out its stewardship responsibilities. The Board of Directors discharges its responsibilities either directly or through its committees.

The Board of Directors has established four committees, namely the Audit Committee, Compensation Committee, Corporate Governance and Nominating Committee, and Executive Committee to facilitate the carrying out of its duties and responsibilities and to meet applicable statutory requirements. The Board of Directors has adopted a formal mandate for each committee. The Board of Directors has developed a description of the role and responsibilities for each of the Chairman of the Board, the Lead Director, where applicable, the Chair of each committee of the Board of Directors and the Chief Executive Officer.

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The Corporation has adopted a Code of Conduct and Business Ethics to which all directors, management personnel and employees of the Corporation are expected to adhere. A copy of the Code of Conduct and Business Ethics is available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The following discloses the Corporation's current governance practices in accordance with the CSA Guidelines.

## **Board of Directors**

The Corporation complies with the CSA Guidelines which set out that a majority of the directors of the Corporation must be independent.

According to section 1.4 of National Instrument 52-110 *Audit Committees*, a director is independent if he has no direct or indirect material relationship with the Corporation, which includes a relationship which could, in the view of the Board of Directors, reasonably interfere with the exercise of the director's independent judgment. After having examined the role and relationships of each of the directors and based on information provided by the directors, as to their individual circumstances, the Corporate Governance Committee has established that six of the eight directors proposed as nominees by management for election as directors are, as of the date hereof, independent of the Corporation, namely:

Robert M. Beil

George J. Bunze

Frank Di Tomaso

Robert J. Foster

James Pantelidis

Jorge N. Quintas

This determination was made based on the following factors:

- (i) the director is, or has been within the last three years, an employee or executive officer of the Corporation or a subsidiary, or an immediate family member of the director is, or has been within the last three years, an executive officer of the Corporation or a subsidiary;
- (ii) the director is a current partner or employee of a firm that is the Corporation's internal or external auditor, or was within the last three years, a partner or employee of that firm and personally worked on the Corporation's

audit within that time;

- (iii) an immediate family member of the director is a current partner of a firm that is the Corporation's internal or external auditor, or is a current employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or was, within the last three years a partner or employee of that firm and personally worked on the Corporation's audit within that time;
- (iv) the director, or an immediate family member of the director, is or has been within the last three years, an executive officer of an entity on which any of the Corporation's current executive officers serve or served at that time on the entity's compensation committee;
- (v) the director or an immediate family member of the director who is employed as an executive officer of the Corporation has received, during any twelve-month period within the last three years, more than \$75,000 in direct compensation from the Corporation, other than (a) director and committee fees, (b) pension or other forms of deferred compensation for prior service provided that such compensation is not contingent in any way on continued service, and (c) compensation for previously acting as an interim chief executive officer of the Corporation or previously acting as a Chairman of the Board of Directors on a part-time basis.

An immediate family member includes a person's spouse, parents, children, stepchildren, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares the person's home.

After having examined the role and relationships of each director, the Corporate Governance and Nominating Committee has established that, of the eight directors proposed by management to sit on the Board of Directors, the following two directors are not independent from the Corporation, namely:

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Gregory A. C. Yull, who is the Chief Executive Officer of the Corporation; and

Melbourne F. Yull, whose immediate family member (Gregory A. C. Yull) is Chief Executive Officer of the Corporation.

The Corporation complies with the guidelines on corporate governance practices, which set out that a majority of the directors of the Corporation must be independent. The Board of Directors considers that, as of the date hereof, six of the eight directors are independent, meaning that 75% of the proposed nominees as directors are independent.

In addition, during the fiscal year ended December 31, 2014, all of the members of each of the Audit Committee, Compensation Committee, and Corporate Governance and Nominating Committee were independent directors. The members of the Audit Committee during the fiscal year ended December 31, 2014 were George J. Bunze (Chairman), Robert J. Foster, James Pantelidis and Frank Di Tomaso. The members of the Compensation Committee during the fiscal year ended December 31, 2014 were Robert M. Beil (Chairman), Robert J. Foster and Jorge N. Quintas. The members of the Corporate Governance and Nominating Committee during the fiscal year ended December 31, 2014 were Eric E. Baker, Robert M. Beil and George J. Bunze. If necessary, the independent members of the Board of Directors can meet without the presence of the non-independent directors.

The following directors are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction:

Name of Director	Issuers
George J. Bunze	Stella-Jones Inc.
Frank Di Tomaso	Yorbeau Resources Inc.
James Pantelidis	Birks Group Inc. EnerCare Inc.
	Industrial Alliance and Financial Services Inc.
	Parkland Fuel Corporation
	Rona Inc.

The independent directors do not hold regularly-scheduled meetings at which non-independent directors and members of management are not in attendance. If necessary, the independent directors can hold such meetings. During the period from January 1, 2014 through December 31, 2014, the independent directors did not hold such meetings. However, at each meeting of the Board of Directors, the independent directors meet without the non-independent directors or members of management of the Corporation present.

Eric E. Baker, the Chairman of the Board of Directors, is an independent director. The positions of Chairman of the Board of Directors and Chief Executive Officer are split.

During the fiscal year ended December 31, 2014, the Board of Directors held nine meetings, the Executive Committee held two meetings, the Audit Committee held four meetings, the Compensation Committee held three meetings and the Nominating and Corporate Governance Committee held one meeting. Overall, directors attended 97% of the meetings held by the Board of Directors and its committees. The following table presents a detailed record of the

number of Board meetings and committee meetings attended by each director.

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Director	Board of Directors		Executive Committee		Audit Committee		Compensation Committee		Corporate Governance and Nominating Committee		Total Attendance %
	(9 meetings)		(2 meetings)		(4 meetings)		(3 meetings)		(1 meeting)		
	Number	%	Number	%	Number	%	Number	%	Number	%	
Eric E. Baker	8	89%	2	100%					1	100%	96%
Robert M. Beil	9	100%					3	100%	1	100%	100%
George J. Bunze	9	100%			4	100%			1	100%	100%
Frank Di Tomaso <sup>(1)</sup>	3	75%			2	100%					83%
Robert J. Foster	9	100%			4	100%	3	100%			100%
James Pantelidis	9	100%			4	100%					100%
Jorge N. Quintas	8	89%					2	67%			91%
Gregory A. C. Yull	9	100%	2	100%							100%
Melbourne F. Yull	9	100%	2	100%							100%

(1) Frank Di Tomaso was appointed to the Board of Directors on August 5, 2014. Four meetings of the Board of Directors and two meetings of the Audit Committee were held in 2014 after that date.

The Board of Directors uses electronic board books and in some cases, video conferencing. This allows information to be disseminated effectively and allows the Board of Directors to conduct its business efficiently. The use of electronic board books also reduces the use of paper by the Board of Directors, which also has the corollary benefit of reducing costs and is consistent with the Corporation's dedication to be an environmental leader.

**Board Mandate**

The Board of Directors approved its written mandate. The mandate of the Board of Directors is to supervise the management of the business and affairs of the Corporation, including the development of major policies and strategies and the identification of the risks of the Corporation's business and the implementation of the appropriate systems to manage these risks. The complete text of the mandate of the Board of Directors is set out in Schedule B to this Circular.

**Position Descriptions**

The Board of Directors has developed a description of the role and responsibilities of the Chairman of the Board of Directors, the Lead Director, where applicable, the Chair of each committee of the Board of Directors and the Chief Executive Officer. The description of the role and responsibilities of the Chairman of the Board of Directors was approved by the Board of Directors. The description of the role and responsibilities of the Chairman of the Board of Directors establishes that the Chairman of the Board of Directors provides leadership and develops guiding principles for the Board of Directors and represents the Board of Directors with the shareholders at the annual meeting of shareholders. The Chairman of the Board of Directors also sets the agenda for meetings of the Board of Directors, chairs meetings of the Board of Directors, ensures that board members receive clear information on a timely basis and ensures that the performance of the Board of Directors is assessed on a regular basis. In addition, the Chairman of the Board of Directors supervises the chairs of the committees.

