

Grzebinski David W  
Form 4  
December 19, 2012

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Grzebinski David W

(Last) (First) (Middle)  
55 WAUGH DRIVE, SUITE 1000  
(Street)

HOUSTON, TX 77007

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
KIRBY CORP [KEX]

3. Date of Earliest Transaction  
(Month/Day/Year)  
12/14/2012

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Executive VP and CFO

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V Amount (D) Price			
Common Stock, par value \$.10 per share	12/14/2012		G	V 1,000 D \$ 0	32,980	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Beneficially (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Grzebinski David W  
55 WAUGH DRIVE, SUITE 1000  
HOUSTON, TX 77007

Executive VP and CFO

## Signatures

G. Stephen Holcomb, Agent and  
Attorney-in-Fact

12/19/2012

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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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 Company's consolidated financial statements and internal control over financial reporting, assisting the Audit Committee in discharging its responsibilities for the review of the Company'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 SEC.

**Audit-Related Fees.** Audit-related fees were for assurance and related services that are reasonably related to the performance of the audit or review of the Company's consolidated interim unaudited financial statements and are not reported under the caption "Audit Fees" above. These services included consultations concerning financial accounting and reporting standards as well as services related to a business acquisition made in 2017.

**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, including tax planning related to a business acquisition made in 2017.

All Other Fees. All other fees are defined as services provided other than the audit fees, audit-related fees and tax fees described above. In 2017, other fees related to acquisition due diligence services provided. No such fees were billed in 2016.

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Except where authorization to vote with respect to the appointment of the auditor 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 auditor of the Company until the next annual meeting of shareholders, at remuneration to be determined by the Board of Directors.

#### Advisory “Say on Pay” Vote on Executive Compensation

At the Meeting, Shareholders will be asked to consider and, if deemed advisable adopt an advisory, non-binding or “Say on Pay” resolution in the form annexed as Schedule A to the Circular, accepting the Company’s approach to executive compensation as disclosed in this Circular. See “Advisory Vote on Executive Compensation” below for information regarding the advisory, non-binding vote. The Board of Directors recommends that shareholders vote in favour of the resolution accepting, in an advisory, non-binding capacity, the Company’s approach to executive compensation disclosed in the Circular. Unless authority to do so is withheld, the persons named in the accompanying form of proxy intend to vote FOR the foregoing advisory, non-binding resolution.

#### Ratification, Confirmation and Approval of Unallocated Options under the Company’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 B to the Circular, ratifying, confirming and approving all unallocated options under the Company’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 Company.

#### ADVISORY VOTE ON EXECUTIVE COMPENSATION

At the Meeting, as part of the Company’s commitment to strong corporate governance practices, shareholders will have an opportunity to cast an advisory “Say on Pay” vote on the Board of Directors’ approach to executive compensation. The Company held a “Say on Pay” vote at the 2016 and 2017 annual meetings and currently intends to hold an advisory “Say on Pay” vote at each annual meeting as part of its process of shareholder engagement. At the 2017 annual meeting, shareholders adopted a resolution accepting, in an advisory, non-binding capacity, the Company’s approach to executive compensation as disclosed in the Company’s 2017 management information circular, with 40,659,127 shares voted in favour of the “Say on Pay” resolution (92.96%) and 3,080,026 shares voted against (7.04%).

The purpose of an advisory “Say on Pay” vote is to provide shareholders with an opportunity to indicate their acceptance of the Board of Directors’ overall approach to executive compensation. The Board of Directors, through its Human Resources and Compensation Committee, remains fully responsible for compensation decisions and is not relieved of these responsibilities by either a positive or negative advisory vote by shareholders. The vote by shareholders is advisory only and non-binding on the Board of Directors and the Company. However, the Board of Directors and the Human Resources and Compensation Committee will consider the outcome of the vote as part of an ongoing review of the executive compensation program of the Company together with feedback received from shareholders in the course of regular communications.

The Board of Directors diligently reviews the Company’s executive compensation plans and consults third-party experts to design the terms of these plans relative to the current marketplace. To fully understand the objectives, philosophy and principles the Board of Directors has used in its approach to executive compensation decisions, shareholders should carefully read the section of the Circular entitled “Compensation of Executive Officers and Directors – Compensation Discussion and Analysis” starting on page 30 of this Circular.

That section describes the Company's compensation philosophy, the objectives and elements of the program, the measurement and assessment process used by the Company and why a large portion of the Company's executive compensation is linked to

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business performance and earned over the longer term, thereby aligning the interests of the Company's executives with those of its shareholders.

Shareholders are encouraged, prior to casting their votes at the Meeting, to provide any specific feedback, questions or concerns they may have regarding executive compensation directly to the Board of Directors by writing to the attention of the Chairman of the Board at the following address: 800 Place Victoria, Suite 3700, Montréal, Québec H4Z 1E9, c/o Fasken Martineau Dumoulin LLP.

The Board of Directors recommends that shareholders vote FOR the advisory, non-binding resolution accepting the Company's approach to executive compensation. Unless otherwise specified, the persons named in the accompanying form of proxy or voting instruction form intend to vote FOR the advisory, non-binding resolution accepting the Company's approach to executive compensation. The text of the resolution accepting the Company's approach to executive compensation is annexed as Schedule A to this Circular.

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

The Company 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 Company 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 from time-to-time. 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 an annual and special meeting of shareholders of the Company held on June 4, 2015. 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 B 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 Company, 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.

The purpose of the ESOP is to promote a proprietary interest in the Company among the executives, key employees and directors of the Company and its subsidiaries, in order to both encourage such persons to further the development of the Company and assist the Company in attracting and retaining key personnel necessary for the Company'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 common shares subject to such options. Generally, participation in the ESOP is limited to persons holding positions that can have an impact on the Company's long-term results. The number of common shares to which the options relate is determined by taking into account, inter alia, the market value of the common shares and each optionee's base salary.

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

(a)

Explanation of Responses:

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 Company from trading in the Shares pursuant to the policies of the Company (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;

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- (c) options that are granted to directors who are not executive officers of the Company 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;
  - the exercise price of the options is determined by the Board of Directors, but cannot be less than the "Market Value"
- (f) 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 Company 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 Company 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 Company 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;
  - 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 Company to all optionees and all options will become immediately
- (m) exercisable, but only to the extent necessary to enable an optionee to tender his or her Shares should the optionee so desire;
- (n) the ESOP does not provide for financial assistance from the Company to optionees;
  - when a director of the Company ceases to be a director, all non-vested options are immediately cancelled and the
- (o) 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;
  - in the case of retirement of an optionee, all non-vested options are immediately cancelled and the former employee
- (p) 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 Company or a subsidiary of the Company 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



subject to the approval of the TSX, the Board of Directors of the Company 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 (s) shall be preserved and maintained and no amendment can confer additional benefits upon optionees without prior approval by the shareholders of the Company.

The following is information regarding the ESOP, as required by the TSX. As at December 31, 2017:

(i) there were options issued and outstanding in respect of an aggregate of 834,375 Shares, representing 1.4% of the issued and outstanding Shares as at that date; and

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(ii) there were options available for grant in respect of an aggregate of 5,045,616 Shares, representing 8.6%% of the issued and outstanding Shares as at that date.

The “annual burn rate” of the ESOP is calculated by dividing the weighted average number of Shares outstanding during fiscal year by the number of stock options granted under the ESOP during the fiscal year. There were no stock options granted in the three-year period ended December 31, 2017, and as a result the annual burn rate is nil for all three fiscal years in that period .

#### ELECTION OF DIRECTORS

##### Number of Directors

The Board of Directors currently consists of nine directors. George J. Bunze, Chairman of the Board of Directors and a director of the Company since 2007, has advised the Company that he wishes to retire from the Board. Accordingly, 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 or her successor, unless the director’s seat on the Board of Directors becomes vacant for any reason.

The Nominated Directors

The following are profiles of each of the eight persons proposed to be nominated for election as a director. Information in this Circular regarding the number of Shares held or over which control or direction is exercised by each director was provided to the Company by the respective directors.

	Robert M. Beil	Areas of Expertise:
	Bob Beil worked for The Dow Chemical Company for 32 years, until September 2006. Mr. Beil held numerous positions in Sales, Marketing, Business and Executive Management at Dow Chemical, including serving as the North American Commercial Vice President for Dow's Plastics Business. In this role, he was responsible for sales and marketing of more than \$2 billion of polyethylene, polypropylene and polystyrene resins to Dow Chemical's customers in all market segments in the United States, Canada and Mexico. In addition, he spent a portion of his career working in Dow's Human Resources function, which was responsible for compensation design for Dow, a Fortune 500 company. Prior to his retirement, Mr. Beil was Corporate Vice President with functional oversight for all of Sales and Marketing at Dow Chemical.	Marketing/Sales Human Resources/Compensation Packaging Industry Manufacturing/Operations
Phoenix, Arizona, USA		
Current position with the Company:	Director	
Director since: September 2007	Principal occupation <sup>(1)</sup> : Retired.	
Age: 65	Board/Committee Memberships with the Company	Other Public Companies Currently Serving Directorships
Independent	Board of Directors	Committees
	Human Resources and Compensation Committee (chairman)	
	Corporate Governance and Nominating Committee (member)	
Shares Held		
Minimum level of ownership	Number	Total Market Value (CDN\$) <sup>(2)</sup>
10,000 shares	42,133	\$872,574
		Compliance with minimum share ownership requirement
		Yes

(1) Mr. Beil has held this occupation for the last five years.

(2) Value calculated based on the closing price of the Company's common shares on the TSX (being CDN\$20.71) and shares held on March 29, 2018.

<p>Montreal, Québec, Canada</p> <p>Current position with the Company:</p> <p>Director</p> <p>Director since: August 2014</p>	<p>Frank Di Tomaso, FCPA, FCA, ICD.D</p> <p>Frank Di Tomaso has been a Canadian Chartered Professional Accountant since 1972, and an ICD.D since 2009. He was a Partner and Advisory Partner at Raymond Chabot Grant Thornton LLP from 1981 until 2012 where he held the position of Managing Partner Audit – Public Companies. He is currently serving on the boards of ADF Group Inc., Birks Group Inc., National Bank Trust, National Bank Life Assurance Company and Laurentian Pilotage Authority and has also served on the boards of Redline Communications Inc., Yorbeau Resources Inc., Ordre des comptables agréés du Québec, Raymond Chabot Grant Thornton and Grant Thornton. Mr. Di Tomaso is engaged both in the business and the social community while being a member of 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 World of Business and the community.</p>	<p>Areas of Expertise:</p> <p>Accounting/Auditing</p> <p>Finance/Risk Management</p> <p>Mergers/Acquisitions and Restructuring</p> <p>Human Resources/Compensation</p>
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Age: 71      Principal occupation<sup>(1)</sup>: Corporate Director

<p>Independent</p>	<p>Board/Committee Memberships with the Company</p> <p>Board of Directors</p> <p>Audit Committee (chairman)</p> <p>Corporate Governance and Nominating Committee (member)</p>	<p>Other Public Companies Currently Serving Directorships</p> <p>ADF Group Inc.</p> <p>Birks Group Inc.</p>	<p>Committees</p> <p>Audit Committee (chairman)</p> <p>Audit Committee (chairman)</p>
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<p>Shares Held</p>	<p>Minimum level of ownership</p>	<p>Number</p>	<p>Total Market Value (CDN\$) <sup>(2)</sup></p>	<p>Compliance with minimum share ownership requirement</p>
	10,000 shares	10,000	\$207,100	Yes

(1) Mr. Di Tomaso has held this occupation for the last five years.

(2) Value calculated based on the closing price of the Company's common shares on the TSX (being CDN\$20.71) and shares held on March 29, 2018.

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Robert J. Foster

Areas of Expertise:

Robert J. Foster, B.A., M.A. (Economics), C.F.A., is Founder, President and CEO of Capital Canada Limited, an independent investment banking firm providing financial services to entrepreneurs and companies. Capital Canada provides negotiating and structuring for mergers and acquisitions, debt and equity financing, as well as valuation and fairness opinion services. Mr. Foster focuses on the aviation, media, entertainment and sports sectors. His career background includes periods as an analyst, director of research, corporate finance, sales and director of institutional sales at Dominion Securities. Mr. Foster has served on the boards of CHC Helicopters, Golf Town Income Fund, Cargojet, Canada 3000 and Canadian Airlines Regional in addition to currently serving on a number of private company boards. In the community, he is currently Chair of the Civic Theatres Board, Chair of the 20th Canadian Arts Summit, Vice-Chair of Business for the Arts and is on the board of the Harbourfront Foundation. Mr. Foster served as Chair of Toronto's Artscape and Lead Co-Chair for the Creative Capital Gains Report for the City of Toronto in 2011, a guiding document for Toronto's cultural growth over the next decade. Robert Foster served as Chair on a broad range of not-for-profit organizations over the years including the Governor General's Performing Arts Awards; the Woodrow Wilson International Centre for Scholars (Canada) Dinner; Capital Campaign for Chair in Economics at Queen's University; Richard J. Schmeelk Foundation; PC Canada Fund; and PC Ontario Fund, and served on the boards of Memorial University in St. John's, Newfoundland; the Art Gallery of Ontario and the National Aboriginal Achievement Foundation.

Finance/Risk Management

Marketing/Sales

Mergers/Acquisitions and Restructuring

Human Resources/Compensation

International Markets

Toronto, Ontario, Canada

Current position with the Company:

Director

Director since: June 2010

Age: 75

Independent

Principal occupation<sup>(1)</sup>: CEO and President, Capital Canada Limited (investment banking firm)

Board/Committee Memberships with the Company  
Board of Directors

Other Public Companies Currently Serving  
Directorships Committees

Executive Committee (member)

Audit Committee (member)

Human Resources and Compensation Committee (member)

Shares Held

Minimum level of ownership

Number

Total Market Value (CDN\$) <sup>(2)</sup> Compliance with minimum share ownership

Explanation of Responses:

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10,000 shares	50,100	\$1,037,571	requirement Yes
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(1) Mr. Foster has held this occupation for the last five years.

(2) Value calculated based on the closing price of the Company's common shares on the TSX (being CDN\$20.71) and shares held on March 29, 2018.

