IPL PLASTICS INC.

ANNUAL INFORMATION FORM

Fiscal year ended December 31, 2018

March 15, 2019

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EXPLANATORY NOTES

Introductory Information

Unless otherwise noted or the context otherwise requires, all information provided in this Annual Information Form (the "**Annual Information Form**") is given as at December 31, 2018 and references to the "**Company**", "**IPLP**" "**we**", "**us**", "**our**" or "**Group**" refer to IPL Plastics Inc., its direct and indirect subsidiaries and any other entities controlled by them.

Unless otherwise indicated, all references to "$" or "dollars" are to U.S. dollars and references to "C$" are to Canadian dollars. Amounts are stated in U.S. dollars unless otherwise indicated.

Certain capitalized terms and phrases used in this Annual Information Form are defined in the "Glossary of Terms" beginning on page 51.

Forward-Looking Statements

This Annual Information Form may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements include all matters that are not historical facts. Specifically, forward-looking statements in this Annual Information Form include, but are not limited to, statements regarding the expected completion dates of certain of the Company's capital projects, the Company's ability to pass through material price input change to customers, the Company's expectations regarding resin and freight costs and the results from the Company's response thereto including the impact on gross margin and Adjusted EBITDA margin for Fiscal 2019, expectations regarding securing labor and labor cost inflation and our expected cash outflows for Fiscal 2019, the impact of the RPS division's high order backlog on the Company's Adjusted EBITDA margin for Fiscal 2019. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. Such information reflects IPLP's then current views with respect to future events based on certain material facts and assumptions and are subject to certain risks and uncertainties.

Forward-looking information is based on certain key expectations, opinions, assumptions and estimates made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate and reasonable in the circumstances. Although IPLP believes that the expectations, opinions, assumptions and estimates on which such forward-looking information is based are reasonable, such forward-looking information should not be unduly relied upon since there can be no assurance that such expectations, opinions, assumptions and estimates will prove to be correct.

Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors, which are discussed in greater detail in the "Risk Factors" section of this Annual Information Form: our ability to successfully implement our business strategy; our highly competitive marketplace; a disruption in the overall economy and the financial market which may affect consumer demand; risks relating to Canada — US trade; price volatility or a shortage of some of the raw materials we purchase; our results of operations may be impacted by different financial risks; our dependence on our manufacturing facilities and equipment, which require a high degree of capital expenditures to maintain or replace; changes in laws, regulations and related interpretations as well as changes in consumer trends; the loss of any key customers or a decrease in customer demand; our exposure to food industry risks; risks relating to our brand and reputation; brand and reputational risks associated with actions taken by our subcontractors; competition for acquisition candidates; our ability to execute our growth strategy being dependent on our ability to identify and acquire desirable candidates; our ability to successfully integrate recent acquisitions or future acquisitions; risks associated with our acquisition diligence procedures; failure to adapt to technological changes or the inability to continue to enhance existing products and develop and market new products that respond to customer needs and preferences; our ability to recruit and retain senior management and qualified personnel; failure to maintain good employee relations; increases in transportation costs; increases in energy costs; industry consolidation risk; potential exposure to product liability claims arising from the manufacture of faulty or contaminated products; failure to protect our intellectual property rights, including our unpatented proprietary know-how and trade secrets, or in avoiding claims that we infringed on the intellectual property rights of others; failure to comply with applicable laws and regulations; risks relating to environmental and health and safety laws and regulations; risks of downward pressure on pricing of our products; the inability to obtain appropriate funding; interest rate fluctuations; failure in internal controls; risks relating to information technology interruptions or breaches; litigation risk; potential indemnification obligations relating to divestments; counterparty credit risks; risks relating to future write-offs of our goodwill and other intangible assets; changes in applicable tax legislation; future sales of our securities by existing shareholders or by us could cause the market price for our Common Shares to fall; CDPQ having significant influence with respect to matters put before the shareholders; our dependence on our subsidiaries for cash to fund our operations and expenses; our dividend policy; difficulties enforcing judgments against the Company's directors and officers who are not resident in Canada; risks relating to claims for indemnification by our directors and officers; risks relating to our forum selection by law; and the forward looking statements contained in this Annual Information Form proving to be incorrect.

The above-mentioned factors should not be construed as exhaustive. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that may" cause results not to be as anticipated, estimated or intended.

All of the forward-looking information contained in this Annual Information Form are qualified by the foregoing cautionary statements and there can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained in this Annual Information Form is provided as of the date of this Annual Information Form and the Company does not undertake to update or amend any forward-looking information contained herein whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Readers are also cautioned that outlook information contained in this Annual Information Form should not be used for purposes other than for which it is disclosed herein or therein, as the case may be.

IFRS and Non-IFRS Measures

This Annual Information Form makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing a further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. The Company uses non-IFRS measures including Adjusted EBITDA, Adjusted EBITDA margin, and Adjusted EBIT to provide investors with supplemental measures of the Company's operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. The Company also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. IPLP's management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess its ability to meet future debt service, capital expenditure and working capital requirements and in the determination of components of management compensation. Because other companies may calculate these non-IFRS measures differently than the Company does, these metrics are not comparable to similarly titled measures reported by other companies. Refer to the Company's management's discussion and analysis for Fiscal 2018, available on SEDAR at www.sedar.com, for the definitions and reconciliations of Adjusted EBITDA, Adjusted EBITDA margin, and Adjusted EBIT presented by the Company to the most directly comparable IFRS measures.

Market and Industry Data

IPLP has obtained the market and industry data presented in this Annual Information Form from third party sources, industry publications and publicly available information, as well as from the estimates of management. Although we believe that these third party sources and our management estimates are reliable, the accuracy and completeness of such data is not guaranteed and has not been verified by any independent sources. Market and industry data, including estimates and projections relating to size of market and market share, is inherently imprecise and cannot be verified due to limitations on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations inherent in any market research or other survey. Management's estimates are based on internal research, its knowledge of the relevant market and industry and extrapolations from third party sources. While we are not aware of any misstatements regarding the market and industry data presented in this Annual Information Form, such data involve risks and uncertainties and are subject to change based on various factors, including those factors discussed under "Forward Looking Statements" and "Risk Factors" in this Annual Information Form.

The market and industry data presented in this Annual Information Form is primarily derived from Smithers Pira's publications entitled *The Future of Global Packaging to 2022, The Future of Rigid Plastic Packaging to 2022*, *The Future of Label Printing to 2022* and *The Future of Industrial Packaging to 2022*, *Ten Year Forecast of Disruptive Forces in Packaging to 2027*, each dated 2017, as well as BioCycle's survey entitled *Residential Food Waste Collection Access In The U.S.*, published in December 2017. The information from such reports is publicly available and provided for information purposes only, and the Company make no representation or warranty of any kind about the completeness, accuracy or reliability of the data contained in its reports, and the related information contained in this prospectus. The Company believes that the reports provide the most relevant and up-to-date statistics available from an independent and reputable third party.

Trademarks, Tradenames and Service Marks

This Annual Information Form includes trademarks, such as "IPLP", "Macro", "FreezePack", "SnapPack", "SealPack", "TrustPack", "MacroBin", "ProBin", "MacroTrac", "ShuttleBin", HybridBin", "ComboPro", "IsoBin", "EuroBin", "I-Trac", "Supa-Trac", "Supa-Trac (X-Press)", "Rola-Trac", "Mastercart", "Ctzencart", "Grüüm", "Flapnest" and "Smartcrate" which are protected under applicable intellectual property laws and are the property of IPLP or used under license by IPLP. Solely for convenience, our trademarks and tradenames referred to in this Annual Information Form may appear without the symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks and tradenames. All other trademarks used in this Annual Information Form are the property of their respective owners.

CORPORATE STRUCTURE

Incorporation and Office

IPL Plastics Inc. was incorporated under the *Canada Business Corporations Act* ("**CBCA**") on April 20, 2018 and carries on the business previously carried on by IPL Plastics Limited ("**IPL Ltd**"), previously known as IPL Plastics plc, and its subsidiaries.

The Company's registered office and principal place of business is located at 1000 Sherbrooke Street West, suite 700, Montréal, Québec, Canada, H3A 3G4.

IPL Ltd was incorporated and registered in Ireland on May 15, 2004 as a private company limited by shares with the name Horace Plunkett Limited. It changed its name to One Five One Limited on June 16, 2005 and subsequently to One Fifty One Limited on August 17, 2005. On December 19, 2006, the Company was re registered as a public company limited by shares. On December 6, 2017, it changed its name to IPL Plastics plc. On September 20, 2018, it was re-registered as a private company limited by shares with the name IPL Plastics Limited.

On June 19, 2018, the Company completed a scheme of arrangement (the "**Scheme of Arrangement**") under the *Companies Act 2014* of Ireland. Pursuant to the Scheme of Arrangement, all of the shareholders of IPL Ltd became shareholders of IPLP by exchanging their respective ordinary shares of IPL Ltd for Class B Common Shares on the basis of five shares in IPL Ltd for one Class B Common Share (with any fractional entitlements to Class B Common Shares being rounded up or down (as the case may be) to the nearest whole number).

On June 28, 2018, the Company completed its initial public offering of Common Shares ("**IPO**") for a total of C$178.2 million in aggregate gross proceeds to the Company. On the same day, the Common Shares were listed for trading on the Toronto Stock Exchange ("**TSX**") under the symbol "IPLP". Subsequently, on July 27, 2018, the Company completed the exercise of the over-allotment option granted to the Underwriters in connection with the IPO, for additional gross proceeds to the Company of C$13.5 million, bringing the total gross proceeds from the IPO to C$191.7 million.

On December 28, 2018, the 39,363,693 issued and outstanding Class B Common Shares were automatically converted into Common Shares, on a one-for-one basis, and were listed for trading on the TSX.

Intercorporate Relationships

The following table identifies the intercorporate relationships of the Company and its material subsidiaries (including jurisdiction of formation or incorporation of such entities).

Name	Country of Incorporation	Ownership
IPL Plastics Ltd.	Ireland	100%
IPL Inc.	Canada	100%
Encore Industries, Inc.	United States	100%
IPL USA, Inc.	United States	100%
Macro Plastics, Inc.	United States	100%
One51 ES Plastics (UK) Ltd	United Kingdom	100%

Certain subsidiaries of the Company, each of which does not represent more than 10% of the consolidated assets and not more than 10% of the consolidated revenues of the Company, and all of which, in the aggregate, represent not more than 20% of the total consolidated assets and the total revenues of the Company as at the date hereof, have been omitted from the table above.

GENERAL DEVELOPMENT OF THE BUSINESS

IPL Ltd was incorporated and registered in Ireland on May 15, 2004 under the name Horace Plunkett Limited (later named One Fifty One plc), as a diversified investment holding company (the "**IPLP Predecessor**"), and until 2010, IPLP Predecessor raised capital by way of an unlisted "grey market" trading process in Ireland, and accumulated a wide portfolio of controlling and non-controlling interests in multiple sectors. From 2011 to 2014, IPL Ltd entered a period of restructuring and rationalized its portfolio and various operating divisions, enabling it to reduce its financial leverage. This period also saw the

Company focus its strategy to build up on the 2006 acquisition of Protech Performance Plastics and continue to grow in the rigid plastic packaging industry, through a combination of organic growth and strategic acquisitions, including its 2014 acquisition of Straight plc, a leader in the U.K. waste and recycling sectors.

In 2015, IPLP Predecessor, together with CDPQ and FSTQ, acquired IPL Inc., which at the time was a leading North American manufacturer of rigid plastics based and operating in Québec since 1939, including 25 years as a publicly listed company. IPL Inc. manufactured products in the consumer packaging solutions and large format packaging and environmental solutions segments of the industry with facilities in Saint-Damien-de-Buckland, Québec, Edmundston, New Brunswick and Lee's Summit, Missouri.

In 2016, the Company acquired Encore, a manufacturer of rigid plastic packaging products for the North American large format packaging market. In 2017, the Company acquired Macro, the largest manufacturer of rigid plastic bulk containers in North America and a market leader in providing value added, large format, rigid plastic packaging solutions to the agricultural and automotive sectors. In 2017, the Company also disposed of ClearCircle Environmental, its European specialized environmental services business, with a view to focusing solely on rigid plastics.

On February 28, 2018, equity interests of CDPQ and FSTQ in IPL Inc. were exchanged for shares in IPL Ltd, and IPL Inc. became a wholly owned subsidiary of IPL Ltd.

Today, the Company's operations, located in the U.S., Canada, the U.K., Ireland, China and Mexico, are comprised of a network of 14 manufacturing facilities, seven corporate and sales offices and four Centers for Innovation and Excellence (three of which are integrated into the Company's manufacturing facilities). See "Business of the Company — Facilities and Equipment".