The description of the role and responsibilities of the Lead Director was approved by the Board of Directors. It provides, among other things, that the Lead Director chairs all meetings of the independent directors and must ensure

that the Board of Directors functions independently from management. Descriptions of the role and responsibilities of the chairs of the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee were approved by the Board of Directors. They provide, among other things, that the chairman of each committee sets the agenda and chairs committee meetings and reports regularly to the Board of Directors.



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A description of the role and responsibilities of the Chief Executive Officer was approved by the Board of Directors. The Board of Directors also determines with the Chief Executive Officer his priorities and responsibilities. The description provides that the Chief Executive Officer is ultimately responsible for managing the Corporation, for ensuring the profitability of the Corporation, for the proper functioning of its operations and for its sustained growth. He or she is responsible for developing and implementing the mission, the vision and the strategy of the Corporation approved by the Board of Directors. He or she must establish objectives for the Corporation and ensure that action plans and policies are implemented to meet these objectives. Therefore, the Chief Executive Officer is responsible for implementing and ensuring compliance with policies relating to operations, finance, growth and human resources management. The Chief Executive Officer is accountable for the development and respect of sound business practices and relations with internal and external clients of the Corporation, with the financial community, with the social communities and governments.

The position description of the Chairman of the Board of Directors is set out in Schedule C to this Circular, and the position description of the Chief Executive Officer is set out in Schedule D to this Circular.

## **Orientation and Continuing Education**

Upon a director's election or appointment to the Board of Directors, the director receives all of the various corporate governance documents that have been adopted by the Corporation. Additionally, the director participates in meetings with members of management of the Corporation, is given a tour of certain of the Corporation's operational facilities and is briefed on the strategic policies and strategic direction of the Corporation, all of which is designed with a view to familiarize new directors with the Corporation, its management structures and operations, and key legal, financial and operational issues.

New directors are also provided with information regarding corporate governance and structure and procedures of the Board of Directors and any committee on which the director will serve.

Upon joining the Board of Directors, a new director will have multiple one-on-one sessions with the chairman, chief executive officer and corporate secretary to discuss the function of the Board of Directors and the nature of operation of the Corporation's business activities. Individual meetings will also be scheduled with executive management to educate new directors in more detail with respect to the Corporation's operations. A secure website is also available to directors, where they have access to important Board of Directors materials, including board books, charters, guidelines and codes.

The Corporation has developed a continuing education program. The main objective of the continuing education program is to offer for each new director the opportunity to learn the business of the Corporation and for each director to better understand the challenges to which the Corporation is exposed. This continuing education program is addressed, *inter alia*, to new directors to inform them as to the role of the Board of Directors, its committees and its directors, the nature and functioning of the Corporation, and the operations and management of the Corporation. Each director receives a Director Information Handbook that is regularly updated. The Director Information Handbook contains material pertinent to the affairs of the Corporation, including the mandate of the Board of Directors and its committees, descriptions of the role and responsibilities of each committee chair and of the Chairman of the Board of Directors, details of directors' compensation, details regarding the directors' liability insurance, the role and responsibilities of the President and Chief Executive Officer, the Corporation's Code of Business Conducts and Ethics (the **Code of Conduct**) and its policies.

The Corporation relies on the fact that each director has had considerable prior corporate experience and that each director has the necessary expertise to serve as an effective director of the Corporation. Various members of senior

management of the Corporation report to the Board of Directors on an informal and formal basis regularly in order to keep the directors up-to-date on various matters concerning the business and affairs of the Corporation. Counsel to the Corporation in both the United States and Canada is also available to advise the Board of Directors on new developments in relevant areas of the law.

### **Ethical Business Conduct**

The Corporation's Code of Conduct applies to each of the Corporation's directors, officers and employees. A copy of the Code of Conduct is available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

All directors, officers and employees of the Corporation are strongly encouraged to discuss all issues with appropriate personnel at the Corporation in cases in which they suspect that a potential breach of the Code of Conduct may have occurred. Any waiver of a provision of the Code of Conduct for executive officers or directors of the Corporation may be made only by the Board of Directors or a committee thereof and will be promptly disclosed as required by law or by the regulations of the TSX. To the knowledge of the directors and officers of the Corporation, there has not been any instance of departure from the Code of Conduct within the last twelve months. Persons who violate the standards set out in the Code of

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Conduct will be subject to disciplinary action. The Board of Directors did not grant any waiver with respect to the Code of Conduct to any director, executive or executive officer during the last fiscal year. Therefore, no material change report pertaining to any conduct of a director, executive or executive officer that constitutes a departure from the Code of Conduct was filed.

The Code of Conduct is provided to each employee of the Corporation at the time of his or her commencement of employment, as well as to each director and officer of the Corporation at the time of his or her election or appointment. The Code of Conduct covers a variety of subject matters that are related to proper business conduct and ethics, including conflicts of interest, discrimination and harassment in the work place, the health and safety of employees, confidentiality obligations and insider-trading prohibitions. Compliance with these subject matters is ultimately monitored by the Board of Directors in different ways depending on the specific matter in question.

For example, as concerns insider trading, at the designated time during each financial quarter, a member of the Board of Directors instructs management to inform the Corporation's personnel in writing when the regular trading black-out period begins and ends. Further, members of the Board of Directors are also involved when a decision has to be made as to whether an additional trading black-out period is warranted in the event that certain material information may be accessible by the Corporation's personnel prior to its divulgence to the public.

As concerns matters such as discrimination and harassment and the health and safety of employees, it is the Corporation's supervisors and managers who are responsible for regularly monitoring such matters. These managers prepare written reports dealing with such matters on a regular basis. The reports are then reviewed by members of senior management, who are responsible for bringing any specific concerns to the attention of the Board of Directors.

The Code of Conduct sets out that employees are to discuss any compliance matters or concerns with a supervisor or manager or, if they prefer, to discuss them with Holland & Knight LLP, the Corporation's U.S. legal counsel. The Corporation's supervisors and managers and counsel at Holland & Knight LLP, as the case may be, each have ready access to the Board of Directors.

Under the CBCA, the Corporation's governing statute, a director or officer of the Corporation must disclose to the Corporation, in writing or by requesting that it be entered in the minutes of meetings of the Board of Directors, the nature and extent of any interest that he or she has in a material contract or material transaction, whether made or proposed, with the Corporation, if the director or officer: (a) is a party to the contract or transaction; (b) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or (c) has a material interest in a party to the contract or transaction. Subject to limited exceptions set out in the CBCA, the director cannot vote on any resolution to approve the contract or transaction.

Further, it is the policy of the Corporation that an interested director or officer recuse himself or herself from the decision-making process pertaining to a contract or transaction in which he or she has an interest.

In 2007, the Audit Committee established the Whistle Blower Policy and Procedures as part of the Code of Conduct. The purpose of the Whistle Blower Policy and Procedures is to provide a means by which accounting and audit-related complaints can be handled by the Audit Committee, thus providing an anonymous method by which employees can report, if any, questionable accounting, internal accounting controls, and auditing matters which would constitute a violation of the Corporation's accounting policies, without fear of retaliation against good-faith whistleblowers.