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	James Pantelidis	Areas of Expertise:
	James Pantelidis has more than 30 years of experience in the petroleum industry. He is Chairman of the Board of Parkland Fuel Company and has served as a director thereof since 1999. Mr. Pantelidis has been a director and Chairman of the Board of EnerCare Inc. since 2002. He previously served on the Board of RONA Inc. (Chairman of the Human Resources and Compensation Committee) and Industrial Alliance Insurance and Financial Services Inc. (Chairman of the Finance/Risk Management Investment Committee and member of Human Resources and Compensation Committee). From 2008	Accounting
Toronto, Ontario, Canada	Director of Equinox Minerals Ltd. (Chairman of the Human Resources and Compensation Committee).	Mergers/Acquisitions and Restructuring
Current position with the Company:	From 2002 to 2006, Mr. Pantelidis was on the board of FisherCast Global Company and served as Chairman and Chief Executive Officer from 2004 to 2006. From 2002 to 2004, Mr. Pantelidis was President of J.P. & Associates, a strategic consulting group. Between 1999	Human Resources/Compensation
Director	and 2001, Mr. Pantelidis served as Chairman and Chief Executive Officer for the Bata International Organization. Mr. Pantelidis has a Bachelor of Science degree and a Master of Business Administration degree, both from McGill University, Montreal, Québec.	Marketing/Sales
Director since: May 2012		Manufacturing/Operations
Age: 72		International Markets
Independent		

Principal occupation<sup>(1)</sup>: Chairman of the Board – Parkland Fuel Company (marketer of petroleum products); Chairman of the Board – EnerCare Inc. (home services company)

Board/Committee Memberships with the Company	Other Public Companies Currently Serving Directorships	Committees
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Board of Directors

EnerCare Inc.

Audit Committee (member)

Parkland Fuel Company

Shares Held

Minimum level of ownership

Number

Total Market Value (CDN\$) <sup>(2)</sup>

Compliance with minimum share ownership requirement

10,000 shares

16,000

\$331,360

Yes

(1) Mr. Pantelidis has held this occupation for the last five years.

(2) Value calculated based on the closing price of the Company's common shares on the TSX (being CDN\$20.71) and shares held on March 29, 2018.





	Jorge N. Quintas	Areas of Expertise:	
	Jorge Quintas started in 1970 as a Director in the cable industry and since 2002 has been the President of Nelson Quintas SGPS, SA, a holding company for the manufacturing of electrical and telecommunication cables, hazardous waste treatment plants, a telecommunications network in Brazil and real estate. Mr. Quintas has and continues to serve in executive capacities and/or as a director of various other private companies, most of which are based in Portugal. The companies with which Mr. Quintas serves as an executive are involved in a range of industrial activities, including the distribution and/or manufacture of natural gas, energy and telecommunications cables, fiber-optic cables, cables for the automotive industry and other types of cables.	Finance/Risk Management	Marketing/Sales
Porto, Portugal		Manufacturing/Operations	Packaging Industry
Current position with the Company:	Principal occupation <sup>(2)</sup> : President, Nelson Quintas SGPS, SA (holding company for manufacturer of electrical and telecommunication cables)	International Markets	
Director <sup>(1)</sup>			
Director since: June 2009	Board/Committee Memberships with the Company	Other Public Companies Currently Serving Directorships	Committees
Age: 71	Board of Directors		
Independent	Human Resources and Compensation Committee (member)		
Shares Held			
Minimum level of ownership	Number	Total Market Value (CDN\$) <sup>(3)</sup>	Compliance with minimum share ownership requirement
10,000 shares	50,508	\$1,046,021	Yes

(1) Mr. Quintas was also a director of the Company from May 2005 to June 2006.

(2) Mr. Quintas has held this occupation for the last five years.

(3) Value calculated based on the closing price of the Company's common shares on the TSX (being CDN\$20.71) and shares held on March 29, 2018.

Mary Pat Salomone

Areas of Expertise:

Mary Pat Salomone is a corporate director. From 2010 to 2013, she was Senior Vice President & Chief Operating Officer of Babcock & Wilcox Company (“B&W”), with more than 23,000 employees and 30 locations worldwide. Prior to that, Ms. Salomone held several senior positions with B&W, including Manager of Business Development and Manager of Strategic Acquisitions. From 1998 through 2007, Ms. Salomone was an officer of Marine Mechanical Company, which B&W acquired in 2007, including serving as President and Chief Executive Officer from 2001 through 2007.

Manufacturing/Operations

Ms. Salomone is currently on the Board of Directors of TransCanada Company, where she serves on the Human Resources Committee as well as on the Health, Safety and Environment Committee. Ms. Salomone has served as a director of Herc Holdings, Inc since 2016 and is the chairperson of the Compensation Committee as well as a member of the Nominating and Governance Committee. She is also a trustee of the Youngstown State University Foundation.

Engineering

Finance/Risk Management

Human Resources/Compensation

Mergers/Acquisitions and Restructuring

Energy/Utilities

International Markets

Naples, Florida, USA

Current position with the Company:

Director

Director since: November 2015

Age: 57

Independent

Ms. Salomone has a Bachelor of Engineering in Civil Engineering from Youngstown State University in Youngstown, Ohio and a Master of Business Administration from Baldwin Wallace College in Berea, Ohio. She completed the Advanced Management Program at Duke University’s Fuqua School of Business in 2011.

Principal occupation: Corporate Director

Board/Committee Memberships with the Company

Other Public Companies Currently Serving Directorships

Board of Directors

TransCanada Company  
Human Resources Committee (member); Health, Safety & Environment Committee (member)

Audit Committee (member)

TransCanada  
PipeLines Limited

Human Resources and Compensation Committee (member)

Herc Holdings, Inc.  
Compensation Committee (chairperson); Nominating and Governance Committee (member)

Shares Held

Minimum level of ownership

Number

Total Market Value (CDN\$)

Compliance with minimum share ownership requirement  
Yes <sup>(2)</sup>

10,000 shares

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Explanation of Responses:

(1) Ms. Salomone has held this occupation for the last five years.

Deferred share units are included in determining whether the minimum share ownership requirements have been  
(2) satisfied. For more information see sections entitled "Minimum Share Ownership Requirement" and "Director Compensation".

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<p>Sarasota, Florida, USA</p> <p>Current position with the Company:</p> <p>President and Chief Executive Officer</p> <p>Director</p> <p>Director since: August 2010</p> <p>Age: 50</p> <p>Non-Independent</p>	<p>Gregory A.C. Yull</p> <p>Gregory Yull was named President and Chief Executive Officer of the Company in June 2010 and was appointed to the Board of Directors in August 2010. Prior to his current position, Mr. Yull was President of the Tapes and Films Division of the Company from October 2005, where he was responsible for the North American and European operations spanning 15 locations and providing leadership for a 1,500-person workforce. Prior to that, he served as Executive Vice President of the Industrial Business Unit for Tapes &amp; Films of the Company from November 2004 and prior thereto was President, Film Products of the Company from June 1999. He has also held various positions at the Company in Sales and Product Management and had extensive functional responsibilities supporting the Fibope business division. Mr. Yull has been with the Company since 1991.</p> <p>Principal occupation<sup>(1)</sup>: President and Chief Executive Officer of the Company</p> <p>Board/Committee Memberships with the Company</p> <p>Board of Directors</p> <p>Executive Committee (member)</p>	<p>Areas of Expertise:</p> <p>Manufacturing/Operations</p> <p>Packaging Industry</p> <p>Marketing/Sales</p> <p>Human Resources/Compensation</p> <p>Finance/Risk Management</p> <p>Mergers/Acquisitions and Restructuring</p> <p>International Markets</p>
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Shares Held		Compliance with	
Minimum level of ownership	Number	Total Market Value (CDN\$) <sup>(2)</sup>	minimum share ownership requirement
A value equal to at least two times annual salary	705,098	\$14,602,580	Yes

(1) Mr. Yull has held this occupation for the last five years.

(2) Value calculated based on the closing price of the Company's common shares on the TSX (being CDN\$20.71) and shares held on March 29, 2018.

<p>Siesta Key, Florida, USA</p> <p>Current position with the Company:</p> <p>Director</p> <p>Director since: June 2007<sup>(1)</sup></p> <p>Age: 77</p> <p>Non-Independent</p>	<p>Melbourne F. Yull</p> <p>Melbourne F. Yull has been an entrepreneur for most of his business career. He founded the Company in 1981 and by 2006 had grown it to approximately CDN \$1 billion in revenue. He was Chief Executive Officer and Chairman of the Board of the Company until his retirement in 2006. Prior to starting the Company, he was an original partner in a major Canadian paper converter and founded a plastic company that was the first to develop and commercialize the transition to plastic bags from paper in the retail market. Mr. Yull was Québec's Entrepreneur of the Year in 1995 and serves on numerous private company boards.</p> <p>Principal occupation<sup>(2)</sup>: President, Samanna Properties LLC and Affinity Kitchen &amp; Bath LLC</p> <p>Board/Committee Memberships with the Company</p> <p>Board of Directors</p> <p>Executive Committee (chairman)</p>	<p>Areas of Expertise:</p> <p>Packaging Industry</p> <p>Marketing/Sales</p> <p>Mergers/Acquisitions</p> <p>Manufacturing/Operations</p> <p>Finance/Risk Management</p> <p>Human Resources/Compensation</p> <p>Other Public Companies Currently Serving Directorships</p> <p>Committees</p>
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Shares Held		Compliance with	
Minimum level of ownership	Number	Total Market Value (CDN\$) <sup>(3)</sup>	minimum share ownership requirement
10,000 shares	1,735,229	\$35,936,593	Yes

Mr. Yull was also a director of the Company 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 Company) and, prior thereto, a director of a predecessor company from 1981. He served as Executive Director of the Company from June 28, 2007 to June 8, 2010.

(1) Mr. Yull has held this occupation for the last five years.

(2) Value calculated based on the closing price of the Company's common shares on the TSX (being CDN\$20.71) and shares held on March 29, 2018.

## Director Information

The following table sets out information regarding the nine current members of the Board of Directors, each of whom is proposed to be nominated for election as a director at the Meeting:

Name	Director Since	Executive Committee	Audit Committee	Human Resources and Compensation Committee	Corporate Governance and Nominating Committee
Robert M. Beil	2007			Chair	Member
George J. Bunze	2007	Member			Chair
Frank Di Tomaso	2014		Chair		Member
Robert J. Foster	2010	Member	Member	Member	
James Pantelidis	2012		Member		
Jorge N. Quintas	2009			Member	
Mary Pat Salomone	2015		Member	Member	
Gregory A.C. Yull	2010	Member			
Melbourne F. Yull	2007	Chair			

## Board and Committee Attendance

During the 2017 fiscal year, there were eight meetings of the Board of Directors, eight meetings of the Human Resources and Compensation Committee (“HRCC”), one meeting of the Corporate Governance and Nominating Committee (“CGNC”), four meetings of the Audit Committee and one meeting of the Executive Committee. The following table sets out attendance of the members of the Board of Directors at meetings held during 2017.

Director	Board	Audit Committee	Human Resources and Compensation Committee	Corporate Governance and Nominating Committee	Executive Committee	Overall Attendance
Robert M. Beil	8/8 (100%)		8/8 (100%)	1/1 (100%)		17/17 (100%)
George J. Bunze	8/8 (100%)			1/1 (100%)	1/1 (100%)	10/10 (100%)
Frank Di Tomaso	8/8 (100%)	4/4 (100%)		1/1 (100%)		13/13 (100%)
Robert J. Foster	7/8 (88%)	4/4 (100%)	8/8 (100%)		1/1 (100%)	20/21 (95%)
James Pantelidis	8/8 (100%)	4/4 (100%)				12/12 (100%)
Jorge N. Quintas	7/8 (88%)		7/8 (88%)			14/16 (88%)
Mary Pat Salomone	7/8 (88%)	4/4 (100%)	8/8 (100%)			19/20 (95%)
Gregory Yull	8/8 (100%)				1/1 (100%)	9/9 (100%)
Melbourne Yull	7/8 (88%)				1/1 (100%)	8/9 (89%)

## In Camera Meetings

It is the practice of the Board of Directors to hold, on a regular basis following in-person meetings of the Board of Directors, in camera sessions at which only independent directors are in attendance. In 2017, there were six such in camera sessions.



Director Tenure

The following chart sets out the tenure of the members of the Board of Directors as of April 25, 2018:

As of April 25, 2018, the approximate average tenure of the members of the Board of Directors was seven years eight months.

Director Independence

The following table sets out the independence status of the directors, as defined in National Instrument 52-110 Audit Committees:

Director	Independent	Reason for non-independence
Robert M. Beil	Yes	
George J. Bunze	Yes	
Frank Di Tomaso	Yes	
Robert J. Foster	Yes	
James Pantelidis	Yes	
Jorge N. Quintas	Yes	
Mary Pat Salomone	Yes	
Gregory Yull	No	President and Chief Executive Officer of the Company
Melbourne Yull	No	Immediate family member of the President and Chief Executive Officer of the Company



## Directors' Skills Matrix

The following table sets out the range of skills the Board of Directors perceives to be most important for the Company and indicates the extent to which they are met by current Board members:

Directors	Finance / Risk Management	Accounting	International Markets	Mergers, Acquisitions, and Restructuring	Human Resources / Compensation	Marketing / Sales	Manufacturing / Operations	Packaging Industry
Robert M. Beil					ü	ü	ü	ü
George J. Bunze	ü	ü		ü	ü		ü	ü
Frank Di Tomaso	ü	ü		ü	ü			
Robert J. Foster	ü		ü	ü	ü	ü		
James Pantelidis	ü	ü	ü	ü	ü	ü	ü	
Jorge N. Quintas	ü		ü			ü	ü	ü
Mary Pat Salomone	ü		ü	ü	ü		ü	
Gregory Yull	ü		ü	ü	ü	ü	ü	ü
Melbourne Yull	ü			ü	ü	ü	ü	ü

## Serving Together on Other Boards of Directors

The approach of the Board of Directors to “board interlocks” is that no more than two of the Company’s directors may sit on the same board of directors of a public company (other than the Company). The Board of Directors has determined that there are at present, among the Company’s directors, no common memberships on boards of directors of public companies.

## Minimum Share Ownership Requirement

Directors who are not executive officers of the Company 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”). On February 3, 2016, the Board determined that DSUs will be included in determining whether the minimum share ownership requirements have been satisfied, on the basis that each DSU is equivalent to one Share for purposes of such determination. As of April 25, 2018, all eight directors who are not executive officers of the Company are in compliance with the minimum share ownership requirement.