The Company also announced today the signing of a Share Purchase Agreement to acquire Loomans Group N.V. ("**Loomans**"), a single site, well invested plastic manufacturer, with 50 years of experience and growth, serving customers in the food, beverage and personal care sectors, for an enterprise value of approximately $85.5 million (€75.0 million). The acquisition will be financed by cash resources and existing credit facilities and is due to close by end of March 2019. Loomans has its operations and headquarters in Belgium and will be integrated into our CPS business segment following closing of the acquisition.

BUSINESS OF THE COMPANY

About IPLP

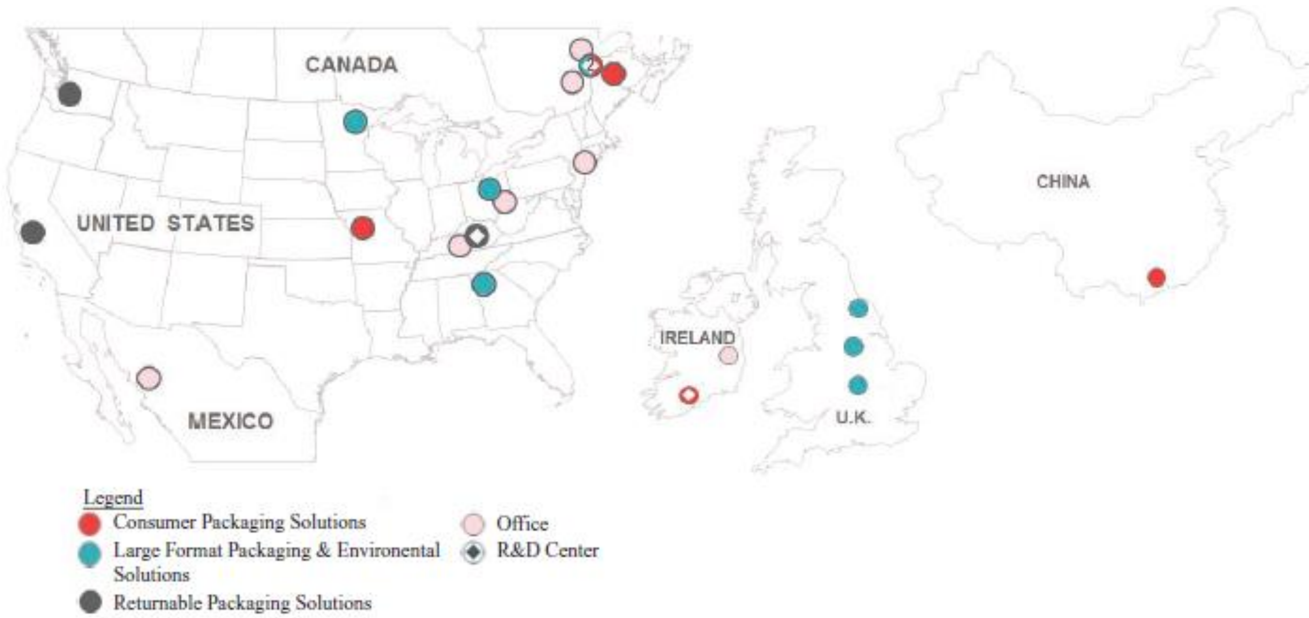
We are a leading sustainable packaging solutions provider manufacturing specialty injection molded plastic packaging and other specialty rigid plastic containers used primarily in the food, consumer, agricultural, logistics and environmental end-markets. The U.S., the U.K. and Canada are our three largest geographical markets. In Fiscal 2018, we had revenues from continuing operations of $657.8 million, Adjusted EBITDA[1] of $78.0 million and net income of $1.8 million.

Our engineering expertise, particularly in injection molding, allows us to deliver innovative solutions to our highly diversified customer base of over 3,200 active customers, and offer products ranging from tamper-evident food containers, pails, bowls, tubs, and lids to wheeled containers and material handling containers. We believe that we have established leadership positions in several of our key product categories, such as IML injection molded containers in North America, environmental waste containers in both North America and the U.K., and returnable bulk plastic containers in North America. Our strong organic growth has historically been generated by developing value-added products for a broad customer base in diverse, large and growing end-markets. Our core products are used in end-

[1] Adjusted EBITDA is a non-IFRS financial measure. See "Explanatory Notes — IFRS and Non-IFRS Measures".

markets that have generally proven to be recession resistant over time, such as food, agriculture and waste management (environmental). All our products are 100% recyclable and a number of our product lines utilize a high percentage of recycled plastic in their production. See "Sustainability".

Global Facilities



We have a broad value-added product portfolio across our three business segments which are comprised of Consumer Packaging Solutions, Large Format Packaging and Environmental Solutions, and Returnable Packaging Solutions. In addition, each of our business segments benefits from our leading product development platforms, which enable us to develop new products tailored to the evolving needs of our customers. IPLP has an industry-leading team of experienced engineers, technical specialists, industrial designers and project managers which allows us to move quickly from idea generation to commercialization. We have historically been able to gain market share through our ability to respond to customer needs through the development of customized products and through our industry-leading sales and after-market services. We work closely with our customers in designing, prototyping and testing new products that are customized to their needs and specifications. See "Product Development and Design".

Business Segments and Products

IPLP operates in three business segments, all of which serve the North American and European markets: (i) Consumer Packaging Solutions (CPS); (ii) Large Format Packaging and Environmental Solutions (LF&E); and (iii) Returnable Packaging Solutions (RPS), which was formed through the acquisition of Macro in June 2017. The CPS business segment also serves the South American market. The table below highlights, as a percentage of the Company's consolidated results, the (i) revenue from continuing operations; (ii) Adjusted EBITDA[2]; and (iii) Adjusted EBIT[3] attributable to each business segment for Fiscal 2018 and on a pro forma basis for Fiscal 2017 to give effect to the acquisition of Macro as if the transaction closed on January 1, 2017, as opposed to its actual closing date of June 9, 2017.

[2] Adjusted EBITDA is a non-IFRS financial measure. See "Explanatory Notes — IFRS and Non-IFRS Measures".
[3] Adjusted EBIT is a non-IFRS financial measure. See "Explanatory Notes — IFRS and Non-IFRS Measures".

Segment	Revenue from Continuing Operations	Adjusted EBITDA	Adjusted EBIT
LF&E	Fiscal 2018:320,536	Fiscal 2018: 32,881	Fiscal 2018: 15,061
	Fiscal 2017:301,898	Fiscal 2017: 38,540	Fiscal 2017: 22,575
CPS	Fiscal 2018:186,738	Fiscal 2018: 30,209	Fiscal 2018: 17,424
	Fiscal 2017:158,067	Fiscal 2017: 29,066	Fiscal 2017: 17,730
RPS	Fiscal 2018:126,193	Fiscal 2018: 19,169	Fiscal 2018: 9,512
	Fiscal 2017: 55,562	Fiscal 2017: 14,686	Fiscal 2017: 9,561

The Company aims to leverage the talents, technologies, sales teams and resources of each business segment for the benefit of IPLP as a whole. The Company believes that its global platform enables it to achieve operational synergies across each business segment.

Consumer Packaging Solutions

The Company operates its CPS business segment through four production facilities located in North America, Europe and China and is a market leader in North America in that segment. The CPS business segment enjoys meaningful growth potential, as evidenced by the recent growth generated by its successful expansion into the North American dairy market. The CPS business segment primarily consists of specialty thin-wall injection molded containers, lids, overcaps and custom packaging solutions for branded and private label food and consumer products customers in North America and Europe. Our most popular products are tamper-evident and film seal packaging containers with IML destined for customers in the food and consumer end-markets. The CPS business segment, through its operations in Cork, Ireland and Shanghai, China, also manufactures products for the other end-markets, such as home improvement products and electronics. Most of our products are made to our customers' specifications, in a market where product packaging and design are crucial to consumer decision-making given the increasingly competitive retail environment. In Fiscal 2018, 75% of our CPS revenues were realized in North America and 25% in Europe and Asia.

Food-Related Products

Representing approximately 77.8% of CPS' revenues for Fiscal 2018, the CPS business segment principally manufactures products for the food industry. These products represented approximately 22.1% of the Company's total revenues from continuing operations for Fiscal 2018.

Our product offering includes freezable packaging, film seal packaging and tamper-evident packaging for products in the dairy market (yogurt containers, ice cream containers, etc.) and in the deli market (soup containers, snacks containers, etc.) through our FreezePack, SnapPack and SealPack product lines, among others. These three product lines come in a variety of formats, and offer modern designs that provide better shelf appeal through differentiation. Our SnapPack products provide better safety features by using a non-detachable break tab, while our FreezePack line offers the same high-quality features in a freezer-grade, high impact resistant polypropylene body. We also manufacture lids and overcaps that are used for composite cans, paperboard cups, metal cans, plastic containers and kegs, and can be manufactured in a wide variety of colors and with decoration such as dry offset printing, pressure sensitive labelling, peel-off coupons, engraving, embossing, IML and paperboard insert molding.

Custom packaging is also available via our product development teams. Our Centers for Innovation and Excellence in Saint-Damien-de-Buckland, Québec and Cork, Ireland can produce complex, high precision, small cavitation, thin-wall IML injection molding products for food packaging and enable us to develop "customer-sponsored" products which increase customer loyalty and provide for higher margins. See "Product Development and Design".

The table below illustrates certain of the products our CPS business segment manufactures.

Tamper-evident packaging	Film seal packaging	Lids and Overcaps	Custom packaging
			

Non-Food Related Products

The CPS business segment also manufactures packaging for other end-markets, such as home improvement products and electronics, mainly in Europe and China. Our Cork facility manufactures pails and cans designed for materials such as paint, plasters and adhesives, and can produce complex, high precision, small cavitation, highly automated thin-wall IML injection molded products for this segment. Our CPS business segment also manufactures products for the consumer electronics industry in China. See "Product Development and Design".

LF&E

The Company operates its LF&E business segment through seven manufacturing facilities in North America and the U.K., occupying almost one million square feet of manufacturing space. Our LF&E business manufactures a range of large pails, containers and crates for the food, consumer, environmental, retail, agricultural and industrial end-markets. LF&E operations can be split into three main product categories: (i) large format packaging; (ii) environmental containers; and (iii) industrial products. We believe that we are the number one environmental container manufacturer in Canada and the U.K. In Fiscal 2018, 65% of our LF&E revenues were realized in North America and 35% in Europe.

Large Format Packaging

The LF&E business segment manufactures a wide selection of pails, crates, buckets, jars, cans and tubes used in large format packaging for food and industrial products, and we estimate that we are the third largest manufacturer of plastic pails in North America. These products are sold in North America and the U.K. and accounted for approximately 68% and 14% of LF&E's revenues in North America and Europe, respectively, in Fiscal 2018. The table below describes in more detail the Company's current large format packaging products:

Food

- Applications include: prepared salads, fruit salad / fruits for freezing, cheeses, pastry fillings, icings and glazes, butter and margarine, other large format dairy products, soups and sauces

- Features include: products produced in plants adapted for FDA and similar regulations, complete polypropylene pail line designed for food applications, thermoforming plastics for fresh food, tamper-evident features and IML decoration

Industrial

- Applications include: powdered detergent, paint and industrial coatings and paint, adhesives and glues, chemicals, oils and lubricants

- Features include: specific line for heavy duty applications, in-house testing facilities, tamper-evident features and IML

Environmental Containers

Environmental container products have historically been a significant revenue driver for the Company's LF&E business segment. We offer a full range of wheeled bins and related containers for the waste collection and recycling markets, serving municipalities, waste haulers and large retailers. We believe that we are the number one environmental container manufacturer in the Canadian and the U.K. markets with an approximate 65% and 50% market share, respectively. We are working on duplicating this success in the U.S. by significantly investing, through both acquisitions and organic growth, in our North American manufacturing capabilities and by establishing a solid network of relationships with environmental service providers, retailers and distributors. Environmental containers accounted for 23% and 54% of LF&E's revenues in North America and Europe, respectively, in Fiscal 2018. The Company's environmental containers can be split into three categories:

Organic

- Applications include: organic collection for kitchen food waste, solutions to reduce landfill use by diverting to compost and bio-gas

- Features include: largest selection in the industry, availability in various sizes to meet the needs of space optimization in large cities and animal resistant features

Recycling

- Applications include: recycling of plastic, paper, metal, wood and glass

- Features include: strong, durable and components designed for extreme climates, best stackability in the industry, innovative split cart option for bi-collection

General Waste

- Applications include: residential garbage and specified commercial uses
- Features include: customizable products injection molded using cutting-edge technology and highest quality standards, sealed catch bar and animal resistant features

Industrial Packaging

Representing 9% and 32% of LF&E's revenues in North America and Europe, respectively, in Fiscal 2018, the LF&E segment enjoys a niche position in the custom molding of large products used in the construction, educational and returnable transit packaging markets, with products that include water attenuation units, plastic chairs, valves and glands. The Company typically focuses on large volume products that utilize recycled polymers. In North America, the Company's products also include handheld containers, pallets and large format containers used in the food industry (including a growing position in the fish and lobster market) and other specialty industries.