## **Nomination of Directors**

The Corporate Governance and Nominating Committee identifies and recommends to the Board of Directors, when appropriate, skill sets and individuals who could add value to the Board of Directors. If the Board of Directors determines that new candidates for Board nomination are advisable, the process by which the Board of Directors identifies new candidates for Board nomination will begin with the approval by the Board of Directors of an outline of the skill-set and background which are desired in a new candidate. Board members or management will have an opportunity to suggest candidates for consideration. A search firm may be employed. Prospective candidates will be interviewed by the Chairman and other members of the Board of Directors on an *ad hoc* basis. An invitation to join the Board of Directors will be extended only after the Board of Directors has reached a consensus on the appropriateness of the candidate.

The members of the Corporate Governance and Nominating Committee are Eric E. Baker, Robert M. Beil, and George J. Bunze. The Corporate Governance and Nominating Committee is composed entirely of independent directors, as is a majority of the members of the Board of Directors, ensuring any candidate recommended to the Board of Directors by the Corporate Governance and Nominating Committee is approved by independent members of the Corporate Governance and Nominating Committee and a majority of independent members of the Board of Directors.

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The members of the Corporate Governance and Nominating Committee are appointed by the Board of Directors annually. The charter of the Corporate Governance and Nominating Committee is set out in Schedule F to this Circular and states that the committee will *inter alia*:

- (i) develop and recommend to the Board of Directors a set of corporate governance principles applicable to the Corporation;
- (ii) monitor corporate governance issues, trends and proposed, new or amended regulatory requirements and, as appropriate, make recommendations to the Board of Directors;
- (iii) advise the Board of Directors with respect to the charters, structure and operations of the various committees of the Board of Directors and qualifications for membership thereon;
- (iv) in consultation with the Chairman of the Board of Directors and the Chief Executive Officer of the Corporation, make recommendations to the Board of Directors regarding which directors should serve on the various committees of the Board of Directors;
- (v) authorize any waiver of the compliance by an executive officer or a director with the Corporation's Code of Conduct, oversee the investigation of any alleged breach of the Code of Conduct and make recommendations to the Board of Directors regarding any measures to be taken by the Board of Directors with respect thereto;
- (vi) exercise oversight of the policies and processes adopted by it or the Board of Directors relating to director orientation and continuing education;
- (vii) exercise oversight of the processes adopted by the Board of Directors for evaluating (a) the overall performance and workings of the Board of Directors as a whole, and (b) the performances of individual directors;
- (viii) establish a process for determining the independence of directors, the identification of financial experts, and the financial literacy of directors, as those terms are defined from time to time under the requirements or guidelines for board service under applicable securities laws and the rules of any stock exchange on which the Corporation's securities are listed for trading; and
- (ix) review the size and composition of the Board of Directors.

**Compensation**

The Board of Directors has given the Compensation Committee a mandate to examine the compensation of executive officers and make recommendations with respect thereto. For more detailed information with respect to the compensation of the Corporation's officers, see Compensation of Executive Officers and Directors Compensation Discussion and Analysis Compensation Process above.

The Board of Directors has established a Compensation Committee that is composed entirely of independent directors within the meaning of National Instrument 52-110 *Audit Committees*. The members of the Compensation Committee for the fiscal year ended December 31, 2014 were Robert M. Beil (Chairman), Robert J. Foster and Jorge N. Quintas.

The mandate of the Compensation Committee is described above under the heading Compensation of Executive Officers and Directors Compensation Discussion and Analysis Compensation Process . The charter of the Compensation Committee is set out in Schedule G to this Circular.

During the fiscal year ended December 31, 2014, the Board of Directors retained the services of Buck Consultants, as compensation consultants for advice relating to the competitiveness and appropriateness of the compensation programs of the Corporation for the President and Chief Executive Officer and other key executives, as the case may be. The services may include, but are not limited to, advice on base salaries, short-term, medium-term and long-term incentive programs, pension

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plans, social benefits, awards and provisions regarding employment and change of control. In connection with these services, Buck Consultants may review the Corporation's compensation policies (including making recommendations on the companies forming part of the peer group of companies representative of the competitive market of the Corporation, positioning regarding compensation and performance, performance measures, etc.), the design of the programs and the level of compensation compared to market and may make observations and recommendations regarding amendments where appropriate.

During the fiscal year ended December 31, 2014, the Corporation paid fees of \$23,217 (\$56,107 for the fiscal year ended December 31, 2013) for services related to the compensation of senior management.

## **Other Committees of the Board of Directors**

The only committee of the Board of Directors other than the Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee is the Executive Committee, which is comprised of Gregory A. C. Yull, Eric E. Baker and Melbourne F. Yull. The function of the Executive Committee is to provide strategic direction for the Corporation. The charter of the Executive Committee is set out in Schedule H to this Circular.

## **Assessments**

All directors are, from time to time, required to complete a director's questionnaire designed to assist the Board of Directors in assessing each director, the Board of Directors as a whole, and each committee of the Board of Directors. The results of these assessments are discussed at a meeting of the Board of Directors.

## **Director Term Limits and Other Mechanisms of Board Renewal**

The Corporation has not adopted term limits for its directors or other mechanisms of Board renewal. The Corporation is aware of the positive impacts of bringing new perspectives to the Board of Directors, and therefore does occasionally add new members; however, it values continuity on the Board of Directors and the in-depth knowledge of the Corporation held by those members who have a long-standing relationship with the Corporation.

## **Policies Regarding the Representation of Women on the Board**

The Corporation does not currently have a written policy relating to the identification and nomination of women directors. Historically, the Corporation has not felt that such a policy was needed. However, the Corporation is currently considering the adoption of such a policy.

## **Consideration of the Representation of Women in the Director Identification and Selection Process**

When the Corporate Governance and Nomination Committee recommends candidates for director positions, it considers not only the qualifications, personal qualities, business background and experience of the candidates, it also considers the composition of the group of nominees, to best bring together a selection of candidates allowing the Board of Directors to perform efficiently and act in the best interest of the Corporation and its stakeholders. The Corporation is aware of the benefits of diversity both on the Board and at the executive level, and therefore female representation is one factor taken into consideration during the search process to fill leadership roles within the Corporation.

## **Consideration Given to the Representation of Women in Executive Officer Appointments**

When the Board of Directors selects candidates for executive officer positions, it considers not only the qualifications, personal qualities, business background and experience of the candidates, it also considers the composition of the group of nominees, to best bring together a selection of candidates allowing the Corporation's management to perform efficiently and act in the best interest of the Corporation and its stakeholders. The Corporation is aware of the benefits of diversity both on the Board and at the executive level, and therefore female representation is one factor taken into consideration during the search process to fill leadership roles within the Corporation.



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**Targets Regarding the Representation of Women on the Board and in Executive Officer Positions**

The Corporation has not adopted a target regarding women on the Board of Directors or in executive officer positions. The Corporation considers candidates based on their qualifications, personal qualities, business background and experience, and does not feel that targets necessarily result in the identification or selection of the best candidates.

**Number of Women on the Board and in Executive Officer Positions**

There are no women on the Board of Directors of the Corporation.

Of the nine executive officers of the Corporation, including its major subsidiaries, as defined in National Instrument 58-101 *Disclosure of Corporate Governance Practices*, one (11.1%) is a woman.

**AUDIT COMMITTEE INFORMATION**

Reference is made to the subsection entitled *Audit Committee* under Item 6C in the Corporation's Annual Report on Form 20-F for the fiscal year ended December 31, 2014 for required disclosure relating to the Audit Committee. The Annual Report on Form 20-F is available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and can be obtained by contacting the Corporation at 9999 Cavendish Blvd., Suite 200, Ville-St-Laurent, Québec H4M 2X5, telephone (514) 731-7591.