## Cease-Trade Orders, Penalties and Sanctions

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

(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)

Explanation of Responses:

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;

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 (b) hold its assets; except for Mary Pat Salomone who was a director of Crucible Materials Corp. ("Crucible") from May 2008 to May 1, 2009. On May 6, 2009, Crucible and one of its affiliates filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the US Bankruptcy Court for the District of Delaware. On August 26, 2010, the Bankruptcy Court entered an Order confirming Crucible's Second Amended Chapter 11 Plan of Liquidation, 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 Company 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 CGNC, 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.

The Board of Directors will act on the CGNC’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 CGNC’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 CGNC 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 CGNC will consider all factors deemed relevant by the CGNC 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 Company’s compliance with the requirements of applicable corporate and securities laws and the rules of any stock exchange on which the Company’s securities are listed or posted for trading), such director’s contributions to the Company, and whether the director’s resignation from the Board of Directors would be in the best interests of the Company.

The CGNC 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 CGNC 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.

## Election of Directors - 2017

At the annual meeting of shareholders of the Company held on June 7, 2017, all candidates proposed as directors were duly elected to the Board of Directors of the Company by a majority of the votes cast by shareholders present or represented by proxy at such meeting, as follows:

Name of Nominee	Votes for	%	Votes Withheld	%
Robert M. Beil	45,338,285	99.27	333,324	0.73
George J. Bunze	45,361,335	99.32	310,274	0.68
Frank Di Tomaso	44,094,965	96.55	1,576,644	3.45
Robert J. Foster	45,317,970	99.23	353,639	0.77
James Pantelidis	45,505,070	99.64	166,539	0.36
Jorge N. Quintas	45,527,854	99.69	143,755	0.31
Mary Pat Salomone	45,211,906	98.99	459,703	1.01
Gregory A. C. Yull	45,502,039	99.63	169,570	0.37
Melbourne F. Yull	45,500,624	99.63	170,985	0.37

## DIRECTORS' AND OFFICERS' INSURANCE

The Company maintains directors' and officers' liability insurance covering liability, including defense costs, of directors and officers of the Company 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 Company. The current limit of the insurance is \$60 million. An annual premium of \$108,120 was paid by the Company in 2017 with respect to the period from December 1, 2017 to December 1, 2018. Claims payable to the Company are subject to retention or a deductible of up to \$50,000 per occurrence.

## COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

## Named Executive Officer Profiles

The following are profiles of each of the Company's "Named Executive Officers" or "NEOs", that is, each person who acted as Chief Executive Officer ("CEO") or 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 Company's last financial year. The NEOs for 2017 are: Gregory A.C. Yull, Jeffrey Crystal, Douglas Nalette, Shawn Nelson and Joseph Tocci. The profiles include details of their respective compensation for 2017 and the two previous fiscal years, their respective ownership as of December 31, 2017 of Shares and outstanding awards of performance share units ("PSUs") pursuant to the Company's Amended and Restated Performance and Restricted Share Unit Plan (the "PRSU Plan"), and whether each is in compliance with the Company's minimum share ownership requirement.

Gregory A.C. Yull  
Chief Executive Officer and President

Gregory Yull was named President and Chief Executive Officer of the Company in June 2010 and was appointed to the Board of Directors in August 2010. Prior to his current position, Mr. Yull was President of the Tapes and Films Division of the Company from October 2005, where he was responsible for the North American and European operations spanning 15 locations and providing leadership for a 1,500-person workforce. Prior to that, he served as Executive Vice President of the Industrial Business Unit for Tapes & Films of the Company from November 2004 and prior thereto was President, Film Products of the Company from June 1999. He has also held various positions at the Company in Sales and Product Management and had extensive functional responsibilities supporting the Fibope business division. Mr. Yull has been with the Company since 1991.

Compensation <sup>(1)</sup> (as of December 31)	2017	2016	2015
Fixed			
Base salary	\$770,661	\$731,378	\$543,269
Variable			
Short-term incentive	\$591,178	\$989,607	\$412,500
Long-term incentive			
Share-Based Awards	\$1,470,764	\$1,602,407	\$937,022
Pension value	\$14,850	\$14,575	\$14,575
All other compensation	\$37,861	\$40,962	\$41,655
Total direct compensation	\$2,885,314	\$3,378,929	\$1,949,021
Change from previous year	(14.6)%	73.4%	(3.5)%
Shares Held			

Minimum level of ownership	Number	Total Market Value (CDN\$)	Compliance with minimum share ownership requirement
A value equal to at least two times annual salary	705,098	\$14,602,580	Yes

(1) See "Summary of the Compensation of the Named Executive Officers" starting on page 37 for additional details.

(2) Value calculated based on the closing price of the Company's common shares on the TSX (being CDN\$20.71) and shares held on March 29, 2018.

Jeffrey Crystal, CPA, CA  
Chief Financial Officer

Jeffrey Crystal was appointed Chief Financial Officer of the Company in May 2014. Mr. Crystal is a Canadian Chartered Professional Accountant who, since 2002, has been in senior finance roles overseeing administrative functions both within and outside the traditional finance areas. His most significant positions prior to joining the Company included Chief Financial Officer of American Iron & Metal, Vice-President of Finance of Optimal Payments and Audit Manager at Raymond Chabot Grant Thornton LLP, Chartered Accountants. Mr. Crystal holds a Diploma of Accountancy and Bachelor of Commerce degree from Concordia University, Montreal, Québec.

Compensation <sup>(1)</sup> (as of December 31)	2017	2016	2015
Fixed			
Base salary	\$435,788	\$380,439	\$337,235
Variable			
Short-term incentive	\$203,925	\$409,877	\$254,926
Long-term incentive			
Share-Based Awards	\$355,833	\$369,948	\$263,923
Pension value	\$14,850	\$14,575	\$14,575
All other compensation	\$9,400	—	\$5,142
Total direct compensation	\$1,019,796	\$1,174,839	\$875,801
Change from previous year	(13.2)%	34.1%	2.9%
Shares Held			

Minimum level of ownership	Number	Total Market Value (CDN\$)	Compliance with minimum share ownership requirement
A value equal to at least annual salary	20,188	\$418,093	Yes

(1) See “Summary of the Compensation of the Named Executive Officers” starting on page 37 for additional details.

(2) Value calculated based on the closing price of the Company’s common shares on the TSX (being CDN\$20.71) and shares held on March 29, 2018.

Douglas Nalette  
Senior Vice-President, Operations

Douglas Nalette was appointed Senior Vice-President Operations of the Company in 2006. From 2004, he had been Director of Carton Sealing Manufacturing of the Company. Prior to joining the Company through an acquisition in 1999, Mr. Nalette was the Director of Manufacturing Pressure Sensitive Tape for Central Products Company. Mr. Nalette has more than 40 years of industry experience in plant operations and management, including companies such as the Company, Arkwright Advanced Coating and Venture Tape. Mr. Nalette holds a Bachelor's degree in Chemistry from the Massachusetts College of Liberal Arts, North Adams, Massachusetts, and a Master's degree in Business from Western New England University, Springfield, Massachusetts.

Compensation <sup>(1)</sup> (as of December 31)	2017	2016	2015
Fixed			
Base salary	\$368,505	\$357,772	\$347,352
Variable			
Short-term incentive	\$145,098	\$269,545	\$175,048
Long-term incentive			
Share-Based Awards	\$189,779	\$195,837	\$192,644
Pension value	\$14,850	\$14,575	\$14,575
All other compensation	—	—	—
Total direct compensation	\$718,232	\$837,729	\$729,619
Change from previous year	(14.3)%	14.8%	2.2%
Shares Held			

Minimum level of ownership	Number	Total Market Value (CDN\$)	Compliance with Value minimum share ownership requirement
A value equal to at least annual salary	123,726	\$2,562,365	Yes

(1) See "Summary of the Compensation of the Named Executive Officers" starting on page 37 for additional details.

(2) Value calculated based on the closing price of the Company's common shares on the TSX (being CDN\$20.71) and shares held on March 29, 2018.

Shawn Nelson  
Senior Vice-President, Sales

Shawn Nelson was appointed Senior Vice-President Sales of the Company in 2010. Prior thereto, he served as Senior Vice-President Industrial Channel of the Company from 2006. Mr. Nelson began his career at the Company in 1995, holding several management positions within the sales organization. Before joining the Company, Mr. Nelson was Regional Sales Manager of Polychem. Mr. Nelson holds a Bachelor's degree in Marketing and Business Administration from The University of Akron, Akron, Ohio, and completed the Darden Executive Program at the University of Virginia as well as the Executive Program at The University of Chicago Booth School of Business.

Compensation <sup>(1)</sup> (as of December 31)	2017	2016	2015
Fixed			
Base salary	\$350,806	\$340,725	\$330,918
Variable			
Short-term incentive	\$138,128	\$283,145	\$166,640
Long-term incentive			
Share-Based Awards	\$189,779	\$195,837	\$192,644
Pension value	\$14,850	\$14,575	\$14,575
All other compensation	—	—	—
Total direct compensation	\$693,563	\$834,282	\$704,777
Change from previous year	(16.9)%	18.4%	1.0%

Shares Held				Compliance with
Minimum level of ownership	Number	Total Market (CDN\$)	Value	minimum share ownership requirement
A value equal to at least annual salary	138,973	\$2,878,131		Yes

(1) See "Summary of the Compensation of the Named Executive Officers" starting on page 37 for additional details.

(2) Value calculated based on the closing price of the Company's common shares on the TSX (being CDN\$20.71) and shares held on March 29, 2018.



Joseph Tocci  
Senior Vice-President, Logistics and Supply Chain

Joseph Tocci was appointed Senior Vice-President of the Company in 2008. He is currently responsible for Supply Chain, Global Sourcing and the Consumer Business Channel. He joined the Company in 2005 as Vice-President of Supply Chain. Prior to joining the Company, Mr. Tocci was Vice-President of Distribution at Polo Ralph Lauren, Senior Director of Supply Chain with The Home Depot, Vice President of Supply Chain at Atari and Director of Supply Chain for Nabisco. Mr. Tocci holds a Bachelor of Science degree in Business Administration from Shippensburg University, Shippensburg, Pennsylvania.

Compensation <sup>(1)</sup> (as of December 31)	2017	2016	2015
Fixed			
Base salary	\$328,139	\$318,465	\$308,985
Variable			
Short-term incentive	\$129,071	\$251,870	\$155,714
Long-term incentive			
Share-Based Awards	\$175,551	\$177,896	\$133,695
Pension value	\$14,850	\$14,575	\$14,575
All other compensation	—	—	—
Total direct compensation	\$647,611	\$762,806	\$612,969
Change from previous year	(15.1)%	24.4%	1.7%
Shares Held			

Minimum level of ownership	Number	Total Market Value (CDN\$)	Compliance with minimum share ownership requirement
A value equal to at least annual salary	62,752	\$1,299,594	Yes

(1) See “Summary of the Compensation of the Named Executive Officers” starting on page 37 for additional details.

(2) Value calculated based on the closing price of the Company’s common shares on the TSX (being CDN\$20.71) and shares held on March 29, 2018.

#### Minimum Share Ownership Requirement

The Board of Directors has determined that the Company's minimum share ownership requirement shall apply to the CEO, CFO and all the Company's other NEOs as identified in the Company's management information circular. The Board of Directors has further determined that, for the CEO, the minimum Share ownership requirement is Shares having a value equal to at least two times his annual salary, and for the CFO and the three other NEOs, the minimum share ownership requirement is Shares having a value equal to at least one time their respective annual salaries, with such share ownership requirement to be satisfied not later than five years from the later of May 11, 2015 and the date of hiring of the executive.

The Board of Directors has also adopted a policy of "once met always met" and a review process every three years. Specifically, if an executive satisfies the minimum share ownership requirement, he or she will continue to satisfy the minimum requirement notwithstanding a subsequent decrease in the value of Shares held due to market conditions. Further, the HRCC will review every three years whether an executive will be required to purchase additional Shares to satisfy the minimum share ownership requirement, including as a result of an increase in compensation. If the HRCC determines that an additional purchase of Shares is required, the executive will have one year in which to do so.

As of April 25, 2018, all NEOs are in compliance with the minimum share ownership requirement.

#### Compensation of Executive Officers and Directors – Compensation Discussion and Analysis

This discussion describes the Company's compensation program for the NEOs. It addresses the Company's philosophy and objectives and provides a review of the process that the HRCC follows in deciding how to compensate the NEOs. This section also provides discussion and analysis of the HRCC's specific decisions regarding the compensation of the NEOs for the financial year ended December 31, 2017.

#### Human Resources and Compensation Committee

The HRCC is composed of four directors, namely Robert M. Beil (chairman), Robert J. Foster, Jorge N. Quintas and Mary Pat Salomone, none of whom is or has been at any previous time an employee of the Company or any of its subsidiaries, and all of whom are considered independent within the meaning of National Instrument 52 – 110 Audit Committees. The HRCC reviews annually the performance of the executives and ensures that the compensation and incentive programs in place are market competitive and aligned with good compensation governance practices. The Board of Directors is of the view that the members of the HRCC collectively have the knowledge, experience and background to fulfill its mandate, and that each of the members of the HRCC has direct experience relevant to his or her responsibilities regarding executive compensation. Each of the members of the HRCC is an experienced senior executive. In particular, Messrs. Foster and Quintas are presidents of their respective firms, Mr. Beil has extensive experience with the design and implementation of executive compensation packages and Ms. Salomone was Chief Operating Officer of a publicly-traded company and is currently on the compensation committee of two other publicly traded companies. These collective skills and extensive experience enable the HRCC to make decisions on the suitability of the Company's compensation policies and practices.

#### Compensation Program Philosophy

The Company'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 Company's executives and shareholders so that a significant portion of each executive's compensation is linked to creating long-term shareholder value. In support of this philosophy, the executive compensation program is designed to reward performance that is directly relevant to the Company's short-term and long-term success. The Company attempts to provide both short-term and long-term incentive compensation that varies based on corporate and individual performance.

Three primary components comprise the Company's compensation program. They are base salary, annual incentive bonus based on the Company's performance and a long-term incentive plan comprised of PSUs and Restricted Share Units ("RSUs") pursuant to the PRSU Plan and stock options pursuant to the ESOP 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 Company, who can effectively contribute to its

long-term success and objectives. The following describes the Company's executive compensation program by component of compensation and discusses how each component relates to the Company's overall executive compensation objective. In establishing the executive compensation program, the Company believes that:

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- base salaries provide a base level of annual compensation for the Company's NEOs and are generally set at a level
- (a) that is within a competitive range of the median of companies that compete with the Company for business and executive talent (the "Compensation Peer Group");
  - (b) annual incentive bonuses encourage and reward performance over the financial year compared to predefined goals and objectives and reflect progress toward predetermined company-wide and individual objectives; and
  - (c) long-term incentives such as PSUs and RSUs reward NEOs for the achievement of long-term growth, resulting in increased shareholder value and align the interest of the NEOs with the interest of the shareholders.