North America

- Applications include: meat, clothing, moving, fruits and vegetables (handheld containers), lobster and other fishing operations, milk, egg, agricultural seedling trays, bread trays
- Features include: plants adapted for FDA and similar regulations, compatible with competitive product lines

U.K.

- Applications include: chairs, glands, crates, boxes, valves and access junctions
- Features include: custom large format products, use of recycled polymers, customized product designs, tool manufacturing services

Returnable Packaging Solutions

Our RPS business consists primarily of plastic bulk containers used in the agricultural sector and the automotive logistics market. We believe that we have the market leading position in the bulk plastic containers market in North America. Our patented, injection molded containers are made with FDA approved materials and offer numerous advantages compared to traditional wood and cardboard containers, such as extreme durability, with the ability to withstand the daily wear and tear that harvesting containers typically receive. The RPS business segment is comprised of three main product lines, namely agricultural, automotive and MacroTrac, operating through three production facilities located in the U.S., including one product development center located in Shelbyville, Kentucky.

Agricultural Division

With a 20-year history in the agricultural market, the RPS business segment manufactures a wide variety of injection molded, durable plastic containers specifically designed for the fruit and vegetable market. The table below highlights the Company's current main agricultural product families and summarizes the key features of each family of products:

MacroBin Family

- Injection-molded plastic containers, made with FDA-approved materials, and specifically designed for use in every stage of the agricultural process
- End products include: apples, citrus, pears, avocados, onions, potatoes and sweet potatoes
- Features include: hundreds of ventilation slots, stackability, 40% lighter weight than wood containers, durable plastic resistant to high impact, nonporous surfaces that resist contaminants

ProBin

- Fixed-wall, non-vented, injection-molded bin used for food processing applications and storage
- End products include: food processing, nuts and wine production
- Features include: can hold up to 3,000 pounds or 407 gallons, direct-load corner and center posts allowing stacking up to five high

ShuttleBin

- Retail-ready packaging for transportation and display
- End products include: watermelons, assorted melons and squash
- Features include: fast set-up and knockdown, hundreds of ventilation slots, side wall

Hybrid Bin Family

- Plastic bin supported by a plastic frame for structural support
- End products include: apples, citrus, onions, potatoes, tomatoes, mangos, kiwis and melons
- Features include: quick-snap assembly and disassembly, hundreds of ventilation slots, lightweight materials and a stackable design allow for low delivery costs

ComboPro

- Designed and built in partnership with a large national pooler for the protein industry
- Features include: lightweight materials and a stackable design allow for low delivery costs, easy to clean inside and outside walls to allow for sterilization

Automotive Division

Macro developed its automotive division at the request of a leading global automaker (through an international logistics provider), which required specifically-designed containers for its manufacturing facilities. The Company developed products for this automaker, grouped under two product families. The table below highlights the key features of its automotive products:

IsoBin and EuroBin

- Folding plastic containers designed and shaped to maximize the space in shipping containers
- Features include: lighter than standard shipping containers, stackable, designed to replace all cardboard and other existing packaging solutions typically used in the automotive industry

MacroTrac Division

We offer a line of injection-molded plastic temporary flooring and roadway mats which can be used to cover most types of turf and terrain. Unlike other RPS products, MacroTrac products are marketed through a number of key distributor partnerships. See "Customers and Distribution Channels". The table below describes the key features of MacroTrac products, with I-Trac and Supa-Trac being the most versatile products and the biggest sellers.

I-Trac

- State-of-the-art modular heavy-duty access matting that enables vehicular traffic
- Applications include: temporary roadways or tarmacs, remote access, military use, helicopter operations
- Features include: extreme strength to weight ratio, quick and easy to install and extract

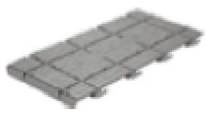
Supa-Trac

- Matting solution for turf protection, tent flooring and heavy foot traffic, ability to take the weight of forklifts with pneumatic tires, light trucks, and vehicular traffic
- Applications include: exhibitions/stadiums, pedestrian access routes, construction pathways, light vehicle traffic (temporary parking lots)
- Features include: rapid deployment with a minimum amount of manpower, 60% lighter weight than aluminum counterparts, easy to transport and store

Supa-Trac (X-Press)

- Portable lightweight matting product sharing the traditional Supa-Trac design, it conforms to almost all ground types and conditions, yet it is thinner and has a lighter panel weight
- Applications include: exhibitions, pedestrian access routes, stadiums, pathways
- Features include: lightweight, portable and durable, quick installation and extraction, can be stored indoors or outdoors for years of flexible use

Rola-Trac



- Lightweight, and easy-to-install matting system providing outstanding turf protection and a safe, slip-resistant surface
- Applications include: garage flooring, outdoor recreation, events and tents, home and garden
- Features include: extremely fast and easy to install, designed for strength and durability, provides a stable, non-slip, non-reflective surface, aeration slots in the panels that allow moisture and air to pass through, providing turf protection

Employees

As of December 31, 2018, the Company employed approximately 2,000 full-time, part-time and temporary employees working mainly in the U.S, Canada, the U.K., Ireland and China. Our total number of employees fluctuates throughout the year depending on our clients' needs and tends to be higher during the summer period due to the hiring of summer students and other part-time workers. The following table sets forth the distribution of our employees by Business segments:

Segment	Total
CPS	730
LF&E	1050
RPS	180
Others	40
Total	2,000

As of December 31, 2018, 574 of the Company's employees were unionized, representing 29% of the total workforce, most which are located at its Canadian facilities, and with a minority located at one of its U.K. facilities. Management believes that the Company has positive and constructive relationships with both its unionized and non-unionized employees. The Company regularly holds open discussions with union representatives and has generally been successful in renegotiating its collective bargaining agreements as they expire. There are currently no material grievances outstanding at any of our unionized locations.

Sources and Availability of Raw Materials

The Company's operating costs are comprised primarily of raw materials and consumables, the most important of which is resin (which accounts for approximately half of the Company's material costs). Polypropylene and polyethylene account for greater than 90% of our plastic resin purchases. Plastic resins are subject to price fluctuations, including those arising from supply shortages and changes in the prices of natural gas, crude oil and other petrochemical intermediates from which resins are produced and have in the recent past exhibited a moderate level of volatility.

Our profitability is impacted by resin price volatility, mitigated by the Company's ability to either structure passthrough arrangements (contracted or non-contracted) with a significant portion of our customers or to reset our prices under short term contracts. Due to differences in the timing of passing through resin cost changes to our customers, our profitability is negatively impacted in the short term when plastic resin costs increase and is positively impacted when plastic resin costs decrease. This timing lag in passing through raw material cost changes could affect our results as plastic resin costs fluctuate.

The Company has a centralized procurement function which issues a global request for proposal for its resin supply on an annual basis.

Resin pricing risks are managed by the Company primarily through pass-through arrangements (contracted or non-contracted) which vary among our business segments. Actual resin input pricing is also negotiated annually. The resin market is a global market and, based on our experience, we believe that adequate quantities of plastic resins will be available at market prices, but we can give no assurances as to such availability or the prices thereof. The Company aims to maintain a number of suppliers of key materials and equipment so as not to become overly dependent on any one supplier. We believe that we have maintained strong relationships with our key suppliers and expect that such relationships will continue into the foreseeable future.

Other key materials of the Company include labels, ink, cardboard and handles. The procurement of such materials is managed at the plant level by each business segment. The Company aims to maintain a number of suppliers of key materials and equipment so as not to become overly dependent on any one supplier.

Freight and Logistics

The Company relies on sea and ground transportation via third-party freight service providers for the delivery and shipment of its raw materials and products. Our transportation costs are subject to fuel cost increases or surcharges and therefore fluctuate over time. Freight and logistics costs are dependent on IPLP's sales volume, the specific contractual arrangements in place with customers, the geographical mix of the product shipped, the cost of fuel used by freight carriers, and the available capacity in the freight market. In order to optimize its cost model, the Company focuses on reducing its logistics costs and its reliance on third-party freight service providers by, among other things, transferring, where appropriate, production to strategically located facilities and eliminating the risk of increased freight costs.

The Company also enters into commercial agreements enabling it to pass on freight costs fluctuations to certain of its customers. For example, some customers collect products directly from our manufacturing facilities, and other agreements enable us to charge the freight costs directly to the customers.

Customers and Distribution Channels

The Company sold its products to over 3,200 customers in Fiscal 2018. The Company enjoys a diversified mix of customers across its business segments, with the top 10 customers representing approximately 21.6% of the Company's revenues for Fiscal 2018. The top five CPS customers represented approximately 26.4% of CPS revenues (approximately 7.5% of the total Fiscal 2018 revenues of the Company), while the top five LF&E customers accounted for approximately 11.7% of total LF&E revenues for Fiscal 2018 (approximately 5.7% of the total Fiscal 2018 revenues of the Company), and the top five RPS customers accounted for approximately 41.8% of RPS revenues for Fiscal 2018 (approximately 8.0% of the total Fiscal 2018 revenues of the Company). IPLP's distribution strategy is adapted to address the specifics of each of its business segments and geographical market and we rely on our experienced divisional sales team and general managers. We also use external distributors for smaller customers. See "Freight and Logistics".

<u>CPS</u>

The distribution strategy of our CPS segment is to assign our internal sales force to a specific geographic location in order to allow such representatives to engage with our customers at a local level and to provide access to the entire portfolio of products of our CPS segment in that location. Our sales team is supported by certain external distributors which service smaller customers. We use third-party service providers located strategically around our end-customers for the warehousing and shipment of our products.

LF&E

Our LF&E business segment uses its internal sales force to sell and promote the majority of its products. Our sales force is present in a number of geographic markets and sells our products directly to customers in each end-market (food processors, industrial products, manufacturers, retailers, waste haulers, municipalities). We also leverage a network of third-party distributors present in all of our geographic markets, which act as intermediaries with local dealers and smaller customers, allowing us to benefit from mature but growing distribution channels.

RPS

Our RPS business segment uses its internal sales force to sell and promote our products to territories assigned within the U.S. and Mexico. Outside of the U.S. and Mexico, it leverages third-party sales representatives assigned to specific geographic locations to market and sell product. To expand our business, our strategy is to be first to market in new territories. Our internal sales force and sales representatives therefore frequently travel to targeted locations to market our products.

Product Warranties

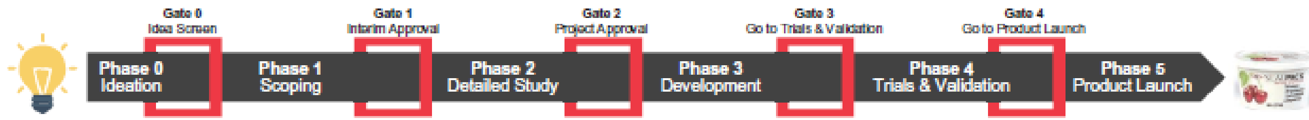
The Company provides limited product warranties generally covering periods of up to ten years for the environmental containers product line of its LF&E business segment and up to three years for its RPS products. During the warranty period, we either replace, reimburse or repair the defective products, at our option. In our CPS business segment, our customers typically complete their own due diligence on our products and facilities to ensure that we meet our customers' specific physical and performance requirements. The specified products are thereafter warrantied for a period of up to one year.

We have put in place an ongoing continuous improvement plan relating to the quality of our products and maintain recall insurance and warranty insurance to mitigate potential liabilities relating to product warranties. See "Risk Factors". Product warranties expenses have not historically had a significant impact on our financial results. We are determined to offer a quality product and maintain strict product quality checks and production standards.

Product Development and Design

The Company's product development operations are principally based in our four Centers for Innovation and Excellence, and each of our business segments has a dedicated product development team. Our Centers for Innovation and Excellence benefit from the same equipment as our manufacturing facilities, enabling us to develop new products and prototype molds in an ideal environment and providing freedom to test different shapes, resins or labels for our products. Our Centers for Innovation and Excellence are also equipped to perform physical, chemical and mechanical testing that comply with ASTM and ISO Standards. See "Facilities and Equipment — Product Development Centers". Having dedicated teams for new product development allows our manufacturing operations to focus solely on production, while increasing the speed to market of new, value-added products, which enables us to increase our market share and win new customers. This allows us to develop tailored, customer-ready packaging solutions in as low as six weeks from the initial customer approach.

Our product development process follows a rigorous and proven method that includes six phases and five stage gates. Those key milestones and decision points enable us to ensure that our developed products meet customer expectations, have a positive financial impact, and that equipment and molds can be deployed at the production line in a timely manner:



- Phase Zero — Ideation: The product development process starts when our product development team receives a new opportunity and/or idea from the market or as a result of an ideation session from IPLP's sales and marketing team.