**ADDITIONAL INFORMATION**

Financial information about the Corporation is contained in its Consolidated Financial Statements and Management's Discussion and Analysis for the fiscal years ended December 31, 2014 and 2013, and additional information about the Corporation is available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

If you would like to obtain, at no cost to you, a copy of any of the following documents:

- (a) the latest Form 20-F filed in lieu of an Annual Information Form of the Corporation together with any document, or the pertinent pages of any document, incorporated by reference therein;
- (b) the Consolidated Financial Statements of the Corporation for the fiscal years ended December 31, 2014 and 2013 together with the accompanying Auditor's Report thereon and any interim financial statements of the Corporation for periods subsequent to December 31, 2014 and Management's Discussion and Analysis with respect thereto; and

(c) this Circular,  
please send your request to:

Attention: Kim Peens

Intertape Polymer Group Inc.

Edgar Filing: INTERTAPE POLYMER GROUP INC - Form 6-K

9999 Cavendish Blvd.

Suite 200

Ville-St-Laurent, Québec H4M 2X5

telephone: (514) 731-7591

telecopier: (514) 731-5039

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**AUTHORIZATION**

The contents and the mailing of this Circular have been approved by the Board of Directors of the Corporation.

*(signed) Neil Wiener*

Secretary

Montreal, Canada

April 21, 2015

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**SCHEDULE A**

**EXECUTIVE STOCK OPTION PLAN RESOLUTION**

WHEREAS in 1992, the Board of Directors of the Corporation adopted the Executive Stock Option Plan for the benefit of the executives, key employees and directors of the Corporation and its subsidiaries, which has been amended from time-to-time;

WHEREAS on August 7, 2007, the Board of Directors of the Corporation amended section 4 of the Executive Stock Option Plan so as to set the maximum number of common shares that may be issued thereunder at a number equal to ten percent (10%) of the issued and outstanding common shares of the Corporation from time-to-time;

WHEREAS shareholder approval for that amendment was sought and obtained at a special meeting of the shareholders of the Corporation held on September 5, 2007;

WHEREAS the Executive Stock Option Plan does not have a fixed maximum number of common shares issuable thereunder;

WHEREAS pursuant to the Executive Stock Option Plan, the total number of common shares reserved for issuance is equal to ten percent (10%) of the issued and outstanding common shares of the Corporation from time-to-time; and

WHEREAS the rules of the Toronto Stock Exchange provide that all unallocated options under a security-based compensation arrangement which does not have a fixed number of maximum securities issuable must be approved every three years.

**BE AND IT IS HEREBY RESOLVED:**

THAT all unallocated options under the Executive Stock Option Plan be and they are hereby ratified, confirmed and approved;

THAT the Corporation have the ability to continue granting options under the Executive Stock Option Plan until June 4, 2018, which is the date that is three years from the date of the shareholders meeting at which shareholder approval is being sought; and

THAT any director or officer of the Corporation be and is hereby authorized to do such things and to sign, execute and deliver all instruments and documents that such director and officer may, in his or her discretion, determine to be necessary or desirable in order to give full effect to the intent and purpose of this resolution.

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**SCHEDULE B**

**MANDATE OF THE BOARD OF DIRECTORS OF THE CORPORATION**

The mandate of the Board of Directors is to supervise the management of the business and affairs of the Corporation, including the development of major policies and strategies and the identification of the risks of the Corporation's business and implementation of the appropriate systems to manage these risks.

The Board of Directors has the responsibility for:

**1. Executive/Senior Management**

- 1.1 Selecting, appointing, evaluating and (if necessary) terminating the Chief Executive Officer.
- 1.2 Succession planning, including appointing, training and monitoring the performance of senior management.
- 1.3 Approving the compensation of the senior management team and the remuneration of the Board of Directors.

**2. Business Strategy/Plans/Budgets**

- 2.1 The development of major policies and strategies of the Corporation, as well as the approval of strategic plans and the monitoring of the Corporation's performance against those plans.
- 2.2 Approving annual capital and operating plans and monitoring performance against those plans.
- 2.3 Approving all material amendments or departures proposed by management from established strategy, capital and operating budgets or matters of policy which diverge from the ordinary course of business.

**3. Finance**

- 3.1 Approving dividend distributions to the Corporation's shareholders, if any.

**4. Audit/Risk Management**

- 4.1

Establishing policies and processes to identify business risks and ensure that systems and actions are in place to manage such risks.

- 4.2 Recommending the appointment of the external auditors to the shareholders at their annual meeting.
- 4.3 Approving external auditor scope of work and fees for annual audits and the scope of work and fees of any non-audit related projects or engagements.
- 4.4 Approving the quarterly and annual financial statements, the quarterly and annual Management's Discussion and Analysis and the related news releases.
- 4.5 Establishing policies and processes to ensure the integrity of the Corporation's internal control and management information systems.

## **5. Corporate Governance**

- 5.1 Providing appropriate orientation for new directors.
- 5.2 Assessing, on an annual basis, the effectiveness of the Board of Directors as a whole and the contribution of individual members of the Board of Directors.
- 5.3 Approving a process for communication with the Corporation's shareholders.
- 5.4 Approving the nominees as directors for election to the Board of Directors at the annual meeting of shareholders.
- 5.5 Establishing committees of the Board of Directors and approving their Chair, their respective mandates and the limits of authority delegated to each of these committees.
- 5.6 Monitoring compliance with the Corporation's Code of Conduct and Business Ethics.
- 5.7 Establishing an effective process of corporate governance consistent with applicable regulatory requirements.

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**SCHEDULE C**

**POSITION DESCRIPTION OF THE CHAIRMAN OF THE BOARD  
OF DIRECTORS OF THE CORPORATION**

The Chairman of the Board of Directors of the Corporation has the responsibility for:

1. Providing leadership to the Board of Directors.
2. Overseeing its effectiveness and ensuring that it meets its obligations and responsibilities.
3. Monitoring and coordinating the functions of the Board of Directors with management of the Corporation.
4. Chairing all Board of Directors and shareholders meetings.
5. Ensuring that adequate advance information is distributed to the Directors and that the Board of Directors receives regular updates on all issues important to the affairs of the Corporation.
6. Meeting with members of the Board of Directors and each Board of Directors committee to ensure full utilization of individual capacities and the optimum performance of the Board of Directors and each of its committees.
7. Reviewing progress made by management of the Corporation in executing the Board of Directors decisions and plans in conformity with the Corporation's policies.
8. Being available to provide counsel to management of the Corporation on major policy issues such as acquisitions, divestitures and financial structure.
9. Participating in external activities involving the representation of the Corporation to its major stakeholders, including its shareholders, the financial community, governments and the public.
10. At the request of the Board of Directors, undertaking specific assignments for the Board of Directors.

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**SCHEDULE D**

**POSITION DESCRIPTION OF THE CHIEF EXECUTIVE OFFICER OF THE CORPORATION**

The Chief Executive Officer of the Corporation has the responsibility for:

1. Directing the business and affairs of the Corporation by establishing, deploying and actuating a strategic plan, as well as operating plans/budgets as approved by the Board of Directors.
2. Setting objectives for the Corporation consistent with the aforementioned strategic plan.
3. Providing strategic directions to the management of the Corporation so that the Corporation may achieve expected results.
4. Determining and directing the overall objectives, policies and operating plans, both long- and short-term, of the Corporation in accordance with the Board of Directors' mandate.
5. Subject to Board of Directors' approval, developing and monitoring the various research and development programs consistent with the strategy of the Corporation.
6. Ensuring that the Corporation has in place proper guidelines to provide for efficient, safe and long-term operations with focus on product quality. Ensuring that resources are made available to enact or to exceed such guidelines.
7. Analyzing the operating results of the organization and its principal components and ensuring appropriate steps are taken to address significant/material areas of concern affecting the Corporation's balance sheet, assets, operating results, liabilities or risks of the business.
8. Ensuring that the Board of Directors receives sufficient, timely information on all material aspects of the Corporation's operations.
9. Ensuring that a carefully-designed organization is in place and that the support provided to such organization is consistent with the strategy and objectives of the Corporation.
10. Reviewing and recommending the employment or termination of all senior management personnel for Board of Directors' approval.