The Company provides a balanced compensation program with both short-term (salary and annual bonus) and long-term (PSUs, RSUs and stock options) compensation. In 2017, the Company did not grant any stock options, RSUs or SARs under the Company's Stock Appreciation Rights Plan (the "SAR Plan"). The Company has issued RSUs under the PRSU Plan and stock options under the ESOP plan in 2018. However, it is likely that no SARs will be issued in the near future. Annual incentive bonuses are based on predetermined performance goals and may form a greater or lesser part of the entire compensation package in any given year.

#### Purpose

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

- (a) create a proper balance between building shareholder wealth and providing competitive executive compensation while following good corporate governance practices;
- (b) produce long-term, positive results for the Company'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 Company to recruit, retain and motivate the executive talent necessary to be successful.

#### Compensation Process

The HRCC administers the Company's compensation program in accordance with the mandate set out in the HRCC'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 Company's directors, executive officers and senior management, including option grants under the ESOP, awards of SARs under the SAR Plan, and awards of PSUs and RSUs under the PRSU Plan, as described below. The HRCC also has the mandate to recommend to the Board of Directors grants under the Deferred Share Unit Plan (the "DSU Plan").

The HRCC has the authority to retain compensation consultants to assist in the evaluation of director, CEO and senior executive compensation. In June, 2017, the Company retained Meridian Compensation Partners, LLC ("Meridian") to provide independent advice to the HRCC. Prior to that, Buck Consultants, LLC, now known as Conduent HR Services Company provided advice to the Committee. The services provided by Meridian may include, but are not limited to, (i) competitiveness and appropriateness of the compensation programs of the Company for the CEO and other key executives; (ii) advice on base salaries, short-term, medium-term and long-term incentive program design, target setting and assessment of performance against target; (iii) employment and change of control terms; (iv) compensation risk; and (v) compensation trends, regulatory developments, and legislative updates relevant to executive compensation. In connection with these services, Meridian may review the Company's compensation policies (including making recommendations on the companies forming part of the Compensation Peer Group); the relationship between compensation and performance, performance measures, etc.; and the design of the programs and the levels of compensation compared to market. Meridian may make observations and recommendations regarding amendments where appropriate. Based on the information provided by Meridian to the HRCC, the HRCC determined that Meridian is independent of management. Meridian provides no advice or services to management.



#### 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 Company’s directors and executive officers. In the fiscal year ended December 31, 2017, the Company paid to its compensation consultants Executive Compensation-Related Fees amounting to \$79,930 (\$68,008 for the fiscal year ended December 31, 2016).

Although the HRCC 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 HRCC 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 NEOs. During 2017, Meridian met with the HRCC Chair and attended relevant portions of HRCC meetings, as necessary.

The CEO makes recommendations to the HRCC as to the compensation of the Company’s executive officers, other than himself. The HRCC annually reviews the compensation levels for the executive officers and certain other members of senior management. The HRCC makes recommendations to the Board of Directors as to the compensation of the CEO and the other NEOs 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, 2017, the HRCC 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, the HRCC recommended to the Board of Directors PSU grants for executive officers, other members of senior management, and the CEO. In arriving at its decisions, the HRCC reviewed the Compensation Peer Group, a group of companies in similar businesses to the Company, which generally ranged from one third to three times the Company's size based on revenue, with the Company positioned as approximately the median of the group. For the fiscal year ended December 31, 2017, the Compensation Peer Group was comprised of the following companies: Akorn, Inc., Balchem Corporation, Calgon Carbon Corporation, Ferro Corporation, P.H. Glatfelter Company, Kraton Corporation, LANXESS Solutions, Multi Packaging Solutions, Multi-Color Corporation, Myers Industries, Inc., OMNOVA Solutions Inc., Schweitzer-Mauduit International, Inc., Stepan Company, Winpack Ltd., and Tredegar Corporation.

#### Base Salaries

The base salaries of the NEOs are reviewed annually and adjusted periodically to take into account the following factors: market and economic conditions; levels of responsibility and accountability of each NEO; skills and competencies of each NEO; retention considerations; and level of demonstrated performance.

#### Variable Cash Incentive Awards – Bonuses

The HRCC’s philosophy with respect to executive officer bonuses is to align the payouts with the performance of the Company, based on predefined goals and objectives established by the HRCC.

Each of the NEOs received a performance bonus for 2017. Bonuses were paid based on the level of achievement of financial objectives of the Company. The Company attributes to each executive, depending on his or her management level, a bonus target level set as a percentage of his or her salary, representing the amount that will be paid if all objectives are achieved according to the targets set. Actual bonuses may vary between zero and 200% of 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 HRCC and communicated to the relevant individuals. The HRCC has discretion to adjust bonus payments upwards or downwards.

For the fiscal year ended December 31, 2017, the bonuses were based on the Company achieving target levels of:

- (a) Compensation Adjusted EBITDA, which the Human Resources and Compensation Committee defines as Adjusted EBITDA excluding: (i) performance bonus expense; (ii) the positive or negative impact on Adjusted EBITDA of the business acquired and the partnership established in the current year; and (iii) certain costs associated with planned acquisition integration activities. The Company defines Adjusted EBITDA as net earnings (loss) before: (i) interest and other finance costs (income); (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 (recoveries); (vi) advisory fees and other costs associated with mergers and acquisitions activity, including due diligence, integration and certain non-cash purchase price accounting adjustments ("M&A Costs"); (vii) share-based compensation expense (benefit); (viii) impairment of goodwill; (ix) impairment (reversal of impairment) of long-lived assets and other assets;

(x) write-down on assets classified as held-for-sale; (xi) (gain) loss on disposal of property, plant, and equipment; and (xii) other discrete items as disclosed; and

Compensation Cash Flows, which the Human Resources and Compensation Committee defines as cash flows from operating activities excluding: (i) performance bonus paid in the current year; (ii) the cash flows from operating (b)activities of the business acquired and the partnership established in the current year; (iii) M&A Costs paid in the current year excluding certain costs associated with planned acquisition integration activities; (iv) PSU settlement paid in the current year; and (v) the income tax effect of these items.

At the HRCC’s recommendation, the Board of Directors elected to use Compensation Adjusted EBITDA and Compensation Cash Flows in determining bonuses for 2017 because certain expenses and charges expected (at the time of the Board’s election) to be incurred by the Company during the year (e.g., M&A Costs and manufacturing facility closures, restructuring and other related charges) were viewed to be in the long term interest of the Company and that such amounts should not impact the ability of senior management to achieve the performance bonus targets. The target amount for Compensation Adjusted EBITDA for 2017 was set at \$136.0 million (the “Compensation Adjusted EBITDA Target”) and the target amount for Compensation Cash Flows was set at \$99.0 million (the “Compensation Cash Flows Target”). The Compensation Adjusted EBITDA for 2017 used for the purposes of determining bonuses was \$129.7 million, which was 95.4% of the Compensation Adjusted EBITDA Target. The Compensation Cash Flows for 2017 was \$99.9 million, which was 100.9% of the Compensation Cash Flow Target. The following table presents the target incentive compensation as a percentage of salary, the indicators used in 2017 to measure the Company’s performance for purposes of the short-term incentive compensation program and their relative weight.

	Gregory A.C. Yull	Jeffrey Crystal	Shawn Nelson	Douglas Nalette	Joseph Tocci	
2017 Annual Eligible Base Salary	\$770,000	\$435,000	\$353,579	\$371,418	\$330,393	
Incentive compensation as a percentage of salary:						
Minimum	0	% 0	% 0	% 0	% 0	%
Target	100	% 60	% 50	% 50	% 50	%
Maximum	150	% 120	% 100	% 100	% 100	%
Relative weight of financial indicators:						
Compensation Adjusted EBITDA	75	% 75	% 75	% 75	% 75	%
Compensation Cash Flows	25	% 25	% 25	% 25	% 25	%
Total	100	% 100	% 100	% 100	% 100	%

The bonus is calculated using, for each of the Compensation Adjusted EBITDA and Compensation Cash Flows objectives, the following formula and is equal to the sum of all results:

$$\text{Annual Eligible Base salary at target} \times \text{Bonus percentage (as determined based on the performance relative to the applicable objective’s target and as capped by the applicable maximum)} \times \text{Weight of financial indicator}$$

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 Company, respectively. For achievement between 90% and 100%, the bonus percentage is interpolated between 35% and 100%. The Company’s actual Compensation Adjusted EBITDA for 2017 yielded a bonus percentage of 67.2%. For achievement above 100%, the bonus percentage is capped at 100% for purposes of calculating the bonuses for each of the Compensation Adjusted EBITDA and Compensation Cash Flows objectives but such achievement triggers respective additional “reach” bonuses described below.



The NEOs were also eligible for an additional bonus calculated using a Compensation Adjusted EBITDA target amount of \$147.5 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 (i.e., it cannot exceed 1)):

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Actual Compensation Adjusted EBITDA – Compensation Adjusted EBITDA Target X Maximum bonus amount – Target bonus amount X Weight of financial indicator

Reach Adjusted EBITDA Target – Compensation Adjusted EBITDA Target

The NEOs were also eligible for an additional bonus calculated using a Compensation Cash Flows target amount of \$107.0 million (the “Reach Cash Flows Target”). This additional bonus is calculated using the following formula (note that the fraction below is capped by the applicable maximum (i.e., it cannot exceed 1)):

Actual Compensation Cash Flows – Compensation Cash Flows Target X Maximum bonus amount – Target bonus amount X Weight of financial indicator

Reach Cash Flows Target – Compensation Cash Flows Target

The following table presents the objectives for 2017 approved by the Board of Directors and the results achieved by the Company:

	Target (\$)	Actual (\$)	Evaluation of Performance (%)
Compensation Adjusted EBITDA	136,000,000	129,707,000	95.4
Compensation Cash Flows	99,000,000	99,868,000	100.9
Reach Adjusted EBITDA	147,500,000	129,707,000	87.9
Reach Cash Flows	107,000,000	99,868,000	93.3

The following table presents, for each target objective, the bonus amount earned by the NEOs for 2017:

	Gregory A.C. Yull (\$)	Jeffrey Crystal (\$)	Shawn Nelson (\$)	Douglas Nalette (\$)	Joseph Tocci (\$)
Compensation Adjusted EBITDA	388,239	131,598	89,138	93,636	83,293
Compensation Cash Flows	192,500	65,250	44,197	46,427	41,299
Reach Adjusted EBITDA	—	—	—	—	—
Reach Cash Flows	10,439	7,077	4,793	5,035	4,479
Total	591,178	203,925	138,128	145,098	129,071

#### Clawback Policy

In April 2014, the Board of Directors adopted a “clawback” policy, pursuant to which the Company may recoup from executive officers or employees of the Company 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 Company’s financial results, material errors or omissions in the Company’s financial statements, or other events as may be determined from time to time by the Board of Directors in its discretion. To date, the Company has not been required to apply the “clawback” policy.

#### Executive Stock Option Plan

The ESOP is described in detail above under the heading “Ratification, Confirmation and Approval of Unallocated Options Under the Executive Stock Option Plan”. The HRCC 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 Company, 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. During the fiscal year ended December 31, 2017, the HRCC did not recommend the granting of stock options to the NEOs or directors.



#### 2012 Stock Appreciation Rights Plan

The purpose of the SAR Plan is to (a) promote a proprietary interest in the Company among its executives and directors; (b) encourage the Company's executives and directors to further the Company's development; and (c) attract and retain the key employees necessary for the Company's long-term success. The SAR Plan is administered by the HRCC and authorizes the Company 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. During the fiscal year ended December 31, 2017, the HRCC did not recommend the granting of SARs to the NEOs or directors. For more information on the SAR Plan, see the section entitled "Securities Authorized for Issuance Under Equity Compensation Plans".

#### Performance and Restricted Share Unit Plan

The purpose of the PRSU Plan is to provide executive officers and employees with a proprietary interest in the Company through the granting of PSUs and RSUs. The PRSU Plan is also intended to increase the interest in the Company's welfare of those executive officers and employees who share primary responsibility for the management, growth and protection of the business of the Company, to furnish an incentive to such executive officers and employees to continue their services for the Company and its subsidiaries and to provide a means through which the Company and its subsidiaries may attract able persons to enter their employment.

During the fiscal year ended December 31, 2017 the HRCC recommended the granting of an aggregate of 147,474 PSUs to the NEOs. There were no RSUs granted during the fiscal year ended December 31, 2017. For more information on the PRSU Plan, see the section entitled "Securities Authorized for Issuance Under Equity Compensation Plans".

#### Group Benefits/Perquisites

The HRCC believes that the perquisites for NEOs should be limited in scope and value and commensurate with perquisites offered by peer group companies considered by the Committee. 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, 2017 did not exceed in any case the lesser of \$50,000 or 10% of the Named Executive Officer's total salary. See "Summary of the Compensation of the Named Executive Officers" starting on page 37 for additional details.

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

The HRCC has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The HRCC 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 Company.

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

#### Hedging Prohibition

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 Company granted as compensation or held, directly or indirectly, by the NEO or director.

#### Performance Graph

The following graph compares the cumulative five-year total return provided to shareholders on the Company's Shares relative to the cumulative total returns of the Standard & Poor's/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 Company's Shares and in the Index on December 31, 2012 and their relative performance is tracked through December 31, 2017.

The Company's Share price in comparison to the S&P/TSX Composite Index over-performed for the 2013 through 2016 periods and performed below the Index in 2017.

In 2012 through 2017, there were variable cash incentive awards based on the financial performance of the Company. The aggregate annual compensation of the NEOs has varied and is presented in the table below under "Summary of the Compensation of the Named Executive Officers."

The HRCC does not establish compensation or incentive levels based solely on the market value of the Shares. The HRCC 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 NEOs, including general market volatility.

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Summary of the Compensation of the Named Executive Officers

The following table provides information for the financial years ended December 31, 2017, 2016 and 2015 regarding compensation paid to or earned by the NEOs.