- Phase One — Scoping: At this preliminary stage, product specifications and market information are gathered to validate the viability of the project. At this stage, our product development team can produce 2D or 3D printed prototypes to determine product specifications and facilitate marketing initiatives.

- Phase Two — Detailed Study: At this stage, the final design, project planning, product specifications, financial analysis and intellectual property checks are prepared.

- Phase Three — Development: Our product development team can then source the required tools and equipment to manufacture the new product and the commercialization plan is initiated. Initial trials are also conducted to ensure readiness for final production trials.

- Phase Four — Trials and Validation: Once the product is substantially developed, the tools and equipment are tested to validate if the product meets the required specifications. The manufacturing processes are established for product and performance optimization and market assumptions are finalized by the sales team.

- Phase Five — Product launch: Once testing and validation of the new product is finalized, the product can be handed over to our manufacturing facilities.

Intellectual Property

To establish and protect IPLP's intellectual property rights in Canada, the U.S. and internationally, the Company relies on a combination of patents, trademarks, trade secrets and unpatented proprietary know-how. Through regular internal portfolio reviews, the Company assesses its intellectual property to ensure that it is up to date and adequate. We have established and continue to build proprietary positions in all key aspects of our business. The Company monitors for any potential violation or unauthorized use of its intellectual property through various means, including in-house monitoring during trade shows and expositions. The Company diligently enforces and defends its intellectual property rights, as required.

Patents & Industrial Designs

The Company holds issued patents, patent applications or industrial designs to protect its products, designs and technologies, in jurisdictions including the U.S., Canada and the European Union, among others. The Company diligently seeks to protect its key information through patent filings. The Company determines the jurisdictions in which it files patent applications based on strategic considerations and the availability of patent protection in such jurisdictions. As the Company continues to develop new products, manufacturing processes and technologies, the Company intends to apply for patents to protect such innovations.

Trademarks

In addition to protecting its technical innovations, the Company relies on a combination of registered and unregistered trademarks to protect its position within its industry. It holds numerous registered trademarks in respect of its brands. The Company determines the jurisdictions in which it registers trademarks based on strategic considerations and on the availability of trademark registration in such jurisdictions. As it continues to develop and introduce new brands, products and technologies, the Company plans to register new trademarks to protect its position within the industry from time to time.

Licenses

The Company licenses to its distributors the right to use certain of its trademarks. In the ordinary course of business, the Company enters into license agreements for intellectual property held by suppliers, customers, competitors and other third parties with respect to parts, components and other systems used in the Company's manufacturing processes. When creating custom packages and products for our customers, the Company may license or assign certain of its intellectual property rights to such customers.

Facilities and Equipment

Manufacturing Facilities

The Company manufactures its products at 14 facilities located in Canada, the U.S., Ireland, the U.K., and China, and operates four Centers for Innovation and Excellence (three of which are integrated into our manufacturing facilities). The Company's operational sites provide approximately 1.8 million square feet of manufacturing and product development space, encompassing 328 molding machines. The Company's global manufacturing platform provides the Company with proximity to its customers.

The Company's manufacturing facilities are either owned by the Company or leased at market terms, with expiry dates for such leases ranging from 2019 to 2031. The Company believes that its facilities and equipment are sufficient for its current business operations, as near-term increases in demand can be absorbed by its platform's existing excess production capacity.

The table below highlights the Company's existing manufacturing facilities as at December 31, 2018:

Canada
Edmundston, New Brunswick 135,000 sq. ft. facility producing medium to high cavitation, thin-wall IML and offset printed molding for food packaging applications • Business segment: CPS • Equipment on site: 40 injection molding machines (which includes 28 that are IML capable, 8 offset printers and 1 IML label printer) • Ownership: owned
Saint-Damien-de-Buckland, Québec 541,500 sq. ft. facility producing industrial and IML food service large format packaging and environmental products, and including a printing department • Business segment: LF&E • Equipment on site: 43 injection molding machines (which includes 13 that are IML capable and 7 offset printers), which machines range from 90 to 3,500 tonnes • Ownership: owned

United States of America
Cambridge, Ohio 192,600 sq. ft. facility producing small size container and pails. This facility also has thermoforming capabilities to complement our product lines • Business segment: LF&E • Equipment on site: 18 injection molding machines (including 10 offset printers), 4 thermoforming machines and one extruder, which machines range from 200 to 500 tonnes • Ownership: owned
Fairfield, California 34,000 sq. ft. facility producing bins and totes • Business segment: RPS • Equipment on site: 4 injection molding machines • Ownership: owned
Forsyth, Georgia 60,000 sq. ft. facility dedicated to injection molding and decorating of industrial packaging and environmental products • Business segment: LF&E • Equipment on site: 15 injection molding machines (of which 2 are IML capable), which machines range from 300 to 3,200 tonnes • Ownership: owned(1)
Lee's Summit, Missouri 234,000 sq. ft. facility producing rigid plastic lids, overcaps, round containers, IML capabilities • Business segment: CPS • Equipment on site: 31 injection molding machines (of which 7 are IML capable, 3 are composite lid machines and 5 active offset printers) • Ownership: owned
Remer, Minnesota 28,000 sq. ft. facility producing paint and sundries thermoformed containers • Business segment: LF&E • Equipment on site: 8 thermoforming machines • Ownership: leased
Shelbyville, Kentucky 201,000 sq. ft. facility producing bins, totes, hybrid containers and MacroTrac products • Business segment: RPS • Equipment on site: 12 injection molding machines • Ownership: owned
Union Gap, Washington 40,000 sq. ft. facility producing bins, totes and hybrid containers • Business segment: RPS • Equipment on site: 6 injection molding machines • Ownership: owned

Europe
Cork, Ireland 50,000 sq. ft. facility producing containers, buckets and pails, thin-wall packaging, tamper evident containers and IML pack formats • Business segment: CPS • Equipment on site: 41 injection molding machines (of which 15 are IML and dry offset printing capable) • Ownership: leased
Hull, United Kingdom 75,000 sq. ft. facility producing wheeled containers, caddies, water butt composters and multi-box recycling containers • Business segment: LF&E • Equipment on site: 19 injection molding machines (of which 16 are less than 1,000 tonnes and 3 are more than 1,000 tonnes) and 4 blow molding machines • Ownership: leased
Rotherham, United Kingdom 65,000 sq. ft. facility producing wheeled containers and industrial products • Business segment: LF&E • Equipment on site: 13 injection molding machines (of which 5 range from 2300 to 2700 tonnes and 6 range from 800 to 1,000 tonnes) • Ownership: leased
Tamworth, United Kingdom 95,000 sq. ft. facility producing rigid plastic containers and industrial products • Business segment: LF&E • Equipment on site: 51 injection molding machines (of which 11 are IML capable); 43 machines are less than 1,000 tonnes and 8 machines range from 1,000 to 1,500 tonnes • Ownership: leased
China
Shanghai, China 50,000 sq. ft. facility producing injection molded bezels and frames for electronic data storage devices • Business segment: CPS • Equipment on site: 18 injection molding machines • Ownership: leased

(1) Further to a sale leaseback bond transaction consummated in 2017, the owner on title of the Forsyth manufacturing facility became the Development Authority of Monroe County (the "**Development Authority**"). Consequently, the Company's subsidiary, Encore Plastics Southeast, LLC ("**Encore Southeast**"), currently leases the Forsyth manufacturing facility from the Development Authority and the payments due under the lease are set off against the amounts payable to Encore Southeast under the bonds issued to it by the Development Authority. Encore Southeast may, subject to the terms and conditions of the lease, terminate said agreement, at any time, and repurchase the Forsyth manufacturing facility from the Development Authority for nominal consideration, and, such repurchase shall automatically occur at the expiry of the ten-year term of the lease. This structure, which is frequently used in the State of Georgia, was put in place in order to allow Encore Southeast to benefit from a preferential property tax rate in respect of the Forsyth manufacturing facility in exchange for its agreeing to fulfil certain requirements imposed by the Development Authority. This structure does not impact the operations of the Forsyth manufacturing facility.

Product Development Centers

In addition to the Company's manufacturing facilities, the Company operates four Centers for Innovation and Excellence, three of which are integrated into the Saint-Damien-de-Buckland, Cork and Shelbyville manufacturing facilities, and one being separately located in Saint-Damien-de-Buckland, Québec.

Warehousing Units

The Company benefits from warehousing units which are strategically-located in Canada, the U.S., Ireland, the U.K. and China to support and enhance the efficiency of the Company's distribution capabilities in each of these markets. From time to time, the Company also rents additional warehousing spaces as needed to cover demand.

Offices

The Company's registered office and principal place of business is located at 1000 Sherbrooke Street West, suite 700, Montréal, Québec, Canada, H3A 3G4. IPLP has six other regional corporate and sales offices in Ireland, Canada, the U.S. and Mexico, which are staffed to support local operations, liaise with customers and drive sales growth across our business segments.

Environmental Matters and Government Regulation

IPLP's operations are subject to extensive and changing federal, provincial, state, local and foreign laws and regulations affecting its business, including permitting, licensing and environmental matters (such as pertaining to the discharge of materials into the environment, the handling and disposition of wastes and the clean-up of contaminated soil and ground-water), health, sanitation and safety. Compliance with these and other legal and regulatory regimes in connection with its global operations is a key focus of IPLP. As such, the Company has incurred, and will continue to incur, capital and operating expenditure to achieve and maintain compliance with such legal and regulatory requirements.

Environmental Regulation

The Company believes that it is in compliance, or is implementing adequate measures to be in compliance, in all material respects, with applicable environmental laws and regulation.

The packaging industry is also subject to existing and potential federal, state, local and foreign legislation designed to reduce solid waste by requiring, among other things, packaging to be degradable in landfills or imposing minimum levels of recycled content, various recycling requirements, disposal fees or limits on the use of packaging products. In particular, certain jurisdictions have enacted legislation requiring products packaged in plastic containers to comply with standards intended to encourage recycling and increased use of recycled materials. Various consumers and special interest groups have also lobbied from time to time for the implementation of these and other similar measures. See "Risk Factors".

Food Product Regulation

IPLP's CPS, RPS, and LF&E food-related packaging products must comply with applicable federal, state, provincial and foreign laws, rules and regulations relating to the manufacturing, preparing and labelling of packaging for food products. The supply of faulty or contaminated packaging, especially within the food industry, could have serious consequences. Indeed, under such laws, rules and regulations, a manufacturer of defective products can be required to repurchase or recall such products and authorities may be subject to fines or penalties. IPLP employs strict control measures to ensure the safety and quality of products that it manufactures. See "Risk Factors ".

Health and Safety

IPLP is subject to federal, state, provincial and foreign labour and employment laws that govern its relationship with employees, such as minimum wage requirements, overtime and working conditions, including occupational health and safety rules and regulations, and employment standards legislation. IPLP is committed to putting safety first and strives to develop a perpetual safety culture, in which each employee contributes to making IPLP's manufacturing facilities, warehouses and offices safer places to work and to visit. To maintain a safe workplace, we are focused on eliminating serious injuries by managing critical risk areas, determining which operating sites may require specific attention to improve safety, strengthening processes and knowledge sharing about all aspects of safety, and adopting best practices across our entire business. As such, health and safety performance is monitored on an ongoing basis. The Company conducts internal audits and facilitates external customer audits at all of its manufacturing facilities. Using findings from these audits, our professional safety leaders plan and carry out actions for continuous improvement. In addition, IPLP has developed and implemented a risk management framework which is in place to identify any potential shortfalls in relation to any of these matters.

Competitive Conditions and Industry

The global packaging industry is a large, consumer driven industry with strong and stable growth characteristics. The packaging market was estimated by Smithers Pira (which management still believes accurately describes the current competitive environment) to be sized at approximately $830 billion globally in 2017, and included four main types of packaging categories: plastic, paperboard, metal and glass. We compete in the rigid plastics category within the global plastic packaging industry, which had in 2017 an estimated market size of approximately $150 billion. Geographically, we primarily compete in the North American and U.K. markets.

The rigid plastic packaging category is defined as non flexible, synthetic resin-based containers used for a variety of consumer packaging and large format packaging purposes, including food and dairy, industrial, agricultural and environmental uses. Management believes the North American and Western European rigid plastic packaging industry is fragmented, with no one participant representing a significant market share in either of those markets. For instance, the top 5 players in the North American rigid plastics industry are estimated to represent less than 25% of overall industry revenues. Our highly fragmented industry has been experiencing consolidation in recent years, and presents numerous acquisition opportunities.

<u>Consumer Packaging Solutions</u>

Our CPS business primarily targets the food, dairy and consumer products end markets in North America and the U.K. These end-markets account for approximately 44% of the North American and U.K. rigid plastics packaging market. We have focused our growth efforts in specific market categories where there has been or it is expected that there will be a shift away from traditional commodity packaging towards premium, high-value products, such as dairy products and other specialty thin wall packaging. The consumer packaging industry is highly fragmented and our main competitors in this segment are Berry Global, Polytainers and Airlite in North America and RPC, Coveris and Jokey in Europe.