11. Actively assisting in the recruitment, training, development and retention of personnel within the Corporation in order to provide for the future management of the Corporation.
12. Evaluating the performance of the senior management of the Corporation.
13. Monitoring the Corporation's compliance with current regulatory and disclosure rules.
14. Exploring opportunities for the Corporation's growth, either through investment and/or acquisitions, as well as dispositions of unproductive or non-strategic assets.
15. Acting as a member of the Board of Directors.
16. Building the corporate profile with the public and with investor communities, including with analysts who follow the Corporation.
17. Identifying business risks and outlining plans to manage or mitigate such risks.
18. Maintaining contact with other industry participants and government officials at senior levels.
19. Ensuring that the appropriate information and disclosure are being provided to the shareholders of the Corporation.

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**SCHEDULE E**

**POSITION DESCRIPTION OF THE LEAD DIRECTOR OF THE CORPORATION**

The Lead Director is appointed by the Board of Directors (the **Board** ) of Intertape Polymer Group Inc. (the Corporation ) and shall be so appointed if the Chair of the Board is not independent within the meaning of applicable securities laws and the rules of any stock exchange on which the Corporation's securities are listed for trading. The Lead Director must be independent.

The Lead Director provides independent leadership to the Board. The Lead Director shall facilitate the functioning of the Board independently of the Corporation's management and will also maintain and enhance the quality of the Corporation's corporate governance practices.

Provided a Lead Director must be appointed and that there is a vacancy in such office the Chair of the Nominating and Corporate Governance Committee, or if such office is also vacant, then the Chair of the Audit Committee shall fill the vacancy until such time as it is filled by the Board.

**His or her principal responsibilities are as follows:**

Providing leadership to ensure that the Board functions independently of management;

Ensuring that the work program allows the Board to properly perform its functions and mandate;

Chairing and directing meetings of independent directors;

Ensuring that independent directors have adequate opportunities to meet to discuss issues without management present;

Examining from time to time with the Executive Chair of the Board important matters to be dealt with by the Board;

Assisting any independent director in order to allow her or him to fully play her or his role;

Being available to independent directors who have concerns that cannot be addressed through the Executive Chair of the Board;

Reporting to the Executive Chair of the Board on the discussions held during meetings of independent directors;

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In the absence of the Executive Chair of the Board, acting as chair of meetings of the Board;

Performing such other functions as may be reasonably requested by the Board or the Executive Chair of the Board; and

Recommending, where necessary, the holding of special meetings of the Board.

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**SCHEDULE F**

**CORPORATE GOVERNANCE AND NOMINATING COMMITTEE CHARTER**

**1. PURPOSE**

The Corporate Governance and Nominating Committee (the **Committee**) is a standing committee appointed by the Board of Directors (the **Board**) of Intertape Polymer Group Inc. (the **Corporation**). The mandate of the Committee is to ensure compliance with, and enforcement of, corporate governance requirements and regulations, in particular as set out in National Instrument 58-101 *Disclosure of Corporate Governance Practices* and National Policy 58-201 *Corporate Governance Guidelines*.

The Committee is responsible for overseeing and assessing the functioning of the Board and the committees of the Board and for the development, recommendation to the Board, implementation and assessment of, effective corporate governance principles. The Committee's responsibilities also include identifying candidates for director and recommending that the Board select qualified director candidates for election at meetings of shareholders.

**2. COMPOSITION, PROCEDURES AND POWERS**

*Composition*

The Committee will be comprised of at least three members, majority of the members of the Committee will be an independent director (as such term is defined from time to time under the requirements or guidelines for board service under applicable securities laws and the rules of any stock exchange on which the Corporation's securities are listed for trading).

The members of the Committee will be appointed or changed by resolution of the Board to hold office from the time of their appointment until the next annual meeting of shareholders or until their successors are so appointed. The Board may remove or replace a member of the Committee at any time. A member will cease to be a member of the Committee upon ceasing to be a director. The Board may fill vacancies on the Committee by appointing another director to the Committee.

*Procedures*

The Committee will meet at times necessary to perform the duties described herein in a timely manner, but at least annually. Meetings may be held at any time deemed appropriate by the Committee.

A majority of the members of the Committee in office from time to time or, in the event that there are less than four members, two members will constitute a quorum for the transaction of business at any meeting of the Committee.

The Committee will fix its own procedure at meetings and for the calling of meetings. Unless waived by the members of the Committee, the Committee will meet *in camera* at each Committee meeting at which members of management are in attendance, to allow its members to discuss openly and candidly.

The Committee will report to the Board following meetings of the Committee.

***Powers***

The Committee is entitled to full access to all books, records, facilities, and personnel of the Corporation and its subsidiaries. The Committee may require such officers, directors and employees of the Corporation and its subsidiaries and others as it may see fit from time to time to provide any information about the Corporation and its subsidiaries it may deem appropriate and to attend and assist at meetings of the Committee. The Committee may obtain, where necessary, legal or other advice from outside professionals, and determine and pay the fees of such professionals, including sole authority to retain and terminate any search firm to be used to identify director candidates and to approve any such firm's fees and other retention terms.

The Committee may delegate from time to time to any person or committee of persons any of the Committee's responsibilities that lawfully may be delegated.

The Committee may adopt policies and procedures for carrying out its responsibilities.

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***Limitations of Corporate Governance and Nominating Committee's Role***

Notwithstanding the foregoing and subject to applicable law, nothing contained in this Charter is intended to require the Committee to ensure the Corporation's compliance with applicable laws and regulations.

The Committee is a committee of the Board and as such is not, and shall not be, deemed to be an agent of the Corporation's shareholders for any purpose whatsoever. The Board may, from time to time, permit minor departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to security holders of the Corporation or other liability whatsoever.

**3. DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the Committee are established by the Board and include, amongst others, the following:

- (i) Develop and recommend to the Board a set of corporate governance principles applicable to the Corporation;
- (ii) Annually review the corporate governance principles and policies of the Corporation and, as appropriate, recommend changes to such principles and policies to the Board;
- (iii) Monitor compliance by the Corporation with all applicable regulatory requirements relating to corporate governance;
- (iv) Monitor corporate governance issues, trends and proposed, new or amended regulatory requirements and, as appropriate, make recommendations to the Board;
- (v) Advise the Board with respect to the charters, structure and operations of the various committees of the Board and qualifications for membership thereon. In consultation with the Chairman of the Board and the Chief Executive Officer of the Corporation, make recommendations to the Board regarding which directors should serve on the various committees of the Board;
- (vi) Authorize any waiver of the compliance by an executive officer or a director with the Corporation's Code of Business Conduct, oversee the investigation of any alleged breach of the Corporation's Code of Business Conduct and make recommendations to the Board regarding any measures to be taken by the Board with respect thereto;
- (vii) Review any shareholder proposal received by the Corporation and recommend to the Board the Corporation's response;

- (viii) Review proposed annual corporate governance disclosure before submission to the Board for approval;
- (ix) Exercise oversight of the policies and processes adopted by it or the Board relating to director orientation and continuing education;
- (x) Exercise oversight of the processes adopted by the Board for evaluating (i) the overall performance and workings of the Board as a whole, and (ii) the performances of individual directors;
- (xi) Establish a process for recruiting suitable candidates to the Board;
- (xii) Establish a process for determining the independence of directors, the identification of financial experts, and the financial literacy of directors, as those terms are defined from time to time under the requirements or guidelines for board service under applicable securities laws and the rules of any stock exchange on which the Corporation's securities are listed for trading;
- (xiii) Review the size and composition of the Board;
- (xiv) Review the compensation of directors and make recommendations to the Board with respect thereto;
- (xv) Review the Mandate for the Board on an annual basis and make recommendations to the Board for changes thereto and the position descriptions for the Chairman of the Board, the Lead Director, the President and Chief Executive Officer; and
- (xvi) Carry out any other mandate that the Board may give from time to time.