Summary Compensation Table

Name	Year	Salary <sup>(1)</sup> (\$)	Share-Based Awards <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation <sup>(3)</sup> (\$)	Pension Value <sup>(4)</sup> (\$)	All other Compensation <sup>(5)</sup> (\$)	Total Compensation (\$)
Gregory A. C. Yull	2017	770,661	1,470,764	591,178	14,850	37,861	<sup>(6)</sup> 2,885,314
	2016	731,378	1,602,407	989,607	14,575	40,962	<sup>(6)</sup> 3,378,929
	2015	543,269	937,022	412,500	14,575	41,655	<sup>(6)</sup> 1,949,021
Jeffrey Crystal	2017	435,788	355,833	203,925	14,850	9,400	<sup>(7)</sup> 1,019,796
	2016	380,439	369,948	409,877	14,575	—	1,174,839
	2015	337,235	263,923	254,926	14,575	5,142	<sup>(8)</sup> 875,801
Douglas Nalette	2017	368,505	189,779	145,098	14,850	—	718,232
	2016	357,772	195,837	269,545	14,575	—	837,729
	2015	347,352	192,644	175,048	14,575	—	729,619
Shawn Nelson	2017	350,806	189,779	138,128	14,850	—	693,563
	2016	340,725	195,837	283,145	14,575	—	834,282
	2015	330,918	192,644	166,640	14,575	—	704,777
Joseph Tocci	2017	328,139	175,551	129,071	14,850	—	647,611
	2016	318,465	177,896	251,870	14,575	—	762,806
	2015	308,985	133,695	155,714	14,575	—	612,969

Represents amounts included in each executive's W-2, rather than the base salary amount. This column also

<sup>(1)</sup> includes amounts deferred under the Company's deferred compensation plan (see "US Deferred Compensation" below for additional details).

The amount shown for each share-based award is the grant date fair value of PSUs that were granted to the Named Executive Officer under the PRSU Plan during the specified financial year. 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.

<sup>(2)</sup> 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. For more information on the PRSU Plan, see the section entitled "Securities Authorized for Issuance Under Equity Compensation Plans".

The base value (or grant date fair value) of a PSU is an estimate using the Monte Carlo simulation model implemented in a risk-neutral framework considering the following assumptions:

PSU Grant Date	March 20, 2017	December 20, 2016	March 21, 2016	March 13, 2015
Grant recipient	All NEOs above Gregory A. C. Yull	All NEOs above Gregory A. C. Yull	All NEOs above Gregory A. C. Yull	All NEOs above Gregory A. C. Yull
Performance period starting price	CDN\$22.26	CDN\$24.03	CDN\$18.49	CDN\$17.86
Valuation date stock price	CDN\$21.94	CDN\$24.84	CDN\$18.44	CDN\$17.53
Estimated dividend yield	0%	0%	0%	0%
Risk free rate	1.57%	1.56%	1.05%	1.07%
Estimated volatility	34%	35%	36%	35%
Term	3 years	3 years	3 years	3 years
Base value	CDN\$21.59 (USD\$16.15)	CDN\$24.36 (USD\$18.18)	CDN\$17.58 (USD\$13.52)	CDN\$16.29 (USD\$12.84)

<sup>(3)</sup> The amounts shown for annual incentive plans represent amounts awarded under the Company's senior management bonus plan. Award amounts are based on the level of achievement of financial objectives of the Company. See the section above entitled "Variable Cash Incentive Awards – Bonuses" for additional information.

Represents the Company's contribution to its defined contribution pension plan, which qualifies as a deferred salary  
(4) arrangement under section 401(k) of the United States Internal Revenue Code. See section below entitled "Pension and Other Post-Retirement Benefit Plans" for additional information.

Except as otherwise indicated, the value of perquisites received by each of the NEOs, including property or other  
(5) personal benefits provided to the NEOs 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.

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Represents amounts paid related to an auto allowance and club membership pursuant to the terms of Mr. Yull's employment agreement. During 2017, a Company vehicle lease paid by the Company to Mr. Yull had expired and was replaced with an auto allowance. The amounts paid to Mr. Yull related to the company vehicle lease and associated tax gross up are also included in this figure.

(7) Represents amounts paid related to a club membership.

(8) Primarily includes amounts paid with respect to relocation.

The Company does not have any non-equity long-term incentive plans.

#### US Deferred Compensation

In the US, the Company provides a deferred compensation plan to certain employees, including the members of senior management. Earnings and losses on the deferral and amounts due to the participants are payable based on participant elections. Assets are held in a Rabbi trust and are composed of corporate owned life insurance policies. Participant investment selections are used to direct the allocation of funds underlying the corporate owned life insurance policies. The following table sets out the eligible compensation deferred in 2017 and the accumulated value as of December 31, 2017 for each member of senior management.

Name	Compensation Deferred in 2017 (\$)	Accumulated Value at Year End (\$)
Gregory A.C. Yull	75,000	81,834
Jeffrey Crystal	53,857	60,649
Douglas Nalette	—	—
Shawn Nelson	—	—
Joseph Tocci	76,388	86,008

#### Incentive Plan Awards - Outstanding Option-Based Awards

The following table sets out the details of option-based incentive plan awards outstanding for the NEOs at December 31, 2017, the end of the most recently-completed financial year of the Company.

Name	Number of unexercised options at fiscal year-end (#)	Option Exercise Price (CDN\$)	Option Expiration Date	Value of Unexercised In- the-Money Options <sup>(1)</sup> (CDN\$)
Gregory A. C. Yull	160,000	12.04	6/5/2023	1,512,000
	160,000	12.55	3/17/2024	1,430,400
Jeffrey Crystal	32,500	12.14	5/13/2020	303,875
Douglas Nalette	50,000	12.04	6/5/2019	472,500
	32,500	12.55	3/17/2020	290,550
Shawn Nelson	50,000	12.04	6/5/2019	472,500
	32,500	12.55	3/17/2020	290,550
Joseph Tocci	50,000	12.04	6/5/2019	472,500
	20,000	12.55	3/17/2020	178,800

This column contains the aggregate value of in-the-money unexercised options as of December 31, 2017, calculated based on the difference between the closing price of the Shares on the TSX on December 29, 2017 (being CDN\$ 21.49) 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.





Incentive Plan Awards - Outstanding Share-Based Awards

The following table sets out the details of the share-based incentive plan awards outstanding for the NEOs at December 31, 2017, the end of the most recently-completed financial year of the Company.

Name	SARS				PSUs			
	Number of SARS		Value of SARS		Number of PSUs		Value of PSUs	
	Outstanding (#)	Unvested	Vested	Unvested ( <sup>(1)</sup> (CDN\$))	Outstanding (#) ( <sup>(2)</sup> )	Unvested	Vested	Unvested ( <sup>(3)</sup> (CDN\$))
Gregory A. C. Yull	—	—	—	—	—	272,160	—	3,213,300
Jeffrey Crystal	—	—	—	—	—	69,946	—	1,020,068
Douglas Nalette	—	—	—	—	29,485 ( <sup>(4)</sup> )	11,751	627,736 ( <sup>(4)</sup> )	—
Shawn Nelson	—	—	—	—	—	41,236	—	627,736
Joseph Tocci	80,000	—	1,114,400	—	—	34,438	—	501,763

The value of the SARS is calculated based on the difference between the closing price of the Shares on the TSX on December 29, 2017 (being CDN\$ 21.49) and the base price of the SARs (being CDN\$7.56). Actual gains, if any,

(<sup>(1)</sup>) on the exercise of SARS 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.

The final number of PSUs that vest will range from 0% to 150% of the initial number awarded based on the

(<sup>(2)</sup>) Company's TSR over the three years compared to a specified peer group of companies. Based on the Company's TSR ranking as of December 31, 2017, the number of PSUs earned if all of the outstanding awards were to be settled at December 31, 2017, would be as follows:

Grant Date	Performance	
March 13, 2015	100	%
March 21, 2016	100	%
December 20, 2016	0	%
March 20, 2017	0	%

The fair value of the PSUs is based on the five-day volume weighted average of the closing price of Shares on the TSX on December 29, 2017 (CDN\$ 21.29). Actual gains, if any, on the exercise of PSUs 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.

(<sup>(3)</sup>) Accelerated vesting as a result of meeting retirement eligibility as defined by the PRSU Plan. For more information (<sup>(4)</sup>) on the PRSU Plan and amendments thereto, see the section entitled "Securities Authorized for Issuance Under Equity Compensation Plans".

Incentive Plan Awards – Value Vested, Settled or Earned During the Year

The following table sets out, for each NEO, the value of option-based awards and share-based awards which vested or settled during the year ended December 31, 2017 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2017.

Name	Option-Based Awards Value Vested During the Year ( <sup>(1)</sup> (CDN\$))	Share-Based Awards – Value Vested During the Year		Non-Equity Incentive Plan Compensation – Value Earned During the Year ( <sup>(4)</sup> )
		PSUs - unsettled ( <sup>(2)</sup> )	PSUs- settled ( <sup>(3)</sup> )	
Gregory A. C. Yull	1,162,988	—	1,476,000	591,178
Jeffrey Crystal	96,119	—	627,300	203,925
Douglas Nalette	225,025	308,386	369,000	145,098
Shawn Nelson	225,025	—	369,000	138,128

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Joseph Tocci	194,775	—	280,440	129,071
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(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 difference between the closing price of the Shares on the vesting date and 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) For unsettled vested PSUs, the value is calculated as the number of PSUs on the vesting date multiplied by a percentage of target based on the PSU Agreement and the five-day volume weighted average of the closing price of Shares on the TSX on the vesting date. Based on the Company's TSR

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ranking as of December 31, 2017, the number of PSUs earned if all of the outstanding awards were to be settled at December 31, 2017, would be as follows:

Grant Date	Performance
March 13, 2015	100 %
March 21, 2016	100 %
December 20, 2016	0 %
March 20, 2017	0 %

For more information on the PRSU Plan, see the section entitled “Securities Authorized for Issuance Under Equity Compensation Plans”

For settled PSUs, the value is calculated as the number of PSUs on settlement date multiplied by the actual percentage of target based on the PSU Agreement and the five-day volume weighted average of the closing price of Shares on the TSX for the five consecutive trading days immediately preceding the date of settlement. (On June 15, 2017, the Board of Directors approved the settlement of PSUs granted in 2014, which had been earned and vested. The number of PSUs earned was 150% of the grant amount based on the TSR ranking versus a specified peer group of companies as of June 11, 2017.) For more information on the PRSU Plan, see the section entitled “Securities Authorized for Issuance Under Equity Compensation Plans”.

The amounts shown for annual incentive plans represent amounts awarded under the Company’s senior management bonus plan. Award amounts are based on the level of achievement of financial objectives of the Company. See the section above entitled “Variable Cash Incentive Awards – Bonuses” for additional information.

#### Termination and Change of Control Benefits

The following agreements between the Company and NEOs were in effect at the end of the Company’s most recently-completed financial year.

The Company entered into “change of control” agreements as of January 2001 with Shawn Nelson, as of October 28, 2004 with Douglas Nalette, and as of September 8, 2006 with Joseph Tocci. These agreements provide that if, within a period of six months after a change of control of the Company: (a) the executive voluntarily terminates his employment with the Company; or (b) the Company 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 twelve months of such executive’s base remuneration at the effective date of such resignation or termination, 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 Company which, if accepted, would result in a change of control of the Company, then, subject to any applicable law, all of the executive’s stock options which have not yet become vested and exercisable shall become vested and exercisable immediately. Upon expiry of such bona fide offer, if it does not result in a change of control of the Company, all of the executive’s unexercised stock 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.

On August 2, 2010, the Company entered into an Executive Employment Agreement with Gregory A.C. Yull, as supplemented to date (the “Yull Agreement”). Pursuant to the terms of the Yull Agreement, Mr. Yull received an annual base salary of \$450,000 which increased to \$475,000 commencing June 1, 2011 and to \$500,000 commencing on June 1, 2012. Also pursuant to the terms of the Yull Agreement, as of June 1, 2013 and thereafter, annual base salary adjustment has been and will be determined by the Board. Mr. Yull shall also be entitled to a performance bonus for each fiscal year ranging from zero to 100% of his then current annual base salary (zero to 150% effective beginning in fiscal 2013 and zero to 200% effective beginning in fiscal 2018 as resolved by the Board of Directors) based on the achievement of specific goals that are mutually agreed to between Mr. Yull and the Board. For 2017, Mr. Yull’s bonus was based on the Company achieving certain target amounts for Compensation Adjusted EBITDA Targets and Compensation Cash Flow Targets, as further described above in the Section entitled “Variable Cash

Incentive Awards - Bonuses”.

Unless terminated by the Company for Cause (as defined in the Yull Agreement), he shall 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 or younger with such payments to begin 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 Company. In the event of Mr. Yull’s death, his surviving spouse would receive 50% of the annual supplement pension benefit that was being paid to Mr. Yull at the time of his death or that would have been paid to Mr. Yull if he had retired on the date of his

death, within ninety days of his death and continuing annually during her lifetime. The retirement benefits set forth above were vested upon the completion of five years of service.

In the event the Company terminates Mr. Yull's employment without Cause, or Mr. Yull terminates his employment for Good Reason as defined in the Yull Agreement (except as otherwise summarized in the next paragraph), Mr. Yull shall 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 shall be paid 65% in a lump sum and the balance in eight equal quarterly installments. In addition, all unvested options that would otherwise vest during the 24 months following the date of termination shall be immediately vested and remain exercisable for a period of twelve months. Lastly, the defined benefit supplementary pension summarized above shall vest.

In the event that the Company terminates Mr. Yull's without Cause or Mr. Yull terminates his employment for Good Reason within two years of a Change of Control, as defined in the Yull Agreement, then he shall 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 shall immediately vest and remain exercisable for a period of 36 months following the date of termination, and the retirement benefits set forth above shall vest. Mr. Yull shall also be entitled to participate, at his cost, in the benefits under the Company'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 shall be provided for the benefit of Mr. Yull pursuant to any benefit plans and programs then provided by the Company generally to its executives and continue for a period of 36 months following the date of termination.

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 shall 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) the defined benefit supplementary pension summarized above. In addition, all unvested stock options held by Mr. Yull shall 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 Company for Cause or by Mr. Yull without Good Reason, then he shall be entitled to receive: (i) accrued and unpaid base salary earned up to the date of termination and (ii) vacation pay earned up to the date of termination.

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

On May 5, 2017, the Company entered into an Executive Employment Agreement with Jeffrey Crystal, which supersedes the previous terms of employment mutually agreed upon by the Company and Mr. Crystal on March 21, 2014. Pursuant to the terms of the Agreement, Mr. Crystal receives an annual base salary of \$435,000 which will be reviewed annually by the Board. Mr. Crystal shall also be entitled to a performance bonus for each fiscal year ranging from zero to 120% of his then-current annual base salary based on the achievement of specific goals that are mutually agreed to between Mr. Crystal and the Board. For 2017, Mr. Crystal's bonus was based on the Company achieving certain target amounts for Compensation Adjusted EBITDA Targets and Compensation Cash Flow Targets, as further described above in the Section entitled "Variable Cash Incentive Awards - Bonuses". In addition, the Company agreed to cover certain of Mr. Crystal's relocation costs.