<u>Large Format Packaging and Environmental Solutions</u>

Large Format Packaging Solutions

Our Large Format Packaging business focuses on both the North American and the U.K. markets. Our containers are used across a variety of applications, ranging from salads, cheeses, pastry fillings, powder detergent, paint and industrial coatings, adhesives, aggregates and for residential home and garden use. Innovation is a key driver in this segment, with impact performance, stiffness and top-load performance being major requirements of plastic containers, as are physical tamper-evident designs. Our main competitors in this segment are Berry Global, Letica (a subsidiary of RPC) and BWAY in North America, while RPC and Jokey constitute our largest competition in the U.K.

On November 9, 2018, in line with its strategic plan, the Company announced that it has commenced enhanced measures to improve the Company's business margins and core profitability levels during Fiscal 2019, via its new *Fitter for Continued Growth* business optimization program. This broad based strategic initiative is designed to drive margin enhancement and sustainable profit growth across all divisions of the Company, but with specific focus on the LF&E segment in North America.

Environmental Solutions

Our environmental containers principally serve municipalities, private waste contractors, haulers and large retailers in the North American and U.K. markets. While the end-users of this segment typically consist of residential consumers and private waste operators, contracts are often signed at the municipal or regional level. As such, growth in this segment is closely tied to environmental legislation as well as municipal and regional regulations and policies. Our main competitors in this segment are Rehrig, Schaefer, Cascade Cart Solutions, Otto, Orbis and Toter in North America and Plastic Omnium, ESE (a subsidiary of RPC), Schaefer and Craemer in Europe.

Returnable Packaging Solutions

Our RPS business consists primarily of (i) plastic bulk containers used in the agricultural sector, mainly in North America where we serve distributors and lessors of returnable packaging solutions, as well as farmers and cooperatives directly, and (ii) more recently folding plastic bins used in the automotive logistics market, which we mainly sell in Europe. Our main competitors in this segment are Orbis, Utz and Schoeller Allibert.

Seasonality

IPLP's business exhibits moderate seasonality driven by the seasonal patterns of our customers' end markets. While certain variable costs of the Company can be managed to match such seasonal patterns, a significant portion of our costs are fixed and cannot be adjusted for seasonality. For example, within our RPS business, customers in the agricultural market are typically busiest through the second and third quarter of the year, which coincides with key produce growing seasons. The order backlog and sales mix in the RPS business can also be impacted by weather conditions generally and the introduction of new bin products to the market.

Certain products in the food and consumer end-market, such as yogurt and ice cream, are also impacted by seasonality. Demand for these products is also typically strongest during the second and third quarters of the year. For these reasons, IPLP's revenue and Adjusted EBITDA[4] tend to be lower in the first and fourth quarters of each year when compared with the second and third quarters of each year.

The number and timing of municipal and public council tenders fluctuates by year and is dependent on local micro economic conditions which can cause variances in the operational performance of our LF&E environmental container business.

Our investment in working capital typically peaks during the first half of the year and then unwinds over the remainder of the year. The timing of municipal and public council tenders can impact working capital significantly as the Company builds inventory to satisfy the volume and delivery requirements of the contracts.

Sustainability

Sustainability is essential to the long-term success of our business. As a packaging company that develops plastic-based solutions for our customers, it is imperative that we meet customer needs while being mindful of our operational impacts and the need to preserve our planet.

[4] Adjusted EBITDA is a non-IFRS financial measure. See "Explanatory Notes — IFRS and Non-IFRS Measures".

We are committed to running our business responsibly and in ways that drive environmental, social and economic value for our stakeholders, including shareholders, customers, employees and local communities.

To date, we have made important improvements to our products and operations. We have learned that focusing on sustainability improves business efficiencies, mitigates risks, enhances client relationships and loyalty, and improves our ability to attract and inspire top talent. Ultimately, sustainability fortifies our brand and business viability.

IPL Sustainability Strategy 2019 to 2022

Our Sustainability Strategy is a Company-wide plan to address and strengthen our performance around relevant key environmental, social and governance issues. The strategy builds on our previous efforts and provides a clear road map to guide our sustainability work over the next four years (2019–2022).

Underpinning the strategy is our ambition to "Create more value using fewer resources". This reflects our goal of generating positive value for our business and our stakeholders, while mitigating risk and decoupling economic growth from environmental degradation.

Three Focus Areas

To support the development of our strategy, in late 2018 we carried out a comprehensive materiality assessment. The assessment included interviews with external and internal stakeholders, benchmarking against peers, and a detailed document and media review of industry and global trends. From this we determined the most material topics to incorporate in our Sustainability Strategy, which are reflected in our three focus areas and associated sub focus areas, which are summarized below:

1. Innovation and Circular Economy

A sustainable world depends on a "circular economy", which is an alternative to the traditional "take-make-dispose" system. The goal is to eliminate waste at all stages of the product life cycle by optimizing as much value as possible from resources and materials, and then recovering and regenerating these at the end of their useful life.

Many of IPL's products already positively contribute to the circular economy. To continue driving this transition, we will work closely with our customers and raw material suppliers to innovate and deliver circular packaging solutions.

2. Environmental Stewardship

We recognize that potential environmental impacts generated by the global plastics industry are concerns for all our stakeholders. Building on the measures we have taken to manage and reduce our impacts, we are stepping up our commitment to deliver superior environmental performance. As part of our 2019–2022 Sustainability Strategy, we will fulfil our customers' needs while continuously shrinking our environmental footprint, including driving down emissions and potential climate change impacts.

3. People, Safety and Communities

People and communities are the cornerstones of IPL's success – and future sustainability. We rely on motivated and healthy people to meet the needs of our customers. We rely on strong local communities to support and enable our operations.

Helping our team and local communities thrive is a focus area of our 2019–2022 Sustainability Strategy. We will further invest in protecting our people, developing future talent and enabling greater engagement with our local communities.

Summary of ambitions 2019 to 2022

Below is a summary of IPL's sustainability ambitions for the coming years:

Focus area	**Sub focus area**	**Ambition 2019 to 2022**
1. Innovation and circular economy	Recycled plastics	Develop products that contain significant amounts of recycled plastics.
	Innovation and product development	Innovate our products to ensure more recycled plastic polymers come back into the circular economy.
	Design for circularity	Design products with circular capabilities that can easily become raw materials for the future.
2. Environmental stewardship	Climate change	Factor climate change into our decision-making and risk management processes.
	Energy	Transition to a low-carbon energy future.
	Waste	Develop new solutions that enable us, and our customers, to reduce our collective waste footprint.
	Water	Minimize our water footprint across the business
3. People, safety and communities	Health and Safety	Maintain a culture where the health and safety of our people is a key priority
	Talent development	Continue to build a diverse and inclusive workforce culture that feels empowered and supported as we invest in continued career development.

Focus area	Sub focus area	Ambition 2019 to 2022
	Communities	Actively engage with communities where we operate to create a positive impact and contribute to the local economy.

RISK FACTORS

The risks and uncertainties described below are those we currently believe to be material, but they are not the only ones we face. If any of the following risks, or any other risks and uncertainties that we have not yet identified or that we currently consider not to be material, actually occur or become material risks, our business, prospects, financial condition, results of operations and cash flows could be materially and adversely affected. There is no assurance that risk management steps taken will avoid future loss due to the risks and uncertainties described below or other unforeseen risks.

We may be unsuccessful in implementing our business strategy

We may not be able to fully implement our business strategy or realize, in whole or in part, within the expected timeframes, the anticipated benefits of our strategic growth or other initiatives. Our business strategy and initiatives, including growth of our customer base, introduction of new service offerings, geographic expansion, strategic acquisitions and enhancement of profitability, are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. If we are unable to successfully implement our business strategy or if our initiatives do not deliver as planned, this could materially adversely affect our business, financial condition, prospects and/or results of operations.

In addition, we have in the past, and will in the future, incur certain costs to achieve efficiency improvements and growth in our business and may not meet implementation timetables or stay within budgeted costs. Over the last number of years, the Company has experienced significant levels of organic growth, completed a number of acquisitions, completed a complex corporate restructuring in preparation for the IPO, realigned its operating divisions and significantly advanced a large-scale capital investment program which is nearing completion. In line with the Company's strategic plan, IPLP announced in 2018 that it had commenced enhanced measures to improve the Company's business margins and core profitability levels during 2019. This broad-based strategic initiative is designed to drive margin enhancement and sustainable profit growth across all divisions, but with specific focus on IPLP's LF&E division in North America. As these efficiency improvements and growth initiatives are undertaken, we may not fully achieve our expected cost savings and efficiency improvements or growth rates, or these initiatives could adversely impact our customer retention or operations. Also, our business strategy may change from time to time in light of our ability to implement our new business initiatives, competitive pressures, economic uncertainties or developments, or other factors, which in turn could materially adversely affect our business, financial condition, prospects and/or results of operations.

We operate in a highly competitive marketplace

We face intense competition in the sale of our products and compete with multiple companies in each of our product lines. Certain new manufacturers may try to break into the markets where we operate with similar products and other solutions, and may succeed in entering into such markets, despite the barriers to entry. Some of our current competitors may also have financial and other resources that are substantially greater than ours and may be better able to withstand higher costs.

In addition, our products compete with metal, glass, cardboard and other packaging materials as well as plastics packaging material through different manufacturing processes. Some of these competitive products are not subject to the impact of raw materials' price fluctuations (such as resin) which may have a significant and negative impact on our competitive position versus such substitute products. Moreover, if we are unable to offset any reductions in average selling prices by increases in volumes and/or by decreases in operating expenses, our revenues and profitability may be affected negatively.

Our customers are also increasingly demanding us to provide information on our environmental impact, fair labour practices, ethics/business practices and supply chain. Should we fail to meet their expectations and standards, there is a risk that customers may be lost or move to one of our competitors. Our customers may also simply decide to in-source the production of packaging that we currently supply for them. If our customers shift production facilities away from our manufacturing facilities or begin producing their own packaging materials, this could reduce demand for our products.

Disruption in the overall economy and the financial market may affect consumer demand for our products

Demand for goods and services in our business is influenced by global and economic circumstances. Our industry is affected by current economic factors which are outside our control, including among other things, the deterioration of national, regional and local economic conditions, any decline in employment levels and shifts in consumer spending patterns. Disruptions in the overall economy and volatility in the financial markets could reduce consumer confidence in the economy, negatively affecting consumer spending, which could be harmful to our financial position and our results of operations. Most specifically, the geopolitical environment of the markets where we operate can be an influencer of customer demand for our products and may have an impact on input costs. For instance, any potential changes in the economic and political climate in the U.S., the increased geopolitical uncertainty in Europe which could lead to a decrease in our earnings in the event of unsuccessful Brexit, or the possibility of sovereign defaults on debt could all impact our business, our sales and profitability and make the repatriation of our profits more difficult while exposing us to penalties, sanctions or reputational damages.

A disruption in the credit markets may also adversely affect the availability of financing for our operations and increase the risk that third parties with whom we do business face financial difficulties, become insolvent and/or cease trading. Our business may be adversely affected if a third party is unable to provide us with a product we need in the normal course of business, as we may be unable to find adequate replacement products acceptable to us or to our customers on a timely basis, or at all.

Finally, during an economic slowdown, competition can tend to increase, which could cause prices to fall should certain of our competitors, particularly those with substantial financial resources and production capacity, decide to reduce their selling prices to maintain or increase market share. Such circumstances could lead us to review our prices to adapt ourselves to such changing market conditions, which may result in a decline in our sales and profitability.

We have exports from Canada into the U.S.

The competitiveness of the pricing of some of our products which we import into the U.S. may be affected by the uncertainties around the renegotiations of the existing North American Free Trade Agreement (NAFTA). In November 2018, Canada, the U.S. and Mexico signed the United States – Mexico – Canada Agreement (USMCA) with a view of replacing NAFTA. Legislators from each of the three countries must ratify USMCA according to their own legislative processes before it goes into effect and replaces NAFTA. The outcome of the ratification process in each of these countries is not complete and is therefore uncertain; however, it is currently anticipated that USMCA will come into force on January 1, 2020. In the event that governments pursue protectionist trade practices with respect to our products, our sales and profitability could decline.

The price volatility or a shortage of some of the raw materials we purchase, especially resin, could have a material adverse effect on us and our ability to reflect raw material price movements in our selling prices

Our profits are impacted by the price of the raw materials we purchase, particularly resin which we purchase from only a few suppliers. Such prices are volatile, and they are influenced ultimately by, among other things, oil prices, natural disasters (such as hurricanes), production issues and the balance of supply and demand for such materials. Volatility in the price or supply of raw materials, or increases in raw material prices, could increase our costs and have a negative impact on our profitability. There is a risk that fluctuating raw material costs, fluctuating selling prices, unusual competitor actions and the resultant difficulties in adjusting prices appropriately could have a negative impact on our operating margins and our overall financial performance. Failure to track resin pricing appropriately and manage appropriately our procurement process across our Group could also lead to financial exposure.