#### **4. REVIEW AND DISCLOSURE**

The Committee shall review and reassess the adequacy of this Charter at least annually and otherwise as it deems appropriate and recommend changes to the Board. The performance of the Committee shall be evaluated with reference to this Charter annually. The Committee shall ensure that this Charter is disclosed on the Corporation's website and that this Charter or a summary of it which has been approved by the Committee is disclosed in accordance with all applicable securities laws or regulatory requirements.

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**SCHEDULE G**

**HUMAN RESOURCES AND COMPENSATION COMMITTEE CHARTER**

**1. PURPOSE**

The Human Resources and Compensation Committee (the **Committee**) is a standing committee appointed by the Board of Directors (the **Board**) of Intertape Polymer Group Inc. (the **Corporation**). The mandate of the Committee consists of ensuring the direction and implementation of the Corporation's wage and compensation plans, policies and in ensuring that a succession plan is put in place to deal with the Corporation's future needs regarding human resources, with respect to the Chief Executive Officer and other key executives.

**2. COMPOSITION, PROCEDURES AND POWERS**

*Composition*

The Committee will be comprised of at least three members and a majority of the members of the Committee will be an independent director (as such term is defined from time to time under the requirements or guidelines for board service under applicable securities laws and the rules of any stock exchange on which the Corporation's securities are listed for trading).

The members of the Committee will be appointed or changed by resolution of the Board to hold office from the time of their appointment until the next annual meeting of shareholders or until their successors are so appointed. The Board may remove or replace a member of the Committee at any time. A member will cease to be a member of the Committee upon ceasing to be a director. The Board may fill vacancies on a Committee by appointing another director to the Committee.

*Procedures*

The Committee will meet regularly at times necessary to perform the duties described herein in a timely manner, but at least annually. Meetings may be held at any time deemed appropriate by the Committee.

A majority of the members of the Committee in office from time to time or, in the event that there are less than four members, two members will constitute a quorum for the transaction of business at any meeting of the Committee.

The Committee will fix its own procedure at meetings and for the calling of meetings. Unless waived by the members of the Committee, the Committee will meet *in camera* at each Committee meeting at which members of management are not in attendance, to allow its members to discuss matters openly and candidly.

The Committee will report to the Board following meetings of the Committee.

*Powers*

The Committee is entitled to full access to all books, records, facilities, and personnel of the Corporation and its subsidiaries. The Committee may require such officers, directors and employees of the Corporation and its subsidiaries and others as it may see fit from time to time to provide any information about the Corporation and its



subsidiaries it may deem appropriate and to attend and assist at meetings of the Committee. The Committee may obtain, where necessary, legal or other advice from outside professionals; and determine and pay the fees of such professionals.

The Committee may delegate from time to time to any person or committee of persons any of the Committee's responsibilities that lawfully may be delegated.

The Committee may adopt policies and procedures for carrying out its responsibilities.

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**3. DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the Committee are established by the Board and include, amongst others, the following:

*General Responsibilities*

- i) Examine the Corporation's wage and compensation policies, with respect to the Chief Executive Officer and other key executives, and make recommendations to the Board regarding the adoption of such policies, as well as any amendments required as a result of any new laws or regulations;
- ii) Review and assess the competitiveness and appropriateness of and approve the compensation package of the Chief Executive Officer and of other key executives. In conducting such review, the Committee will consider:

the compensation packages of the Chief Executive Officer and of other key executives for the prior year;

the Committee's evaluation of the performance of the Chief Executive Officer and the Chief Executive Officer's evaluation of the performance of the other respective key executives;

the Corporation's performance and relative shareholder return;

whether the compensation package reflects an appropriate balance between short and longer-term incentives to improve performance of the Corporation;

whether the compensation package of the Chief Executive Officer or other key executives encourages excessive risk-taking;

the competitiveness of the compensation package, including the value of similar incentive awards paid to equivalent officers and positions at comparable companies; and

the awards granted to the Chief Executive Officer and other key executives in previous years;

- iii) Report the results or findings of its assessments of the competitiveness of the Corporation's compensation policies and practices to the Board;

- iv) Examine and, if applicable, review the Executive Stock Option Plan and such other incentive plans approved by the Board, evaluate these plans and make recommendations to the Board regarding any amendments deemed necessary as a result of the enactment of any new applicable laws or regulations or resulting from new market trends;
- v) Monitor the administration of the Executive Stock Option Plan and such other incentive plans approved by the Board, and recommend to the Board grants of stock options other types of stock-based compensation other than grants to Directors who are not also employees of the Corporation;
- vi) Examine the Corporation's director compensation policies and make recommendations to the Board regarding the adoption of such policies;
- vii) From time to time, as determined appropriate by the Committee, administer all policies and practices of the Corporation with respect to the indemnification of directors by the Corporation, approve all payments made pursuant to such policies and practices, and recommend to the Board the terms of the indemnification agreement to be entered into between the Corporation and each director;
- viii) Review and approve any employment contracts or arrangements with the Chief Executive Officer and other key executives, including any retirement allowance arrangements, severance payments or any similar arrangements to take effect in the event of a termination of employment and any change of control agreements;

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- ix) Review and recommend to the Board compensation policies and processes and any new incentive compensation and equity compensation plans of the Corporation or changes to such plans and in particular, the compensation policies, processes and plans respecting the Chief Executive Officer and other key executives;
  - x) Review on an annual basis the organizational structure and the succession planning program with respect to the Chief Executive Officer and other key executives;
  - xi) Pre-approving any services (other than or in addition to compensation services) to be provided by the Corporation's compensation consultant or advisor, or any of its affiliates, to the Corporation, or to its affiliated or subsidiary entities, or to any of its directors or other key executives;
  - xii) Review the Committee's mandate on an annual basis and make recommendations to the Board regarding the adoption thereof;
  - xiii) Review the executive compensation information before it is publicly disclosed in the Corporation's management proxy circular; and
  - xiv) Carry out any other mandates that the Board may give from time to time.
- Responsibilities Concerning the President and Chief Executive Officer*
- i) Define the role and responsibilities of the President and Chief Executive Officer and make recommendations to the Board for their approval;
  - ii) When hiring a new President and Chief Executive Officer, determine the Corporation's objectives regarding this position, review the role and responsibilities in light of such objectives and approve the profile of the desired candidate with the help and support of the Chairman of the Board and the Human Resources management. If a mandate is given to outside advisors, review the list of potential candidates and approve the shortlist of candidates, participate in the final decision and make recommendations to the Board for approval;
  - iii) Review and approve annually, in collaboration with the Chairman of the Board or, if applicable, the Lead Director, the objectives of the Corporation as they pertain to the compensation of the President and Chief Executive Officer, evaluate his performance in light of these objectives, establish the acceptable level of compensation based on this evaluation and make recommendations to the Board with respect thereto; and
  - iv) Review and approve any decision with respect to the cessation of employment of the President and Chief Executive Officer and his severance package, if any, and make recommendations to the Board for approval.