In the event that Mr. Crystal's employment is terminated by the Company without cause or in connection with a Change of Control (as defined in the Agreement), other than as provided in the next paragraph, then he shall be entitled to receive: (i) accrued and unpaid base salary earned up to the date of termination; (ii) accrued but unused vacation pertaining to the year in which the termination occurs; (iii) 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. Crystal in the last two fiscal years; and (iv) severance pay in an amount equal to one and a half 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.

Alternatively, if Mr. Crystal is involuntarily terminated or terminates his employment for Good Reason within six months of a Change of Control, then he shall be entitled to receive: (i) accrued and unpaid base salary earned up to the date of termination; (ii) accrued but unused vacation pertaining to the year in which the termination occurs; (iii) 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

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performance bonus paid to Mr. Crystal in the last two fiscal years; and (iv) severance pay in an amount equal to two 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.

If Mr. Crystal is entitled to severance payments and elects continuation coverage of any Company medical insurance benefits, the Company will pay to the plan(s) on Mr. Crystal's behalf for the duration of the period in which he is receiving severance payments.

In the event that Mr. Crystal's employment is terminated as a result of his death or disability, he shall be entitled to receive: (i) accrued and unpaid base salary earned up to the date of termination; (ii) accrued but unused vacation pertaining to the year in which the termination occurs; and (iii) 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. Crystal in the last two fiscal years.

#### Estimated Termination Payments

The table below reflects amounts or values that would have been payable to or received by each Named Executive Officer if his employment had been terminated on December 31, 2017 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	2,942,107	6,600	4,413,161	9,900
Jeffrey Crystal	1,151,102	27,725	1,534,803	36,967
Douglas Nalette	371,418	7,889	371,418	7,889
Shawn Nelson	353,579	17,805	353,579	17,805
Joseph Tocci	330,393	17,605	330,393	17,605

#### Director Compensation

Compensation of directors is established in order to allow the Company 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 Company exploits, and to align the interests of the directors with those of the shareholders.

On April 22, 2014, the Board of Directors adopted the DSU Plan. The purpose of the DSU Plan is to provide participants with a form of compensation which promotes greater alignment of the interests of the participants and the shareholders of the Company in creating long-term shareholder value. The DSU Plan is administered by the HRCC and authorizes the Company to award DSUs to any member of the Board of Directors of the Company who is not an executive officer or employee of the Company. Under the DSU Plan, each director may receive DSUs as a result of a grant and/or in lieu of cash for semi-annual directors' fees. DSUs are settled, in cash only, when the director ceases to be a member of the Board of Directors of the Company. See "Securities Authorized for Issuance under Equity Compensation Plans - Deferred Share Unit Plan" below for a description of the DSU Plan.



Directors receive annual fees 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 Company.

Type of Compensation	(\$)
Annual Amount	
Chair of the Board of Directors	100,000
Member of the Board of Directors	50,000
Chair of the Audit Committee	15,000
Member of the Audit Committee	8,000
Chair of the HRCC	10,000
Member of the HRCC	7,000
Chair of the CGNC	9,000
Member of the CGNC	5,000
Chair of the Executive Committee	9,000
Member of the Executive Committee	5,000
Other Compensation	
DSUs	75,000

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 Company or of one of its subsidiaries is asked to provide additional services to the Company as a director beyond the customary responsibilities of a director, such director may receive additional compensation determined by the CGNC.

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

#### Summary of Director Compensation

The Company paid its directors an aggregate of \$1,158,000 for their services as directors in respect of the fiscal year ended December 31, 2017. The following table presents the details of all compensation and fees paid to the directors of the Company for the fiscal year ended December 31, 2017 (except for Gregory A. C. Yull, who is an NEO and who did not receive any fees as a director).

Director	Fees earned <sup>(1)</sup> (\$)	Allocation of Annual Fees		Share-based awards <sup>(2)</sup> (\$)	Total (\$)
		DSUs (\$)	Cash (\$)		
Robert M. Beil	65,000	—	65,000	75,000	140,000
George J. Bunze	114,000	114,000	—	75,000	189,000
Frank Di Tomaso	70,000	—	70,000	75,000	145,000
Robert J. Foster	70,000	70,000	—	75,000	145,000
James Pantelidis	58,000	—	58,000	75,000	133,000
Jorge N. Quintas	57,000	57,000	—	75,000	132,000
Mary Pat Salomone	65,000	—	65,000	75,000	140,000
Melbourne F. Yull	59,000	—	59,000	75,000	134,000
Total	558,000	241,000	317,000	600,000	1,158,000

Represents total compensation for Board and Committee services, which includes both cash payments and the <sup>(1)</sup> value of DSUs elected in lieu of cash for such fees (including DSUs elected in lieu of cash for fees earned that were not yet granted as of December 31, 2017).

The amount shown for each share-based award is the grant date fair value of the DSUs that were granted to the <sup>(2)</sup> 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. Amounts presented do not include DSUs elected in lieu of cash for semi-annual directors' fees.

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During the fiscal year ended December 31, 2017, there were no option-based awards, non-equity incentive plan compensation, pension awards, plans that provide for the payment of pension plan benefits, or other compensation paid, payable, awarded, granted or given to the directors of the Company (except for Gregory A. C. Yull, who is an NEO).

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The following table presents the breakdown of fees earned by each director for the fiscal year ended December 31, 2017 (except for Gregory A. C. Yull, who did not receive any fees as a director).

Director	Board Retainer Fee (\$)	Committee Retainer Fee (\$)	Committee Chair Fee (\$)	Total Fees Retainer Earned (\$)
Robert M. Beil	50,000	5,000	10,000	65,000
George J. Bunze	100,000	5,000	9,000	114,000
Frank Di Tomaso	50,000	5,000	15,000	70,000
Robert J. Foster	50,000	20,000	—	70,000
James Pantelidis	50,000	8,000	—	58,000
Jorge N. Quintas	50,000	7,000	—	57,000
Mary Pat Salomone	50,000	15,000	—	65,000
Melbourne F. Yull	50,000	—	9,000	59,000
Total	450,000	65,000	43,000	558,000

#### Incentive Plan Awards - Outstanding Director Option-Based Awards

The following table presents for each director all outstanding option-based awards at the end of the fiscal year ended December 31, 2017 (except for Gregory A. C. Yull, who is an NEO; see the heading “Compensation of Executive Officers and Directors — Summary of the Compensation of the NEOs — Incentive Plan Awards — Outstanding Share-Based Awards and Option-Based Awards”).

Name	Number of unexercised options at fiscal year-end (#)	Option Exercise Price (CDN\$)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(1)</sup> (CDN\$)
Robert M. Beil	10,000	12.04	6/5/2019	94,500
George J. Bunze	10,000	12.04	6/5/2019	94,500
Frank Di Tomaso	—	—	—	—
Robert J. Foster	10,000	12.04	6/5/2019	94,500
James Pantelidis	10,000	12.04	6/5/2019	94,500
Jorge N. Quintas	—	—	—	—
Mary Pat Salomone	—	—	—	—
Melbourne F. Yull	—	—	—	—

<sup>(1)</sup> This column sets out the aggregate value of in-the-money unexercised options as of December 31, 2017, calculated based on the difference between the closing price of the Shares on the TSX on December 29, 2017 (being CDN\$ 21.49) 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.

## Incentive Plan Awards - Outstanding and Share-Based Awards

The following table presents for each director all outstanding share-based awards at the end of the fiscal year ended December 31, 2017 (except for Gregory A. C. Yull, who is an NEO; see the heading “Compensation of Executive Officers and Directors — Summary of the Compensation of the NEOs — Incentive Plan Awards — Outstanding Share-Based Awards and Option-Based Awards”).

Name	SARS		DSUs	
	Number of Vested SARS Outstanding <sup>(1)</sup> (#)	Value of Vested SARS Outstanding <sup>(2)</sup> (CDN\$)	Number of Vested DSUs Outstanding <sup>(1)</sup> (#)	Value of Vested DSUs outstanding <sup>(3)</sup> (CDN\$)
Robert M. Beil	10,000	139,300	19,537	415,943
George J. Bunze	10,000	139,300	34,357	731,461
Frank Di Tomaso	—	—	14,311	304,681
Robert J. Foster	10,000	139,300	28,459	605,892
James Pantelidis	30,000	417,900	14,311	304,681
Jorge N. Quintas	—	—	25,150	535,444
Mary Pat Salomone	—	—	10,311	219,521
Melbourne F. Yull	—	—	20,991	446,898

(1) All outstanding SARs and DSUs were 100% vested for directors as of December 31, 2017 and as such, no unvested amounts are shown in the table above.

The value of the SARS is calculated based on the difference between the closing price of the Shares on the TSX on December 29, 2017 (being CDN\$ 21.49) and the base price of the SARS (being CDN\$7.56). Actual gains, if any, on the exercise of SARS 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.

The value of the DSUs is calculated based on the on the five-day volume weighted average of the closing price of Shares on the TSX on December 29, 2017 (being CDN\$ 21.29). For more information on the DSU Plan, see the section entitled “Securities Authorized for Issuance Under Equity Compensation Plans.” 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, 2017.

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, 2017.

Name	Number of DSUs not yet granted at December 31, 2017 <sup>(1)</sup> (#)	Fees earned for which DSUs were elected in lieu of cash (\$)
Robert M. Beil	—	—
George J. Bunze	3,311	57,000
Frank Di Tomaso	—	—
Robert J. Foster	2,033	35,000
James Pantelidis	—	—
Jorge N. Quintas	1,655	28,500
Mary Pat Salomone	—	—
Melbourne F. Yull	—	—

The amount shown for 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 March 19, 2018 of \$17.21 (CDN \$21.76).

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out for each director (except for Gregory A. C. Yull, who is an NEO), the value of option-based awards and share-based awards which vested during the year ended December 31, 2017 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2017. For 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 – Value Vested During the Year <sup>(1)</sup> (CDN\$)	Share-Based Awards – Value Vested During the Year <sup>(2)</sup> (CDN\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (CDN\$)
Robert M. Beil	—	120,783	—
George J. Bunze	—	250,394	—
Frank Di Tomaso	—	99,261	—
Robert J. Foster	—	192,048	—
James Pantelidis	—	99,261	—
Jorge N. Quintas	—	174,806	—
Mary Pat Salomone	—	99,261	—
Melbourne F. Yull	—	99,261	—

(1) All outstanding options were 100% vested for directors as of December 31, 2016 and as such, nil is shown in the table above.

The value is calculated as if the DSUs were exercised on the vesting date of each relevant grant. The DSU value is based on the on the five-day volume weighted average of the closing price of Shares on the TSX on the vesting

(2) date, which is the same as the grant 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, 2017. All outstanding SARs were 100% vested for directors as of December 31, 2015 and as such, nil is shown in the table above.

#### 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 18 to the Consolidated Financial Statements of the Company for the fiscal year ended December 31, 2017).

Name	Number of Years Credited Service (#)	Annual Benefits Payable Opening		Present Value of Defined Benefit Obligation (\$)	Compensatory Change (\$)	Non-Compensatory Change (\$)	Closing Present Value of Defined Benefit Obligation (\$)
		At Year End (\$)	At Age 65 (\$)				
Melbourne F. Yull	27	260,935	N/A	2,746,531	(260,935)	(230,676)	2,254,920
Gregory A.C. Yull	28	600,000	600,000	4,890,598	—	736,802	5,627,400

Melbourne F. Yull was Chairman of the Board of Directors and Chief Executive Officer of the Company from January 11, 1995 to June 14, 2006. Prior thereto, Mr. Yull was the President and a director of the Company or a predecessor thereof, from 1981. The former employment agreement entered into between the Company and Mr. Yull provides that Mr. Yull receives from the Company 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 Company, multiplied by his years of service with the Company to retirement. Accordingly, Mr. Yull receives a pension from the Company in an amount of \$260,935 per year.

Gregory A. C. Yull is President, Chief Executive Officer and a director of the Company. Pursuant to the terms of the Yull Agreement, unless terminated by the Company for Cause (as defined in the Yull Agreement), he shall 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 or younger with such payments to begin 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 Company. In the event of Mr. Yull's death, his surviving spouse would receive 50% of the annual supplement pension benefit that was being paid to Mr. Yull at the time of his death or that would have been paid to Mr. Yull if he had retired on the date of his death, within

ninety days of his death and continuing annually during her lifetime. The retirement benefits set forth above were vested upon the completion of five years of service. As of December 31, 2017, Mr. Yull's accumulated benefit was an amount of \$600,000 per year.

The Company 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 Company may make discretionary contributions for the benefit of

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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 Company's contributions to the US Plan and the accumulated value as of December 31, 2017 for each Named Executive Officer.

Name	Accumulated Value at Start of Year (\$)	Compensatory (\$) <sup>(1)</sup>	Accumulated Value at Year End (\$)
Gregory A. C. Yull	2,330,179	14,850	2,212,030
Jeffrey Crystal	57,525	14,850	112,778
Douglas Nalette	971,292	14,850	948,137
Shawn Nelson	1,190,734	14,850	1,261,859
Joseph Tocci	743,884	14,850	907,053

<sup>(1)</sup> The Company's contribution for the fiscal year ended December 31, 2017 was paid in 2018.

#### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

##### Equity Compensation Plan Information

The following table sets out certain details as of December 31, 2017 with respect to stock options granted under the ESOP, PSUs, RSUs and DSUs.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#) (a)	Weighted-average exercise price of outstanding options, warrants and rights (CDN\$) (b)	Number of securities remaining available for future issuance under equity compensation plans (#) (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	834,375	12.29	5,045,616
Equity compensation plans not approved by security holders	—	—	—
Total	834,375	12.29	5,045,616

##### Executive Stock Option Plan

Details regarding the ESOP are set out above under "Ratification, Confirmation and Approval of Unallocated Options Under the Executive Stock Option Plan".