In addition, some of our raw materials suppliers may be seriously affected by plant breakdowns and maintenance, or may delay delivery times, limit supply or increase prices due to capacity constraints or other factors, any of which could result in shortages.

Our results of operations may be impacted by different financial risks

Foreign exchange risks to which our consolidated financial statements are currently exposed, and to which we will continue to be exposed, include the risk of adverse movements in reported results from Pound Sterling, Canadian dollar, euro and Chinese Renminbi when translated into U.S. dollars, the currency in which we present our financial results. Our operations also expose us to different financial risks that include credit risk, liquidity risk and market risk, which are all actively managed by our treasury management team.

We are dependent on our manufacturing facilities and equipment which require a high degree of capital expenditures. If one or more of our manufacturing facilities becomes inoperable, operates at maximum capacity or if operations are disrupted, our business, financial condition and operating results could be negatively affected

Our revenue is dependent on the continued operations of our manufacturing facilities and equipment (especially presses and molds). To the extent that we experience any operational risk including, among other things, fire and explosions, severe weather and natural disasters (such as floods and hurricanes), failures in water supply, major power failures, equipment failures (including any failure of our information technology, air conditioning, and cooling and compressor systems), failures to comply with applicable regulations and standards, raw material supply disruptions and labour force and work stoppages, or if our manufacturing facilities operate at maximum capacity, we will be required to make capital expenditures even though we may not have available resources at such time. Additionally, we cannot assure you that the proceeds available from our insurance policies will be sufficient to cover such capital expenditures. As a result, our insurance coverage and available resources may prove to be inadequate for events that may cause significant disruption to our operations. Any disruption in our manufacturing processes could result in delivery delays, scheduling problems, increased costs, production interruption or even lead to a full cessation of production, which, in turn, may result in our customers deciding to purchase products from our competitors. A lack of internal manufacturing capacity could also result in monetary penalties from our customers and/or in the loss of key contracts and/or new business opportunities. The resulting loss of revenue and the impact on our margin, goodwill and customer relationships could be significant. Moreover, any significant underperformance of one or more of our manufacturing facilities could have a negative impact on our financial performance, net assets and banking covenants.

We have in the past been, and may in the future be, seriously affected by mechanical failure or deficiencies either due to breakage or obsolescence, which may result in unplanned maintenance capital expenditures and/or a disruption of our ability to supply customer, delay our delivery times or even force us to review our prices due to capacity constraints. The potential impact of any such mechanical failure or deficiencies would depend on the nature and extent of the damage caused to the facility in which such piece of equipment is located. For instance, any failure in our in-mold labelling automation would in fact require us to stop all production of the affected items, which could have a material effect on our revenues. Moreover, since certain of the presses we used in our molding process are unique in size, we may not be able to find adequate replacement products or services acceptable to us and our customers on a timely basis or at all.

We are dependent on our manufacturing facilities and equipment which require a high degree of capital expenditures. If one or more of our manufacturing facilities becomes inoperative, operates at maximum capacity or if operations are disrupted, our business, financial condition and operating results could be negatively affected.

As we do not own all of our facilities, we are also subject to risks resulting from the renewal of our lease arrangements. If we are unable to renew our lease agreements on favorable terms and conditions, or if we were to require additional space due to an increase in the demand for our solutions and products, we might have to pay increased warehousing and storage costs or delay production in order to relocate and might incur significant capital expenditures as well as loss of profits.

Changes in laws, regulations and related interpretations as well as consumer trends may alter the landscape in which we do business

Changes in laws, regulations and related interpretations, as well as public sentiment towards recycling and plastic, the impact of which cannot be predicted, may alter the landscape in which we do business or lead to an acceleration of substitute products in the markets where we operate, thereby minimizing our opportunities. Changes in laws and regulations laying down restrictions, or conditions for use of, our product or materials and agents in the production of our products could adversely affect our business, increase our operating costs, require significant capital expenditure or have a material adverse effect on our revenues if, as a result, the public sentiment toward end-products for which we provide packaging is substantially affected. Additionally, the effectiveness of new standards such as the ones related to recycling or deposits on different packaging materials could result in excess costs or logistical constraints for some of our customers who could choose to reduce their consumption and even terminate the use of plastic packaging for their products. We could thus be forced to reduce, suspend or even stop the production of certain types of our products. Regulatory changes may also affect our prices, margins, investments and activities, especially if these changes resulted in significant or structural changes in the markets in which we operate.

The loss of any key customers or a decrease in customer demand could have a material adverse effect on us

Our success is dependent, in part, on our long-term relationships with key customers. Any significant deterioration in such relationships, whether as a result of our inability to agree on business terms, our failure to deliver, or our non-compliance with, our customer contract terms, a change in the management of our customers, a gain made by one of our competitors or otherwise, could have a material adverse effect on our business, financial condition, prospects and/or results of operations. Although we have a wide portfolio of customers, some of them make up a significant proportion of the revenue of some of our business units. There can be no assurances that we will be able to maintain positive relationships with all such key customers.

Our sales and operating results also depend in part on our ability to predict customer demand, which may be affected by adverse conditions as well as a number of factors that fall outside of our control, such as economic and global market conditions, changing consumer preference, pandemics, crop failure, seasonality and natural disasters. To the extent our predictions differ from the actual demand for our products, we may be faced with excess inventories for some products and/or missed opportunities for others. Excess inventories can result in lower gross margins due to greater than anticipated discounts and markdowns that might be necessary to reduce inventory levels. On the contrary, low inventory levels can adversely affect our ability to meet customer demand, which may lead to lost sales.

We manufacture packaging for the food industry and are therefore exposed to this industry's risks

We are a supplier of packaging products that are used in the food industry, among others. We are therefore exposed to this industry's risks, such as labelling errors and transfers of foreign bodies, as well as certain health problems, including food contamination by organisms that cause illness, or pathogens, such as the bacteria E. coli, Salmonella and Listeria. We could thus be involved in a possible product recall. Such a situation could expose us to civil liability claims, negative publicity, investigations or governmental intervention, which would have a material adverse impact on our business, financial condition, prospects and/or results of operations as well as our reputation. We actively manage these risks by using appropriate materials, ensuring that controls and processes are in place in our manufacturing facilities and maintaining civil liability insurance coverage. We also ensure that our products comply with the various regulations. Our finished products are subject to regulations issued by certain government agencies, including *Health Canada and the United States Food and Drug Administration* (FDA), which are responsible for protecting public health in the food industry. In the U.S., the *Consumer Product Safety Commission* (CPSC) also regulates certain packaging products through various laws including the *Consumer Product Safety Act and the Poison Prevention Packaging Act*. In Canada, the packaging and labelling of food products as well as the safety of materials used in food packaging are regulated by Health Canada through laws such as the *Consumer Packaging and Labelling Act* and the *Food and Drugs Act*.

Our business depends on our reputation, and if we are not able to maintain and enhance such reputation, we may be unable to sell our products, which would adversely affect our business

The reputation we have developed has significantly contributed to the success of our business and is critical to maintaining and expanding our customer base. Consumers associate us with the highest level of customer service and quality. Failure to maintain merchandise quality and integrity, or ethical and socially responsible operations, could adversely affect our brand and reputation. Any negative publicity about, or significant damage to, our brand and reputation could negatively impact our revenues, reduce employee morale and productivity, and diminish customer trust, any of which could harm our business, financial condition, prospects and/or results of operations. In those circumstances, it may be difficult and costly for us to regain customer confidence.

Our brand and reputation may be negatively impacted by actions taken by our sub-contractors

We subcontract some of our production to third parties, whose actions and business practices may negatively impact our brand and reputation. Although we have implemented control measures to monitor our sub-contractors' compliance with applicable laws and regulations as well as with our quality standards, we do not otherwise supervise or control our sub-contractors on a day-to-day basis. We have received and may in the future occasionally receive merchandise that fail to comply with our specifications or that fail to conform to our quality control standards, or merchandise that either meets our specifications but that is nonetheless unacceptable to us or to certain of our customers. Under these circumstances, unless we are able to obtain replacement products in a timely manner, we risk the loss of revenue resulting from the inability to sell such merchandise and related increased administrative and shipping costs. Additionally, if the unacceptability of our merchandise is not discovered until after it is purchased by our customers, our customers could form unfavorable opinions of our merchandise, we could face a merchandise recall, and our results of operations could suffer and our reputation and brand could be harmed.

Our reliance on certain sub-contractors also exposes us to potential delays that may be beyond our control. Indeed, should any of our sub-contractors fail to deliver supplies or products or fail to perform services according to contractual terms, we may be unable to meet our customers' delivery requirements and therefore, our customers' relationships may be negatively affected.

Competition for acquisition candidates and economic and market conditions may limit our ability to grow through acquisitions

We seek to grow through strategic acquisitions in addition to internal growth. Although we have and expect to continue to identify numerous acquisition candidates that we believe may be suitable, we may not be able to acquire them at prices or on terms and conditions favorable to us. Other companies have adopted or may in the future adopt our strategy of acquiring and consolidating other businesses. Moreover, general economic conditions and the environment for attractive investments may affect the desire of the owners of acquisition candidates to sell their companies. As a result, we may have fewer acquisition opportunities, and those opportunities may be on less attractive terms than in the past, which could cause a reduction in our rate of growth from acquisitions.

We have engaged in recent acquisitions and expect to engage in acquisitions in the future, which may pose significant risks and could have an adverse effect on our operations

We have engaged in recent acquisitions and expect to engage in acquisitions in order to acquire businesses that are complementary to our business strategy. Our ability to execute our growth strategy depends in part on our ability to identify and acquire desirable acquisition candidates at a price and on terms acceptable to us and on our ability to successfully integrate acquired operations into our business. If we identify suitable acquisition candidates, we may be unable to successfully negotiate their acquisition at a price or on terms and conditions acceptable to us, including as a result of the limitations imposed by our debt obligations. We may have to borrow money in order to finance any future obligations of or relating to such acquisition targets and we may not be able to do so on terms favorable to us or at all. Our future financial performance depends in part upon our ability to effectively combine the operations of acquired businesses into our existing operations and achieve identified cost savings and other synergies. If we are unable to identify and correct operational or financial weaknesses in acquired businesses or to achieve the projected cost savings, our operating results and cash flows could be negatively impacted. The integration of acquired businesses and other assets may require significant management time and resources that would otherwise be available for the ongoing management of our existing operations. Failure to expand operational systems and controls or to integrate appropriate personnel at a pace consistent with our growth could also adversely affect our operating results.

A portion of our growth and future financial performance depends on our ability to integrate acquired businesses, and the success of our acquisitions

A component of our growth strategy involves achieving economies of scale and operating efficiencies by growing through acquisitions. We may not achieve these goals unless we effectively combine the operations of acquired businesses with our existing operations. In addition, we are not always able to control the timing of our acquisitions. Our inability to complete acquisitions within the time frames that we expect may cause our operating results to be less favorable than expected, which could cause the price of our Common Shares to decline. Even if we are able to make acquisitions on advantageous terms and are able to integrate them successfully into our operations and organization, some acquisitions may not fulfill our anticipated financial or strategic objectives in a given market due to factors that we cannot control, such as market conditions, market position, competition, customer base, third-party legal challenges or governmental actions.

Our due diligence process in connection with acquisitions may fail to uncover relevant information concerning the target business

Prior to making an acquisition, we conduct due diligence that we deem reasonable and appropriate based on the facts and circumstances applicable to each acquisition. When conducting due diligence, we may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues, and outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of acquisition. Nevertheless, when conducting due diligence and making an assessment regarding an acquisition, we rely on the resources available to us, including information provided by the target business. The due diligence process may at times be subjective and our assessments are subject to a number of assumptions relating to profitability, growth and company valuations. Accordingly, there can be no assurance that our assessments or due diligence on the target businesses will prove to be correct or reveal or highlight all relevant facts that may be necessary or helpful in evaluating the potential acquisition, and actual developments may differ significantly from our expectations. As a result, we may pay too high a price to acquire a business, assume unexpected liabilities or lose customers or employees following the acquisition. In particular, we may assume responsibility for environmental liabilities in relation to sites of acquired businesses and any tax liabilities and related exposure and penalties relating to any historical non-compliance of acquired businesses. While we try to negotiate appropriate and customary representations and warranties as well as related indemnities in the agreements governing our acquisitions, there can be no assurance that they will adequately protect us from certain of such potential liabilities. If any or all of these risks were to materialize, the result could have a material adverse impact on our business, financial condition, prospects and/or results of operations.

If we fail to adapt to technological changes or are unable to continue to enhance existing products and develop and market new products that respond to customer needs and preferences and achieve market acceptance, our competitive position may be adversely affected

Our success may depend on our ability to adapt to technological changes, and if we fail to enhance existing products and develop and introduce new products in a timely fashion in response to changing market conditions and customer demands, notwithstanding our investments in product development and emerging product lines, our competitive position could be materially and adversely affected.