*Responsibilities Concerning Other Key Executives*

- i) Determine annually the positions comprised by other key executives;
- ii) Recommend to the Board new candidates to the positions identified by the Board as comprising other key executives;
- iii) Review and approve the hiring, the compensation and the employment conditions of other key executives;
- iv) Review, if applicable, the severance packages negotiated in employment contracts or upon termination of employment of other key executives; and
- v) Review annually the development programs for other key executives.

**4. REVIEW AND DISCLOSURE**

The Committee will review and reassess the adequacy of this Charter at least annually and otherwise, as it deems appropriate, recommend changes to the Board. The performance of the Committee will be evaluated with reference to this Charter annually.

The Committee will ensure that this Charter is disclosed on the Corporation's website and that this Charter or a summary of it which has been approved by the Committee is disclosed in accordance with all applicable securities laws or regulatory requirements.

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**SCHEDULE H**

**EXECUTIVE COMMITTEE CHARTER**

**1. PURPOSE**

The Executive Committee (the **Committee**) is a standing committee appointed by the Board of Directors (the **Board**) of Intertape Polymer Group Inc. (the **Corporation**). The Committee is established to assist the Board by acting in the Board's place and stead, particularly with respect to the preliminary consideration and approval of matters of significance. While it is intended that all such matters first be brought before the full Board for consideration, it is recognized that the Committee may be required to meet and exercise the powers of the Board when the full Board is not in session or cannot reasonably be called in session.

**2. COMPOSITION, PROCEDURES AND POWERS**

*Composition*

The Committee will be comprised of three members, as determined and appointed by the Board, and will consist of the Chairman of the Board, President and Chief Executive Officer, and one other member of the Board.

The members of the Committee will be appointed or changed by resolution of the Board to hold office from the time of their appointment until the next annual meeting of shareholders or until their successors are so appointed. The Board may remove or replace a member of the Committee at any time. A member will cease to be a member of the Committee upon ceasing to be a director. The Board may fill vacancies on the Committee by appointing another director to the Committee.

*Procedures*

The Committee will meet on an as needed basis, as circumstances dictate or as requested by the Board, a member of the Committee or a senior officer of the Corporation.

A majority of the members of the Committee in office from time to time or, in the event that there are less than four members, two members will constitute a quorum for the transaction of business at any meeting of the Committee.

The Committee will fix its own procedure at meetings and for the calling of meetings. Unless waived by the members of the Committee, the Committee will meet *in camera* at each Committee meeting at which members of management are not in attendance, to allow its members to discuss openly and candidly.

The Committee will regularly report to the Board following meetings of the Committee.

*Powers*

The Committee shall have, and may exercise, all the power and authority of the Board in the management and direction of the business and affairs of the Corporation, except for those matters that are expressly delegated to another committee of the Board and matters which, under applicable law, or the Corporation's constituting documents, as amended, cannot be delegated by the Board in reference to 1) approving or adopting, or recommending to the

shareholders, any action or matter expressly required by applicable law to be submitted to shareowner for approval or 2) adopting, amending or repealing any By-Law of the Corporation.

The Committee is entitled to full access to all books, records, facilities, and personnel of the Corporation and its subsidiaries. The Committee may require such officers, directors and employees of the Corporation and its subsidiaries and others as it may see fit from time to time to provide any information about the Corporation and its subsidiaries it may deem appropriate and to attend and assist at meetings of the Committee. The Committee may obtain, where necessary, legal or other advice from outside professionals and determine and pay the fees of such professionals.

The Committee may delegate from time to time to any person or committee of persons any of the Committee's responsibilities that lawfully may be delegated.

The Committee may adopt policies and procedures for carrying out its responsibilities.

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**3. DUTIES AND RESPONSIBILITIES**

To fulfill its duties and responsibilities, the Committee shall:

- i) Serve as a sounding board for management on emerging issues, problems, and initiatives;
- ii) Carry out all matters that may be specifically and lawfully delegated to it by the Board;
- iii) Refer back to the full Board for ratification, confirmation and approval, all such matters as the Committee may deem appropriate;
- iv) Perform any other activities consistent with this Charter, the Corporation's organizational documents and governing law, as the Committee or the Board deems necessary or appropriate;
- v) Exercise the powers of the Board in emergency situations, between regularly scheduled meetings, only if impractical for the full Board to act. The Committee shall in no event exercise any power that only the full Board may exercise at law, or take any final action on certain matters such as amending bylaws, removing a board member from office, hiring or removing the Chief Executive Officer, obligating the Corporation to new debt, or selling or acquiring a major asset.

**4. REVIEW AND DISCLOSURE**

Any action taken by the Committee shall be presented for ratification by the Board at the next Board meeting or as soon thereafter as is practical.

**5. REVIEW AND DISCLOSURE**

The Committee will review and reassess the adequacy of this Charter at least annually and otherwise, as it deems appropriate, recommend changes to the Board. The performance of the Committee will be evaluated with reference to this Charter annually.

The Committee will ensure that this Charter is disclosed on the Corporation's website and that this Charter or a summary of it which has been approved by the Committee is disclosed in accordance with all applicable securities laws or regulatory requirements.



**Table of Contents****Appointment of Proxyholder**

I/We, being holder(s) of Common Shares of Intertape Polymer Group Inc. (the **Corporation** ), hereby appoint: Gregory A. C. Yull, Chief Executive Officer, or, failing him, Neil Wiener, Corporate Secretary OR

Print the name of the person you are appointing if this person is someone other than the individuals listed above as proxy of the undersigned, to attend, act and vote on behalf of the undersigned in accordance with the below direction (or if no directions have been given, as the proxy sees fit) on all the following matters and any other matter that may properly come before the Annual and Special Meeting of Shareholders of the Corporation to be held at 10:00 a.m. (Eastern Time) on June 4, 2015, at the Knightsbridge Meeting Room, The Omni King Edward Hotel, 37 King Street East, Toronto, Ontario, M5C 1E9 (the **Meeting** ), and at any and all adjournments or postponements thereof in the same manner, to the same extent and with the same powers as if the undersigned were personally present, with full power of substitution.

**Management recommends voting FOR the following Resolutions. Please use dark black pencil or pen.**

	<i>FOR</i>	<i>WITHHOLD</i>
<b>1. Election of Directors</b>		
1. Robert M. Beil	..	..
2. George J. Bunze	..	..
3. Frank Di Tomaso	..	..
4. Robert J. Foster	..	..
5. James Pantelidis	..	..
6. Jorge N. Quintas	..	..
7. Gregory A. Yull	..	..
8. Melbourne F. Yull	..	..
<b>2. Appointment of Auditors</b>		
Appointment of Raymond Chabot Grant Thornton LLP, Chartered Accountants as Auditors	..	..

*FOR**AGAINST***3. Executive Stock Option Plan ( ESOP ) Resolution**

Ratification, confirmation and approval of all unallocated options under the Corporation's Executive Stock Option Plan

**Under Canadian securities law, you are entitled to receive certain investor documents. If you wish to receive such material, please tick the applicable boxes below. You may also go to the CST website [www.canstockta.com/financialstatements](http://www.canstockta.com/financialstatements) and input code 3320A**

I would like to receive quarterly financial statements

I do not want to receive annual financial statements

I/We authorize you to act in accordance with my/our instructions set out above. I/We hereby revoke any proxy previously given with respect to the Meeting. **If no voting instructions are indicated above, this Proxy will be voted FOR a matter by Management's appointees or, if you appoint another proxyholder, as that other proxyholder sees fit. On any amendments or variations proposed or any new business properly submitted before the Meeting, I/We authorize you to vote as you see fit.**

Signature(s)

Date

Please sign exactly as your name(s) appear on this proxy. Please see reverse for instructions. All proxies must be received by 5:00 p.m. (Eastern time) on June 3, 2015.