##### Stock Appreciation Rights Plan

On June 20, 2012, the Board of Directors of the Company adopted the SAR Plan. The purpose of the SAR Plan is to (a) promote a proprietary interest in the Company among its executives and directors; (b) encourage the Company's executives and directors to further the Company's development; and (c) attract and retain the key employees necessary for the Company's long-term success. The SAR Plan is administered by the HRCC and authorizes the Company to award SARs to eligible persons. On February 3, 2016, the Board of Directors amended the SAR Plan by adding the provision set out at (e) below and, on March 18, 2016, amended the SAR Plan by adding the provision set out at



(b) below. Under the policies of the TSX and the terms of the SAR Plan, the two amendments were not subject to shareholder approval.

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. No SARs were granted in 2017.

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. once the expiry date of SARs is determined in the applicable agreement, such expiry date may not be extended;
- c. the aggregate number of SARs that may be granted to directors who are not employees of the Company cannot exceed 1% of the number of issued and outstanding Shares;
- d. 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
- e. the base price of each SAR is confirmed in writing by the HRCC to the participant at the time of grant and once so confirmed, may not be changed; and

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 Company, 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.

As of December 31, 2017, there were 147,500 SARs outstanding.

Performance and Restricted Share Unit Plan (formerly known as the Performance Share Unit Plan)

The purpose of the PRSU Plan is to provide executive officers and employees with a proprietary interest in the Company through the granting of PSUs and RSUs. The PRSU Plan is also intended to increase the interest in the Company's welfare of those executive officers and employees who share primary responsibility for the management, growth and protection of the business of the Company, to furnish an incentive to such executive officers and employees to continue their service to the Company and its subsidiaries, and to provide a means through which the Company and its subsidiaries may attract able persons to enter their employment.

On May 9, 2016, the Board of Directors amended the Performance Share Unit Plan ("PSU Plan") to provide for accelerated vesting of PSUs on retirement of an executive officer or employee, subject to certain conditions, and upon the death or total and permanent disability of the executive officer or employee, and to provide for the possibility of settling PSUs in cash, at the discretion of the Board of Directors. The amendment provided that in the event of cash settlement, the cash payment will equal the number of Shares that would otherwise have been issued or delivered to the participant, multiplied by the volume weighted average trading price of the Shares on the TSX for the five consecutive trading days immediately preceding the day of payment and that the Board had full discretion to determine the form of settlement of the PSUs. Under the policies of the TSX and the terms of the PSU Plan, the amendment was not subject to shareholder approval.

On November 10, 2016, the Board of Directors adopted a "Supplement for US Participants" to the PSU Plan for participants in the PSU Plan who are residents of the United States for tax purposes. The "Supplement for US Participants" was not subject to shareholder approval.

On February 17, 2017, the Board of Directors again amended the PSU Plan, to provide for only cash settlement of PSUs. The amendment provides that the Company will settle PSUs by delivering to the executive officer or employee an amount in cash equal to the product that results by multiplying the number of settled PSUs by the volume weighted average trading price of the Shares on the TSX for the five consecutive trading days immediately preceding the day of payment to the executive officer or employee. Under the policies of the TSX and the terms of the PSU Plan, the amendment was not subject to shareholder approval.

All of the foregoing amendments to the PSU Plan were approved by the TSX.

On March 7, 2018, the Board of Directors approved the addition of RSUs as an available award type, thus renaming the plan the Amended and Restated Performance and Restricted Share Unit Plan.

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

The Board of Directors, in its sole discretion, may from time to time approve the grant of PSUs and RSUs to one or more executive officers or employees in respect of future services, the number of PSUs and RSUs to be granted and the terms and conditions of such PSUs and RSUs. Each grant will be evidenced by a grant letter from the Company addressed to the executive officer or employee, setting out the date of grant, the number of units granted, the performance objective(s) which must be attained in order

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for PSUs and RSUs to be earned, any applicable reduction or increase in the number of 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 and RSUs.

PSUs granted as of December 31, 2017, have a three-year market measurement period over which the Company's total shareholder return ("TSR") on its common stock is relative to a specified peer group ("Peer Group") over the same measurement period. TSR is measured as the five-day volume weighted average price as of the applicable vesting date as divided by the five-day average price from the applicable grant date.

The following table presents the award payout schedule for the PSUs granted as of December 31, 2017. One hundred percent of the PSUs are defined as the "Target Shares" in the table. Further, first quartile means the top performing quartile and fourth quartile means the bottom performing quartile.

TSR Ranking Relative to the Peer Group	Percent of Target Shares Vested (%)
First Quartile TSR ranking	150
Second Quartile TSR ranking	100
Third Quartile TSR ranking	50
Fourth Quartile TSR ranking	0

For PSUs granted after the March 7, 2018 amendment, the number of PSUs which will be eligible to vest will be determined by multiplying the number of PSUs awarded as follows:

50% based on the Company's TSR relative to the Peer Group over the measurement period as set out on the table below.

50% based on the Company's average return on invested capital over the measurement period as compared to internally developed thresholds (the "ROIC Performance") as set out on the table below.

The relative TSR performance adjustment factor is determined as follows:

TSR Ranking Relative to the Peer Group	Percent of Target Shares Vested (%)
Less than the 25th percentile	0
25th percentile	50
50th percentile	100
75th percentile	150
90th percentile or higher	200

The ROIC Performance adjustment factor is determined as follows:

ROIC Performance	Percent of Target Shares Vested (%)
1st Tier	0
2nd Tier	50
3rd Tier	100
4th Tier	150

The TSR measures are estimated based on the conventional method, which considers the reinvestment of any potential dividends in the Company's stock.

The level of attainment of the performance objective(s) and the number of PSUs earned and eligible to vest will be determined by the Board of Directors from time to time. Upon such determination by the Board, the Company will deliver to the executive officer or employee a letter confirming the number of PSUs earned by the executive officer or employee. 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.

Each grant of RSUs shall be evidenced by a Grant Letter from the Company addressed to the Participant setting out the date of grant, the number of RSUs granted, the vesting conditions, and any other terms and conditions applicable to such RSUs. The vesting of RSUs is determined by the Board of Directors from time to time.

Once a PSU or RSU is earned and has vested in accordance with the grant letter and the PRSU 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 and RSUs which are earned and have vested in accordance with the grant letter and PRSU 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 Company will settle the PSUs or RSUs by delivering to the executive officer or employee an amount in cash equal to the product that results by multiplying the number of settled PSUs or RSUs by the volume weighted average trading price of the Shares on the TSX for the five consecutive trading days immediately preceding the day of payment to the executive officer or employee, subject to statutory withholdings by the Company.

Additionally, as soon as reasonably practicable following the settlement date, the Company 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 product that results from multiplying the number of settled PSUs and RSUs by the amount of cash dividends per Share declared and paid by the Company from the date of grant of the PSUs and RSUs to such executive officer or employee to the settlement date.

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 Company, as that term is defined in the PRSU Plan, all unvested PSUs and RSUs shall (i) either be assumed or continued by the successor entity or shall be replaced by or substituted for a new plan and new PSUs and RSUs of the successor entity with identical terms and conditions, subject to an equitable adjustment in accordance with paragraph 10, or (ii) if not assumed, continued, replaced, or substituted as contemplated in clause (i), the Board shall accelerate vesting of all unvested PSUs and RSUs, with effect as of the "Change of Control", with, in the case of PSUs, the deemed attainment of 100% of the relevant performance objective(s) or such higher level of deemed attainment as is determined by the Board in its discretion. In the event a holder of PSUs or RSUs ceases to be an executive officer or employee of the Company or one of its subsidiaries as a result of termination without cause within one year following a "Change of Control", all unvested PSUs and RSUs shall vest on the date that is his or her last day of work for the Company or a Subsidiary, with deemed attainment of 100% of the relevant performance objective(s) in the case of PSUs.

Notwithstanding any provision of the PRSU Plan to the contrary, if an executive officer or employee ceases to be an executive officer or employee by reason of death or total and permanent disability (which has been certified by a physician acceptable to the Board), all unvested PSUs or RSUs held by the executive officer or employee as of his or her last working day, as defined by the PRSU Plan, shall automatically vest; furthermore, if an executive officer or employee ceases to be an executive officer or employee by reason of retirement at age 59 and 1/2 or older and has completed at least five years of service with the Company or one of its subsidiaries, all unvested PSUs or RSUs which the executive officer or employee has held for at least one year as of the executive officer's or employee's last working day shall automatically vest. If, prior to the vesting date, a holder of PSUs or RSUs ceases to be an executive officer or employee of the Company or one of its subsidiaries for any other reason, including, without limitation, retirement (other than noted above), resignation, voluntarily departure, termination for cause or termination without cause (other than noted above regarding "Change of Control"), all unvested PSUs and RSUs shall be cancelled and be of no further force or effect whatsoever.

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

As of December 31, 2017, there were 1,103,311 PSUs and nil RSUs outstanding.



#### Deferred Share Unit Plan

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

The DSU Plan is under the direction of the Board of Directors. The HRCC 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 HRCC, may in its sole discretion grant DSUs to one or more non-executive directors of the Company 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 Company.

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 Company. As a result of an amendment adopted by the Board of Directors on February 17, 2017, the DSU Plan provides for only cash settlement of DSU awards. Specifically, once the holder of DSUs ceases to be a member of the Board, the Company will settle the DSUs by delivering to the former director an amount in cash equal to the product that results by multiplying the number of settled DSUs by the volume weighted average trading price of the Shares on the TSX for the five consecutive trading days immediately preceding the day of payment to the former director. Under the policies of the TSX and the terms of the DSU Plan, the amendment adopted on February 17, 2017 was not subject to shareholder approval. The amendment was approved by the TSX.

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

As of December 31, 2017, there were 167,427 DSUs outstanding.

#### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

##### Aggregate Indebtedness

None of the executive officers, directors, employees or former executive officers, directors and employees of the Company and its subsidiaries as of April 25, 2018, owe any indebtedness to the Company 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 Company or any subsidiary thereof.

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

During the fiscal year ended December 31, 2017, and as of the date of this Circular, none of the directors, executive officers, employees (or previous directors, executive officers or employees of the Company) or proposed nominees for election as a director of the Company (or any associate of a director, executive officer or proposed nominee) was or is indebted to the Company with respect to the purchase of securities of the Company 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 Company; (ii) a director or executive officer of a person or Company that is itself an informed person or subsidiary of the Company; (iii) any person or Company who beneficially owns, or exercises control or direction over, directly or indirectly, voting securities of the Company or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or Company as

underwriter in the course of a distribution; and (iv) the Company 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 Company's knowledge, no informed person or proposed director of the Company, 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 Company or any of its subsidiaries, or in any proposed transaction that could materially affect the Company or any of its subsidiaries, or in any matter to be acted upon at this Meeting, other than the ratification, confirmation and approval of unallocated options under the ESOP.

#### SHAREHOLDER PROPOSALS

The CBCA provides that a Registered Shareholder or a Beneficial Shareholder that is entitled to vote at an annual meeting of the Company may submit to the Company 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 Company 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 Company 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 Company 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 Company. As the notice in connection with the Meeting is dated April 25, 2018, the deadline for submitting a Proposal to the Company in connection with the next annual meeting of shareholders is January 25, 2019.

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 Company believe that the highest standards of corporate governance are essential in the effective management of the Company as well as in the Company'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 Company is a Canadian reporting issuer and the Shares are listed and posted for trading on the TSX. The Company'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 Company's governance practices also comply with the governance rules of the SEC 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 Company's corporate governance practices are substantially in alignment with the CSA Guidelines. In accordance with the CSA Guidelines, the Company 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 Company, including the development of major policy and strategy and the identification of the risks of the Company'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 Company and has adopted a formal mandate setting out its stewardship responsibilities. The Board of Directors discharges its responsibilities either directly or through its committees.

In regards to the identification and management of risk, the Board of Directors receives reports from management of the Company on a regular basis with respect to risks which the Company encounters in its business. Among others, the Board considers and discusses risks such as: trends in the costs of raw materials and commodities; fluctuations in interest rates and foreign exchange rates; environmental and safety issues; execution by the Company of its capital expenditure projects; business continuity, including the effects of the flood experienced by the Company at its facility in Columbia, South Carolina; and integration of businesses acquired by the Company. Many of the risks considered and discussed by the Board are set out in the section entitled "Risk Factors" in the Company's annual report on Form 20-F for the fiscal year ended December 31, 2017 and in the Company's Management's Discussion and Analysis for the 2017 fiscal year, both of which are available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Board of Directors has established four committees, namely the Audit Committee, HRCC, CGNC 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.

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

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

### Board of Directors

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

According to section 1.4 of National Instrument 52 – 110 Audit Committees, a director is independent if he or she has no direct or indirect material relationship with the Company, 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 CGNC has established that seven of the nine directors proposed as nominees by

management for election as directors are, as of the date hereof, independent of the Company, namely:

Robert M. Beil

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George J. Bunze  
Frank Di Tomaso  
Robert J. Foster  
James Pantelidis  
Jorge N. Quintas  
Mary Pat Salomone

This determination was made based on the following factors, that is, whether:

(i) the director is, or has been within the last three years, an employee or executive officer of the Company 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 Company or a subsidiary;

(ii) the director is a current partner or employee of a firm that is the Company's internal or external auditor, or was within the last three years, a partner or employee of that firm and personally worked on the Company's audit within that time;

(iii) an immediate family member of the director is a current partner of a firm that is the Company'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 Company'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 Company's current executive officers serve or served at that time on the entity's compensation committee; or

(v) the director or an immediate family member of the director who is employed as an executive officer of the Company has received, during any twelve-month period within the last three years, more than \$75,000 in direct compensation from the Company, 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 Company 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 CGNC has established that, of the nine directors proposed by management to sit on the Board of Directors, the following two directors are not independent from the Company, namely:

Gregory A. C. Yull, who is the Chief Executive Officer of the Company; and  
Melbourne F. Yull, whose "immediate family member" (Gregory A. C. Yull) is Chief Executive Officer of the Company.

The Board of Directors considers that, as of the date hereof, seven of the nine directors are independent, meaning that 77.8% of the proposed nominees for election as directors are independent.

In addition, during the fiscal year ended December 31, 2017, all of the members of each of the Audit Committee, HRCC and CGNC were independent directors. At December 31, 2017: the members of the Audit Committee were Frank Di Tomaso (chairman), Robert J. Foster, James Pantelidis and Mary Pat Salomone, the members of the HRCC were Robert M. Beil (chairman), Robert J. Foster, Jorge N. Quintas and Mary Pat Salomone, and the members of the CGNC were George J. Bunze (chairman), Robert M. Beil and Frank Di Tomaso. 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	Issuer
George J. Bunze	Stella-Jones Inc.
Frank Di Tomaso	ADF Group Inc.
	Birks Group Inc.
James Pantelidis	EnerCare Inc.
	Parkland Fuel Corporation
Mary Pat Salomone	TransCanada Corporation
	TransCanada Pipelines Limited
	Herc Holdings, Inc.