Product development requires significant financial, technological and other resources. While we expended an aggregate amount of approximately $7.7 million for product development efforts in Fiscal 2016, Fiscal 2017 and Fiscal 2018, there can be no assurance that we will be able to sustain this level of investment or that this level of investment in product development will be sufficient to successfully maintain our competitive advantage in product innovation and design.

Our success depends upon our ability to recruit and retain senior management and qualified personnel

As we continue to evolve and expand into new marketplaces, it becomes of increasing importance that we be able to attract and retain high quality management and employees across our operations. If we are unable to achieve this, the achievement of our strategic objectives could become jeopardized. Our success depends, in part, on the efforts, abilities, experience and expertise of our senior management team, the majority of which has extensive experience in our industry and has in-depth knowledge of our operations, business products and customers. The loss of the technical knowledge, management expertise and knowledge of our operations from one or more members of management could result in a diversion of management resources, as the remaining members of management would need to cover the duties of the departing member of management. Our success also rests to a large extent with our ability to recruit, retain, motivate, effectively communicate with and develop highly skilled and competent people at all levels of our organization. There can be strong competition for personnel from other companies and organizations and there may at any time be shortages in the availability of appropriately skilled people at any particular levels within our organization. The seasonality of sales and the production demands may also result in fluctuating needs of staffing levels. Any failure to retain and/or recruit additional or substitute senior managers and/or other key employees could have a material adverse effect on our business, financial condition, prospects and/or results of operations, as well as on our customer relationships. There is no guarantee that we will be able to recruit and retain senior management and qualified personnel.

Failure to maintain good employee relations may affect our operations and the success of our business

Although approximately 29% of our employees are currently covered under collective bargaining agreements, our other employees may elect to be represented by labour unions in the future. If a significant number of our employees were to become unionized and collective bargaining agreement terms were significantly different from our current compensation arrangements, it could adversely affect our business, financial condition, prospects and/or results of operations. While the Board and our management believe that our relations with our employees and their representative unions are currently satisfactory, there can be no assurance that future developments in relation to our businesses would not affect such relationships. The current collective agreements are valid until December 31st, 2020 in Edmundston and until December 31st, 2021 in St-Damien. We have been and may in the future be affected by strikes imposed by unions. Any sustained labour dispute or strike leading to a substantial interruption of our business could have a material adverse effect on our business, financial condition, prospects and/or results of operations.

Increases in transportation costs could have a material adverse effect on us

We rely on third parties for the transportation of our finished goods and products to customers and our supply of raw materials, including resin. As such, we are subject to the risk of disruption in, or lack of availability, of transportation and/or increases in transportation costs due to, among other things, increases in fuel or energy prices, road tolls, market prices and/or costs relating to emission control requirements have been or may be imposed in the future, particularly due to climate change-related legislation. Depending on the distance between our manufacturing facilities and the nearest resin delivery rail, we may be exposed to higher inbound freight costs for resin supply, which may represent an important component of our costs for certain of our facilities. For instance, costs for inbound freight for resin and other raw materials supply are higher at the Edmundston facility as it is located 300 km from Charny, the nearest available delivery rail location. Historically, we generally had the ability to pass on freight costs fluctuations to certain of our customers, but this ability is, to some extent, dependent upon market conditions and the timing of such fluctuations and in any event may lag behind the price input movement. There can be no assurance that we will be able to pass on any increase in transportation costs to our customers immediately or at all. Failure to manage freight and logistics costs and to mitigate cost fluctuations could have a material adverse effect on our business, financial condition, prospects and/or results of operations.

Increases in energy costs could have a material adverse effect on us

The conversion process in the manufacture of rigid plastic packaging is to "melt" polymer, form it into a desired shape and then cool it, which entails the use of substantial amounts of electricity. Any significant increases in electricity prices and/or the failure of our measures to limit their impact could have a material adverse effect on our business, financial condition, prospects and/or results of operations.

Our business is subject to industry consolidation risk

A number of the industries in which our customers operate have experienced consolidation in the past and may continue to do so in the future. Such consolidation may affect our customer relations. If one of our customers combines with another business, we may either lose business or be required to take certain steps, such as agreeing to lower pricing, in order to retain the customer's business, and there can be no assurance that this will not recur. Additionally, customers' ability to exert pricing pressure on all suppliers, including us, has increased as their industries have consolidated and these customers have become larger. Any of these circumstances could have a material adverse effect on our business, financial condition, prospects and/or results of operations and, in particular, stronger customer buying power can cause downward pricing pressure which consequently may have a material adverse effect on our revenue.

In addition, if our competitors consolidate, or are consolidated by a global multi-channel organization, they will likely increase their market share, gain economies of scale that enhance their ability to compete with us or acquire expertise, products and technologies that could displace our product offering or business model, all of which could have a material adverse effect on our business, financial condition, prospects and/or results of operations.

We have a potential exposure to product liability claims arising from the manufacture of faulty or contaminated products, which may not be covered by our existing insurance, and future coverage may be difficult or expensive to obtain

Although we review our quality control procedures regularly, we are exposed to potential product liability claims arising from the manufacture of faulty or contaminated products. We have insurance coverage for the risks inherent in our business which we believe appropriate for the size and nature of our business. However, these insurance policies typically exclude certain risks and are subject to certain thresholds and limits. Consequently, it is possible that a claim could arise and fall outside the insurance coverage and could have a material adverse effect on our business, financial condition, prospects and/or results of operations. It is also possible that claims of this nature could cause reputational damage to our business, which in turn could have a material adverse effect on our business, financial condition, prospects and/or results of operations. Finally, even if a loss is insured, we may be required to pay a significant deductible on any claim for recovery of such loss prior to the insurer being obliged to reimburse us for the loss, or the amount of the loss may exceed our coverage for the loss. Accordingly, uninsured losses or losses in excess of our insurance coverage could have a material adverse effect on our business, financial condition, prospects and/or results of operations.

We may also suffer indirect losses, such as the disruption of our business or third-party claims of damages, as a result of an insured risk event. While we carry business interruption insurance and general liability insurance, they are subject to certain limitations, thresholds and limits, and may not fully cover all indirect losses.

We renew our insurance policies on an annual basis. The cost of coverage may increase to an extent that we may choose to reduce our policy limits or agree to certain exclusions from our coverage. Among other factors, adverse political developments, security concerns and natural disasters in any country in which we operate may materially adversely affect available insurance coverage and result in increased premiums for available coverage and additional exclusions from coverage.

A product that has already been distributed may also sometimes need repair or replacement or may need to be recalled. We could have to make major product recalls or be held liable should our products not meet safety standards or statutory requirements. The risks associated with such recalls may be aggravated if production volumes increase significantly, if supplied goods do not meet our standards, if we fail to perform our risk analysis systematically or if product-related decisions are not fully documented. The repair and replacement costs that we could incur in connection with a recall could have a material adverse effect on our business, financial condition, prospects and/or results of operations. Product recalls could also harm our reputation and result in loss of customers, particularly if recalls cause consumers to question the safety or reliability of our products.

We may not be successful in protecting our intellectual property rights, including our unpatented proprietary know-how and trade secrets, or in avoiding claims that we infringed on the intellectual property rights of others

In addition to relying on patent and trademark rights, we rely on unpatented proprietary know-how and trade secrets, and employ various methods to protect our know-how and trade secrets. However, these methods and our patents and trademarks may not afford complete protection and there can be no assurance that others will not independently develop the know-how and trade secrets or develop better production methods than us. Further, we may not be able to deter our current and former employees and contractors as well as other parties from breaching confidentiality agreements and misappropriating proprietary information and it is possible that third parties may copy or otherwise obtain and use our information and proprietary technology without authorization or otherwise infringe on our intellectual property rights. Moreover, not all of our key employees have entered into enforceable non-compete agreements, which may result in our strategic information being transferred to a competitor.

Third parties may take actions that could materially and adversely affect our rights or value of our intellectual property, similar proprietary rights or reputation. We may also rely on litigation to enforce our intellectual property rights and contractual rights, and, if not successful, we may not be able to protect the value of our intellectual property. Any litigation could be protracted and costly and could have a material adverse effect on our business and results of operations regardless of the outcome.

Failure to comply with applicable laws and regulations could result in penalties or costs that could adversely affect our results of operations

We operate in jurisdictions where there are stringent legal and compliance obligations including statutory, taxation, financial, employment and environmental regulation. For instance, we must comply with applicable international trade, export and import laws and regulations of the various countries in which we operate (including trade traffic regulations). We are thus subject to export controls and economic sanctions laws. We have incurred, and will continue to incur, capital and operating expenditures and other costs in the ordinary course of business in complying with such laws and regulations. A failure to comply with laws and regulations could lead to an increased risk of financial loss, reputational damage and potential management disruption.

Most specifically, we are subject to anti-bribery laws that generally prohibit bribes or unreasonable gifts to foreign governments or officials. We have implemented safeguards and policies to discourage these practices by our employees and agents. However, our existing safeguards and policies to assure compliance and any future improvements may prove to be less than effective and our employees or agents may engage in conduct for which we might be held responsible. If employees violate our policies, we may be subject to regulatory sanctions. Violations of these laws or regulations could result in sanctions, including fines, debarment from export privileges and penalties and could adversely affect our business, financial condition, prospects and/or results of operations.

We are subject to environmental and health and safety laws and regulations and are exposed to the risk of losses and reputational damage from safety incidents and accidents

We operate in production and processing environments where there is a risk of an environmental or other health and safety incident occurring, which may result in business interruption, unscheduled downtime, personal injury or loss of life, remediation or clean-up costs or obligations, or loss of essential supplies. We are subject to a broad range of laws, regulations and standards in each of the jurisdictions where we operate relating to pollution, the health and safety of employees, protection of the public, protection of the environment and the storage and handling of hazardous substances and waste materials. These regulations and standards are becoming increasingly stringent, and given the geographical spread of our business, there is a risk that one of our business units fails to meet local regulations. Moreover, our production, manufacturing and distribution operations are carried out under potentially hazardous conditions, and liabilities may arise as a result of accidents or other workforce related incidents, some of which may be beyond our control. Violations (either by us or any third party) of applicable laws, regulations and standards, in particular, provisions of environmental and health and safety laws, could result in restrictions on the operations of our facilities, damages, fines, loss of accreditations or other sanctions, increased costs of compliance as well as reputational damage, all of which could have a material adverse effect on our business, financial condition, prospects and/or results of operations.

Environmental and health and safety laws and regulations may also impose obligations to investigate and remediate, or pay for the investigation and remediation of, environmental pollution or contamination, or pay compensation to public and private parties for related damages. While we intend to comply with such obligations, there can be no assurance that remediation will not be required or that third party claims in respect of pollution or contamination will not arise in the future which could have a material adverse effect on the business, financial condition, prospects and/or results of operations. As an example, in order to comply with applicable environmental laws, regulations and standards, we have recently put in place a remediation plan to address issues related to existing historic contamination present at our manufacturing facility located in Cambridge, Ohio, which we acquired as part of the acquisition by IPL Inc. of Encore, which transaction was announced on November 4, 2016. As part of this acquisition, an amount was placed into escrow to address contamination issues, but such amount might be insufficient to cover all costs and liabilities associated with the contamination present at this site and the Company might not be able to fully recover all such costs and liabilities.

The standardized nature of certain of our products may result in downward pressure on pricing and consequently, lower earnings

Certain of our manufactured plastic packaging products, especially in our CPS business segment, cannot be substantially differentiated by manufacturer, and this standardization may lead to intensified price competition. This could in turn lead to a reduction in our market share as well as lower product prices, both of which could reduce earnings and have a material adverse effect on our business, financial condition, prospects and/or results of operations. In circumstances where we are unable to adjust our cost base or achieve economies of scale comparable to our competitors, pricing pressure could have a material adverse effect on our business, financial condition, prospects and/or results of operations and, in particular, on our margins, profitability and market share.

Our borrowings or inability to obtain appropriate funding could adversely affect our business

Our borrowings from time to time under our financial arrangements, and the terms thereof, may have adverse consequences for us, including: (i) as a consequence of the covenants to which we are subject under our debt agreements, limiting our flexibility in planning for, or reacting to, changes in our business and industry; (ii) placing us at a competitive disadvantage compared to our competitors with less indebtedness; (iii) increasing our financial expense and reducing our profitability; and (iv) limiting our ability to pay dividends. If any of these circumstances arise in the future, this could have a material adverse effect on our business, financial condition, prospects and/or results of operations. Moreover, we may not be able to achieve our strategic growth objectives where the required capital resources are not available to fund both our organic and inorganic growth strategy. In addition, non-compliance with financial covenants set out by the lenders in our financial agreements could lead to financial losses and result in such arrangements being no longer available, which in turn could have a material adverse impact on our business, financial condition, prospects and/or results of operations.