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Proxy Form Annual and Special Meeting of Shareholders of Intertape Polymer Group Inc. to be held on June 4, 2015  
(the **Meeting** )

**Notes to Proxy**

1. This proxy must be signed by a holder or his or her attorney duly authorized in writing. If you are an individual, please sign exactly as your name appears on this proxy. If the holder is a corporation, a duly-authorized officer or attorney of the corporation must sign this proxy, and if the corporation has a corporate seal, its corporate seal should be affixed.
2. If the securities are registered in the name of an executor, administrator or trustee, please sign exactly as your name appears on this proxy. If the securities are registered in the name of a deceased or other holder, the proxy must be signed by the legal representative with his or her name printed below his or her signature, and evidence of authority to sign on behalf of the deceased or other holder must be attached to this proxy.
3. Some holders may own securities as both a registered and a beneficial holder; in which case you may receive more than one Circular and will need to vote separately as a registered and beneficial holder. Beneficial holders may be forwarded either a form of proxy already signed by the intermediary or a voting instruction form to allow them to direct the voting of securities they beneficially own. Beneficial holders should follow instructions for voting conveyed to them by their intermediaries.
4. If a security is held by two or more individuals, any one of them present or represented by proxy at the Meeting may, in the absence of the other or others, vote at the Meeting. However, if one or more of them are present or represented by proxy, they must vote together the number of securities indicated on the proxy.

All holders should refer to the Proxy Circular for further information regarding completion and use of this proxy and other information pertaining to the Meeting.

This proxy is solicited by and on behalf of Management of the Corporation.

**How to Vote**

**INTERNET**

**TELEPHONE**

Go to

Use any touch-tone phone, call toll free  
**1-888-489-7352** and follow the voice instructions

[www.cstvotemyproxy.com](http://www.cstvotemyproxy.com)

Cast your vote online

View Meeting documents

To vote using your smartphone,

è

please scan this QR Code

To vote by telephone or Internet you will need your control number. If you vote by telephone or Internet, do not return this proxy.

**MAIL, FAX OR EMAIL**

Complete and return your signed proxy in the envelope provided or send to:

CST Trust Company ( **CST** )

B1 Level, 320 Bay Street

Toronto, ON M5H 4A6

You may alternatively scan and email you proxy to [proxy@canstockta.com](mailto:proxy@canstockta.com).

An undated proxy is deemed to be dated on the day it was received by CST.

**All proxies must be received by 5:00 p.m. (Eastern time) on June 3, 2015.**

**Table of Contents****Appointee**

I/We, being holder(s) of Common Shares of Intertape Polymer Group Inc. (the **Corporation** ), hereby appoint: Gregory A. C. Yull, Chief Executive Officer, or, failing him, Neil Wiener, Corporate Secretary OR

To attend the meeting or to appoint someone to attend on your behalf, print that name here as proxy of the undersigned, to attend, act and vote on behalf of the undersigned in accordance with the below direction (or if no directions have been given, as the proxy sees fit) on all the following matters and any other matter that may properly come before the Annual and Special Meeting of Shareholders of the Corporation to be held at 10:00 a.m. (Eastern Time) on June 4, 2015, at the Knightsbridge Meeting Room, The Omni King Edward Hotel, 37 King Street East, Toronto, Ontario, M5C 1E9 (the **Meeting** ), and at any and all adjournments or postponements thereof in the same manner, to the same extent and with the same powers as if the undersigned were personally present, with full power of substitution.

**Management recommends voting FOR the following Resolutions. Please use dark black pencil or pen.**

	<i>FOR</i>	<i>WITHHOLD</i>
<b>1. Election of Directors</b>		
1. Robert M. Beil	..	..
2. George J. Bunze	..	..
3. Frank Di Tomaso	..	..
4. Robert J. Foster	..	..
5. James Pantelidis	..	..
6. Jorge N. Quintas	..	..
7. Gregory A. Yull	..	..
8. Melbourne F. Yull	..	..
<b>2. Appointment of Auditors</b>		
Appointment of Raymond Chabot Grant Thornton LLP, Chartered Accountants as Auditors	..	..

*FOR**AGAINST***3. Executive Stock Option Plan ( ESOP ) Resolution**

Ratification, confirmation and approval of all unallocated options under the Corporation's Executive Stock Option Plan

**Under Canadian securities law, you are entitled to receive certain investor documents. If you wish to receive such material, please tick the applicable boxes below. You may also go to the CST website [www.canstockta.com/financialstatements](http://www.canstockta.com/financialstatements) and input code 3320A**

- q I would like to receive quarterly financial statements
- q I would like to receive annual financial statements

I/We authorize you to act in accordance with my/our instructions set out above. I/We hereby revoke any instructions previously given with respect to the Meeting. **If no voting instructions are indicated above, this VIF will be voted FOR a matter by Management's appointees or, if you appoint another person, as such other person sees fit. On any amendments or variations proposed or any new business submitted properly before the Meeting, I/We authorize you to vote as you see fit.**

Signature(s)

Date

Please sign exactly as your name(s) appear on this VIF. Please see reverse for additional instructions. All VIFs must be received by cut-off date.

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Voting Instruction Form (VIF) Annual and Special Meeting of Shareholders of Intertape Polymer Group Inc. to be held on June 4, 2015. **(the Meeting )**

1. We are sending to you the enclosed proxy-related materials that relate to a meeting of the holders of the series or class of securities that are held on your behalf by the intermediary identified above. Unless you attend the meeting and vote in person, your securities can be voted only by management, as proxy holder of the registered holder, in accordance with your instructions.

2. *We are prohibited from voting these securities on any of the matters to be acted upon at the meeting without your specific voting instructions.* In order for these securities to be voted at the meeting, it will be necessary for us to have your specific voting instructions. Please complete and return the information requested in this VIF to provide your voting instructions to us promptly.

3. If you want to attend the meeting and vote in person, please write your name in the place provided for that purpose in this form. You can also write the name of someone else whom you wish to attend the meeting and vote on your behalf. Unless prohibited by law, the person whose name is written in the space provided will have full authority to present matters to the meeting and vote on all matters that are presented at the meeting, even if those matters are not set out in this form or the Information Circular. Consult a legal advisor if you wish to modify the authority of that person in any way. If you require help, please contact the Registered Representative who services your account.

**4. This VIF should be signed by you in the exact manner as your name appears on the VIF. If these voting instructions are given on behalf of a body corporate set out the full legal name of the body corporate, the name and position of the person giving voting instructions on behalf of the body corporate and the address for service of the body corporate.**

5. If this VIF is not dated, it will be deemed to bear the date on which it is mailed by management to you.

**6. When properly signed and delivered, securities represented by this VIF will be voted as directed by you, however, if such a direction is not made in respect of any matter, the VIF will direct the voting of the securities to be made as recommended in the documentation provided by Management for the meeting.**

7. This VIF confers discretionary authority on the appointee to vote as the appointee sees fit in respect of amendments or variations to matters identified in the notice of meeting or other matters as may properly come before the meeting or any adjournment thereof.

8. Your voting instructions will be recorded on receipt of the VIF.

9. By providing voting instructions as requested, you are acknowledging that you are the beneficial owner of, and are entitled to instruct us with respect to the voting of, these securities.

10. If you have any questions regarding the enclosed documents, please contact the Registered Representative who services your account.

11. This VIF should be read in conjunction with the Information Circular and other proxy materials provided by Management.

**How to Vote**

**INTERNET**

**TELEPHONE**

Go to  
[www.cstvotemyproxy.com](http://www.cstvotemyproxy.com)

Use any touch-tone phone, call toll free  
**1-888-489-7352** and follow the voice instructions

Cast your vote online

View Meeting documents

To vote using your smartphone,  
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