George J. Bunze, 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. The Board of Directors believes that separating the roles of Chairman of the Board of Directors and Chief Executive Officer allows the Board of Directors to more effectively oversee management, enhance accountability and avoid potential conflicts of interest.

The Board of Directors uses electronic board books. 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 Company's dedication to be an environmental leader.

#### Board Mandate

The Board of Directors has approved its written mandate. The mandate of the Board of Directors is to supervise the management of the business and affairs of the Company, including the development of major policies and strategies and the identification of the risks of the Company'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 available on the Company's website.

#### Position Descriptions

The Board of Directors has developed a description of the role and responsibilities of the Chairman of the Board of Directors, 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, oversees its effectiveness and ensuring that it meets its obligations and responsibilities, and 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.

Descriptions of the role and responsibilities of the chairs of the Audit Committee, the HRCC and the CGNC 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.

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 or her priorities and responsibilities. The description provides that the Chief Executive Officer is ultimately responsible for directing the business and affairs of the Company, setting objectives and providing strategic directions to the management of the Company so that the Company may achieve expected results. He is responsible for: (i) directing the objectives, policies and operating plans consistent with the Board of Directors' mandate, (ii) fostering a corporate culture that promotes integrity and ethical conduct and responsibility,

(iii) monitoring the Company's compliance with current regulatory and disclosure rules, (iv) evaluating performance of senior management and developing and retaining personnel in order to provide for the future management of the Company, and (v) building

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the Company's profile with the public and with investor communities and ensuring that the appropriate information and disclosure are being provided to the shareholders of the Company.

The position descriptions of the Chairman of the Board of Directors and of the Chief Executive Officer are available on the Company's website.

#### Orientation and Continuing Education

The Board recognizes the importance of ongoing education for directors. Directors are encouraged to attend seminars, conferences and other continuing education programs to help ensure that they stay current on relevant issues such as corporate governance, financial and accounting practices and corporate ethics. The Company encourages directors to attend appropriate continuing education programs and will contribute to the cost of attending such programs. As well, written materials likely to be of interest to directors that have been published in periodicals, newspapers or by legal or accounting firms are routinely forwarded to directors. Furthermore, the Company also believes that serving on other corporate and not for profit boards is a valuable source of ongoing 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 Company. Additionally, the director participates in meetings with members of management of the Company, may be given a tour of certain of the Company's operational facilities and is briefed on the strategic policies and strategic direction of the Company, all of which is designed with a view to familiarize new directors with the Company, 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 and Chief Executive Officer to discuss the function of the Board of Directors and the nature of the Company's business activities. Individual meetings will also be scheduled with executive management to educate new directors in more detail with respect to the Company'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 Company has developed an education program for new directors. The main objective of the education program is to offer for each new director the opportunity to learn the business of the Company and for each director to better understand the challenges to which the Company is exposed. This 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 Company, and the operations and management of the Company. Each director receives a Director Information Handbook that is regularly updated. The Director Information Handbook contains material pertinent to the affairs of the Company, 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 Company's Code of Business Conducts and Ethics (the "Code of Conduct") and its policies. The Company 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 Company. Various members of senior management of the Company 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 Company. Counsel to the Company in both the United States and Canada are also available to advise the Board of Directors on new developments in relevant areas of the law.

#### Ethical Business Conduct

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

All directors, officers and employees of the Company are strongly encouraged to discuss all issues with appropriate personnel at the Company 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 Company 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 Company, 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 Conduct will be subject to

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disciplinary action. The Board of Directors did not grant any waivers 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 Company at the time of his or her commencement of employment, as well as to each director and officer of the Company 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 management informs the Company's personnel in writing when the regular trading black-out period begins and ends, as set out in the Company's Insider Trading Policy. Further, members of the Board of Directors may be 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 Company'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 Company'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, human resources, the Company's legal department, or through the IPG Business Conduct and Ethics Hotline. The Company'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 Company's governing statute, a director or officer of the Company must disclose to the Company, 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 Company, 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 Company 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 Company's accounting policies, without fear of retaliation against good-faith whistleblowers.

#### Nomination of Directors

The CGNC 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 and 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 CGNC are George J. Bunze (chairman), Robert M. Beil and Frank Di Tomaso. The CGNC 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 CGNC is approved by independent members of the CGNC

and a majority of independent members of the Board of Directors.

The members of the CGNC are appointed by the Board of Directors annually. The charter of the CGNC is available on the Company's website and states that the committee will inter alia:

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- (i) develop and recommend to the Board of Directors a set of corporate governance principles applicable to the Company;
- (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 Company, 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 Company'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 Company'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 HRCC a mandate to examine the compensation of executive officers and make recommendations with respect thereto.

The Board of Directors has established a HRCC that is composed entirely of independent directors within the meaning of National Instrument 52-110 Audit Committees. The members of the HRCC for the fiscal year ended December 31, 2017 were Robert M. Beil (chairman), Robert J. Foster, Jorge N. Quintas and Mary Pat Salomone.

The mandate of the HRCC is described above under the heading "Compensation of Executive Officers and Directors —Named Executive Officer Profiles". The charter of the HRCC is available on the Company's website.

In determining executive compensation, the Board of Directors retains the services of compensation consultants from time to time.

For more detailed information with respect to the compensation of the Company's officers, see "Compensation of Executive Officers and Directors – Compensation Discussion and Analysis – Compensation Process" above.

#### Other Committees of the Board of Directors

The only committee of the Board of Directors other than the Audit Committee, HRCC and CGNC is the Executive Committee, which is comprised of George J. Bunze, Robert J. Foster, Gregory A. C. Yull and Melbourne F. Yull (chairman). The function of the Executive Committee is to provide strategic direction for the Company. The charter of the Executive Committee is available on the Company's website.

#### Assessments

Annually all directors are required to complete a director's questionnaire designed to assist the Board of Directors in assessing 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. The Audit Committee follows a similar procedure to assist members of the Audit Committee in assessing the Committee.

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

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

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

The Company does not currently have a written policy relating to the identification and nomination of women directors. Historically, the Company has not felt that such a policy was needed in light of the considerations set out in the paragraphs immediately below.

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

When the CGNC 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 Company and its stakeholders. The Company 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 Company.

#### 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 Company's management to perform efficiently and act in the best interest of the Company and its stakeholders. The Company 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 Company.

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

The Company has not adopted a "target" regarding women on the Board of Directors or in executive officer positions. The Company 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 is one woman on the Board of Directors of the Company. Of the nine executive officers of the Company, 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 Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2017 for required disclosure relating to the Audit Committee. The Annual Report on Form 20-F is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) (Canada) and [www.sec.gov](http://www.sec.gov) (United States) and can be obtained by contacting the Company at 9999 Cavendish Blvd., Suite 200, Ville-St-Laurent, Québec H4M 2X5, telephone (514) 731-7591.

#### ADDITIONAL INFORMATION

Financial information about the Company is contained in its Consolidated Financial Statements and Management's Discussion and Analysis as of December 31, 2017 and 2016 and for each of the years in the three-year period ended December 31, 2017, and additional information about the Company is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) (Canada) and [www.sec.gov](http://www.sec.gov) (United States).

The Company periodically holds investor meetings at its various plant locations and expects to continue to do so in the future.

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 Company together with any document, or the pertinent pages of any document, incorporated by reference therein;

- (b) the Consolidated Financial Statements of the Company as of December 31, 2017 and 2016 and for each of the years in the three-year period ended December 31, 2017, together with the accompanying Auditor's Report thereon and any interim financial statements of the Company for periods subsequent to December 31, 2017 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.

9999 Cavendish Blvd.

Suite 200

Saint-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 Company.

(signed) Randi M. Booth

Secretary

Sarasota, Florida

April 25, 2018

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SCHEDULE A  
SHAREHOLDERS' ADVISORY, NON-BINDING RESOLUTION  
EXECUTIVE COMPENSATION

BE AND IT IS HEREBY RESOLVED:

THAT, on an advisory basis, and not to diminish the role and responsibilities of the Board of Directors, the shareholders of the Company accept the approach to executive compensation set out in the section entitled "Compensation of Executive Officers and Directors – Compensation Discussion and Analysis" on pages 30 to 47 of the Management Information Circular of the Company dated April 25, 2018.

SCHEDULE B  
EXECUTIVE STOCK OPTION PLAN RESOLUTION

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

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 Company from time-to-time;

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

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;

WHEREAS shareholders of the Company ratified, confirmed and approved all unallocated stock options under the Executive Stock Option Plan at an annual and special meeting of shareholders held on June 4, 2015.

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 Company have the ability to continue granting options under the Executive Stock Option Plan until June 7, 2021, 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 Company 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.

Appointment of Proxyholder

I/We, being holder(s) of Common Shares of Intertape Polymer Group Inc. (the "Company"), hereby appoint: Gregory A. C. Yull, Chief Executive Officer, or, failing him, Randi M. Booth, 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 directions (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 Company to be held at 10:00 a.m. (eastern time) on June 7, 2018 at the Fairmont Royal York Hotel, New Brunswick Room, 100 Front Street West, Toronto, Ontario M5J 1E3 (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.

	FOR	WITHHOLD
1. Election of Directors		
1. Robert M. Beil	<input type="radio"/>	<input type="radio"/>
2. Frank Di Tomaso	<input type="radio"/>	<input type="radio"/>
3. Robert J. Foster	<input type="radio"/>	<input type="radio"/>
4. James Pantelidis	<input type="radio"/>	<input type="radio"/>
5. Jorge N. Quintas	<input type="radio"/>	<input type="radio"/>
6. Mary Pat Salomone	<input type="radio"/>	<input type="radio"/>
7. Gregory A.C. Yull	<input type="radio"/>	<input type="radio"/>
8. Melbourne F. Yull	<input type="radio"/>	<input type="radio"/>

2. Appointment of Auditor

Appointment of Raymond Chabot Grant Thornton LLP as Auditor

FOR AGAINST

3. "Say on Pay" Vote

A resolution in the form annexed as Schedule A to the Management Information Circular of the Company dated April 25, 2018 (the "Circular") accepting, in an advisory, non-binding capacity, the Company's approach to executive compensation disclosed under "Compensation of Executive Officers and Directors - Compensation Discussion and Analysis" in the Circular

4. Executive Stock Option Plan ("ESOP") Resolution

A resolution in the form annexed as Schedule B to the Circular, ratifying, confirming and approving all unallocated options under the Company's Executive Stock Option Plan

Explanation of Responses:

Edgar Filing: Grzebinski David W - Form 4

Under Canadian securities law, you are entitled to receive certain investor documents. If you wish to receive such materials, please tick the applicable boxes below. You may also go to the AST (Canada) website <https://ca.astfinancial.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) appears on this proxy. Please see reverse for additional instructions. All proxies must be received by 5:00 p.m. (eastern time) on June 6, 2018.

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Proxy Form - Annual and Special Meeting of Shareholders of Intertape Polymer Group Inc. to be held on June 7, 2018

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 Company, a duly-authorized officer or attorney of the Company must sign this proxy, and if the Company 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 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 Company.

## How to Vote

### TELEPHONE

Use any touch-tone phone, call toll free in Canada and United States 1-888-489-7352 and follow the voice instructions.

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

### MAIL, FAX OR EMAIL

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

AST Trust Company (Canada)  
P.O. Box 721  
Agincourt, ON M1S 0A1

You may alternatively fax your proxy to 416-368-2502 or toll free in Canada and the United States to 1-866-781-3111 or scan and email to [proxyvote@astfinancial.com](mailto:proxyvote@astfinancial.com).

An undated proxy is deemed to bear the date on which it is mailed by Management to you.

If you wish to receive investor documents electronically in the future, please visit <https://ca.astfinancial.com/edelivery> to enroll.

Appointment

I/We, being holder(s) of Common Shares of Intertape Polymer Group Inc. (the “Company”), hereby appoint: Gregory A. C. Yull, Chief Executive Officer, or, failing him, Randi M. Booth, 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 directions (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 Company to be held at 10:00 a.m. (eastern time) on June 7, 2018 at the Fairmont Royal York Hotel, New Brunswick Room, 100 Front Street West, Toronto, Ontario M5J 1E3 (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.

	FOR	WITHHOLD
1. Election of Directors		
1. Robert M. Beil	..	..
2. Frank Di Tomaso	..	..
3. Robert J. Foster	..	..
4. James Pantelidis	..	..
5. Jorge N. Quintas	..	..
6. Mary Pat Salomone	..	..
7. Gregory A.C. Yull	..	..
8. Melbourne F. Yull	..	..

2. Appointment of Auditor

Appointment of Raymond Chabot Grant Thornton LLP as Auditor

FOR AGAINST

3. "Say on Pay" Vote

A resolution in the form annexed as Schedule A to the Management Information Circular of the Company dated April 25, 2018 (the “Circular”) accepting, in an advisory, non-binding capacity, the Company’s approach to executive compensation disclosed under “Compensation of Executive Officers and Directors - Compensation Discussion and Analysis” in the Circular

4. Executive Stock Option Plan (“ESOP”) Resolution

A resolution in the form annexed as Schedule B to the Circular, ratifying, confirming and approving all unallocated options under the Company’s Executive Stock Option Plan

Under Canadian securities law, you are entitled to receive certain investor documents. If you wish to receive such materials, please tick the applicable boxes below. You may also go to the AST (Canada) website

Explanation of Responses:

<https://ca.astfinancial.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. If no voting instructions are indicated above, this Voting Instruction Form ("VIF") 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) appears on this VIF. Please see reverse for additional instructions.

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VIF - Annual and Special Meeting of Shareholders of Intertape Polymer Group Inc. to be held on June 7, 2018

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 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 Circular and other proxy materials provided by Management.

#### How to Vote

##### TELEPHONE

Use any touch-tone phone, call toll free in Canada and United States  
1-888-489-7352 and follow the voice instructions.

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

Explanation of Responses:

MAIL, FAX OR EMAIL

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

AST Trust Company (Canada)  
P.O. Box 721  
Agincourt, ON M1S 0A1

You may alternatively fax your VIF to 416-368-2502 or toll free in Canada and the United States to 1-866-781-3111 or scan and email to [proxyvote@astfinancial.com](mailto:proxyvote@astfinancial.com).

If you wish to receive investor documents electronically in the future, please visit <https://ca.astfinancial.com/edelivery> to enroll.