We are exposed to interest rate fluctuations

We have borrowings that are subject to variable interest rates and are therefore exposed to movements in interest rates. In addition, interest rate fluctuations will affect the return on our cash investment. Movements in interest rates could have a material adverse effect on any unhedged borrowing exposure or on the returns generated by our investments, either of which could have a material adverse effect on our business, financial condition, prospects and/or results of operations.

Failure in internal controls could adversely affect our business

We are responsible for establishing and maintaining adequate internal controls over financial reporting, which is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. As a result of inherent limitations, internal control over financial reporting may not prevent or detect misstatements and no evaluation of controls can provide absolute assurance that all control issues within our organization are detected. We do not expect that our disclosure controls and procedures and internal controls will prevent all errors, fraud, misappropriation of cash, bribery and other corrupt acts. Controls can be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. A failure to prevent or detect errors or misstatements may result in a decline in the Common Shares' price, harm our ability to raise capital or otherwise affect us.

Information technology interruptions or breaches could damage our reputation, harm our business and adversely affect our results of operations

From time to time, we may experience problems with the operation of our current information technology systems for a variety of reasons, including a lack of integration of these systems within all the jurisdictions in which we operate, which could adversely affect, or even temporarily disrupt, all or a portion of our operations until resolved. While we have implemented a number of measures to keep our technology systems fully operational and to mitigate the risks associated with a failure of our systems, our systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, cyber-attacks, security breaches, catastrophic events, such as fires, hurricanes and floods, acts of war or terrorism, and usage errors by our employees. As techniques which are used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a target, we may be unable to prevent these techniques occurring or furthermore, our preventative measures may be inadequate. A successful breach of the security of our information systems could lead to theft or misuse of our customers', employees', suppliers', shareholders' or business contacts' proprietary, confidential or personal data information and result in third party claims against us, reputational harm, regulatory fines or ransom demand. Moreover, if our information technology systems are damaged or cease to function properly, we may have to make a significant investment to fix or replace them and we may suffer interruptions or delays in our operations in the interim. Any material interruption in our technology systems could have a material adverse effect on our business, financial condition, prospects and/or results of operations. Finally, we are dependent on the technical knowledge and expertise of our highly qualified employees. If we are unable to retain our personnel, our business may be harmed, as we may not be successful in attracting new team members who possess specialized information technology knowledge and technical skills.

We may be involved in litigation

In the ordinary course of business, we have been, and may, from time to time, in the future be, involved in legal actions in connection with the activities we carry out. In addition to being a defendant, we may also act as a claimant or counterclaimant in certain actions, in seeking for example the recovery of monies owed, and there can be no assurance that any such claim brought by us would result in us recovering all or any of the monies claimed. Any litigation could have adverse financial consequences for us, and we may not have adequately reserved for the potential losses associated with litigation payments. Litigation also involves a diversion of management's time from the day-to-day running of the business. Any negative outcome of litigation in which we may be involved might also adversely affect our reputation, which could have a material adverse effect on our business, financial condition, prospects and/or results of operations.

We have potential indemnification obligations relating to divestments

Over time, we have disposed of a certain number of businesses. Pursuant to these agreements, we may be required to provide indemnification to the acquirers for damages resulting from a breach of any representation, warranty or covenant contained therein. The indemnification obligations under these agreements are subject to certain monetary and other limitations. To the extent that we are required to make any significant payments under these indemnification provisions, these payments could adversely impact our business, financial condition and results of operations.

We are exposed to counterparty credit risks

While we regularly review the financial solvency of potential commercial and financial counterparties, it is possible that certain of our customers, sub-contractors, suppliers, or financial institutions such as banks and insurance providers, may become insolvent or elect to default under their contracts. If a counterparty were to default on a payment obligation, we may be unable to collect the amounts owed, in which case some or all of such amounts would need to be written off. Furthermore, if a counterparty, such as a supplier or financial institution, becomes insolvent or is otherwise unable to meet its obligations, we will need to find a replacement to carry out that party's obligations, which may (but will not always) increase our costs to and, consequently, have a material adverse effect on our business, financial condition, prospects and/or results of operations. Selling to customers who do not ultimately pay is an expense that could adversely affect our net income. Moreover, any delay in payment may result in higher financing costs, which could also affect our financial performance.

Goodwill and other intangibles represent a significant amount of our net asset value, and a future write-off could result in lower reported net income and a reduction of our net asset value

As at December 31, 2018, the net value of our goodwill and other intangibles was $233.8 million, of which goodwill amounted to $169.1 million. We evaluate goodwill reflected on our statement of financial position when circumstances indicate a potential impairment, or at least annually, under the impairment testing guidelines outlined in IFRS. Future changes in the cost of capital, expected cash flows, or other factors may cause our goodwill to be impaired, resulting in a non-cash charge against results of operations to write off goodwill for the amount of impairment. If a future write-off is required, the charge could have an adverse effect on our reported results of operations and net asset value following any such write-off.

Tax matters and changes in tax legislation could adversely affect our profitability

We are subject to income taxes in North America, Europe and other foreign jurisdictions. Our effective income tax rate, payroll tax rate and related tax exposures in the future could be adversely affected as a result of a number of factors, including changes in the mix of earnings in countries with differing statutory tax rates and changes in the valuation of deferred tax assets and liabilities. We regularly assess these matters to determine the adequacy of our tax liability. If our assessments turn out to be incorrect, our business, financial condition, prospects and/or results of operations could be materially affected. We are susceptible to possible changes of law or to possible challenges from tax authorities under existing law. For example, the imposition of additional taxes or increases in the rate of corporate and other taxes or the removal of any tax incentives from which we currently benefit in any of the jurisdictions in which it operates, may increase our effective tax rate and have a material adverse effect on our profitability. Any such changes in tax legislation or our interpretation or any changes to accounting rules may have a material adverse effect on the amount of tax payable by us as regards past and future periods. Finally, adverse outcomes from tax audits that we may be subject to in any of the jurisdictions in which we operate could result in an unfavorable change in our effective tax rate, which in turn could adversely affect our business, financial condition, prospects and/or results of operations.

Future sales of our securities by existing shareholders or by us could cause the market price for our Common Shares to fall

Sales of a substantial number of Common Shares in the public market could occur at any time Although we are not aware of any such intent, such sales, or the market perception that the holders of a large number of Common Shares intend to sell their Common Shares, could significantly reduce the market price of the Common Shares. We cannot predict the effect, if any, that future public sales of Common Shares or the availability of Common Shares for sale will have on the market price of the Common Shares. If the market price of the Common Shares was to drop as a result, this might impede our ability to raise additional capital and might cause remaining shareholders to lose all or part of their investments.

Moreover, the intentions of CDPQ and FSTQ regarding their long-term economic ownership are subject to change. Factors that could cause CDPQ or FSTQ's intentions to change include our succession planning or changes in our management, changes in tax laws, market conditions and our financial performance.

Further, we cannot predict the size of future issuances of Common Shares or the effect, if any, that future issuances and sales of Common Shares will have on the market price of the Common Shares. The Company may issue additional Common Shares or Preferred Shares in the future, which may dilute a shareholder's holding in the Company. Such issuances, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Common Shares. The Company's articles permit the issuance of an unlimited number of Common Shares and an unlimited number of Preferred Shares and shareholders have no pre-emptive rights in connection with such further issuances. The directors of the Company have the discretion to determine if an issuance of Common Shares or Preferred Shares is warranted, the price at which such issuance is effected and the other terms of issuance. Also, the Company may issue additional Common Shares or Preferred Shares upon the exercise of options under the Company's omnibus incentive plan, which will result in further dilution to the shareholders.

CDPQ has significant influence with respect to matters put before the shareholders, which may have a negative impact on the trading price of the Common Shares

As at March 11, 2019, CDPQ owned 14,683,023 Common Shares, which represented approximately 27.3% of the issued and outstanding Common Shares. As a result, CDPQ has significant influence with respect to all matters submitted to our shareholders for approval, including without limitation the election and removal of directors, amendments to our articles of incorporation and by-laws and the approval of certain business combinations. This concentration of voting power may cause the market price of the Common Shares to decline, delay or prevent any acquisition or delay or discourage takeover attempts that shareholders may consider to be favorable, or make it more difficult for a third party to acquire control of our Company or effect a change in our Board and management. Any delay or prevention of a change of control transaction could deter potential acquirers or prevent the completion of a transaction in which our shareholders could receive a substantial premium over the then current market price for their Common Shares.

CDPQ also has certain rights under the Investor Rights Agreement to require us to file a prospectus covering its registrable securities or to include its registrable securities in prospectuses that we may file for ourselves or on behalf of other shareholders. See "Material Contracts — Investor Rights Agreement".

Finally, CDPQ's interests may not in all cases be aligned with interests of our other shareholders. CDPQ may have an interest in pursuing acquisitions, divestitures and other transactions that, in the judgment of its management, could enhance its equity investment, even though such transactions might involve risks for our shareholders and may ultimately affect the market price of the Common Shares.

IPL Plastics Inc. is a holding company with no operations of its own and, as such, it depends on its subsidiaries for cash to fund its operations and expenses, including future dividend payments, if any

IPLP is a holding company and a substantial portion of its assets consists in the shares of its direct and indirect subsidiaries. As a result, IPLP is subject to the risks attributable to its subsidiaries. As a holding company, IPLP conducts substantially all of its business through its subsidiaries, which generate substantially all of its revenues. Our principal source of cash flow consists of distributions from our operating subsidiaries. Therefore, our ability to fund and conduct our business, service our debt and pay dividends, if any, in the future will depend on the ability of our subsidiaries to generate sufficient cash flow to make upstream cash distributions to us. Our operating subsidiaries are separate legal entities, and although they are wholly-owned and controlled by us, they have no obligation to make any funds available to us, whether in the form of loans, dividends or otherwise. The ability of our subsidiaries to distribute cash to us will also be subject to, among other things, restrictions that may be contained in our subsidiaries agreements (as entered into from time to time), availability of sufficient funds in such subsidiary and applicable laws and regulatory restrictions. Claims of any creditors of our subsidiaries generally will have priority as to the assets of such subsidiaries over our claims and claims of our creditors and shareholders. To the extent the ability of our subsidiaries to distribute dividends or other payments to us is limited in any way, our ability to fund and conduct our business, service our debt and pay dividends, if any, could be harmed.

Because we have no current plans to pay dividends on our securities, for the near-term, investors may not receive any return on investment unless they sell their Common Shares for a price greater than that which they paid for it

We currently expect to retain all available funds and future earnings, if any, for use in the operation and growth of our business and do not anticipate paying any cash dividends in the near-term. Any future determination to pay dividends will be at the discretion of the Board, subject to compliance with applicable law and any contractual provisions, including under the Facilities and other agreements for indebtedness we may incur, that restrict or limit our ability to pay dividends, and will depend upon, among other factors, our results of operations, financial condition, earnings, capital requirements and other factors that the Board deems relevant. Investors seeking cash dividends in the near-term should not purchase Common Shares.

It may be difficult for investors to enforce within Canada any judgments obtained against the Company and to effect service of process against the Company's directors and officers who are not resident in Canada

A significant portion of the Company's subsidiaries and its assets are located outside of Canada. Accordingly, it may be difficult for investors to enforce within Canada any judgments obtained against the Company, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws or otherwise. Consequently, investors may be effectively prevented from pursuing remedies against the Company under Canadian securities laws.

The Company has subsidiaries incorporated in the U.S., the U.K. and other jurisdictions, and certain directors and officers reside outside of Canada and substantially all of the assets of these persons are located outside of Canada. It may not be possible for shareholders to effect service of process against the Company's directors and officers who are not resident in Canada. In the event a judgment is obtained in a Canadian court against one or more of the directors or officers for violations of Canadian securities laws, it may not be possible to enforce such judgment against those directors and officers not resident in Canada. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian securities law claims or otherwise in original actions instituted before foreign courts, which may refuse to hear a claim based on a violation of Canadian securities laws on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law.

Our By-laws provide that any derivative actions, actions relating to breach of fiduciary duties and other matters relating to our internal affairs are required to be litigated in Canada, which could limit your ability to obtain a favorable judicial forum for disputes with us

We adopted a forum selection by-law that provides that, unless we consent in writing to the selection of an alternative forum, the courts of the Province of Québec, Canada and appellate courts therefrom, will be the sole and exclusive forum for: (i) any derivative action or proceeding brought on behalf of the Company; (ii) any action asserting a claim for breach of a fiduciary duty owed by any director or officer of the Company to the Company; (iii) any action asserting a claim arising pursuant to any provision of the CBCA or the articles or by-laws of the Company (as either may be amended from time to time); or (iv) any action asserting a claim otherwise related to the relationships among the Company, its affiliates and their respective shareholders, directors and/or officers, but does not include claims related to the business carried on by the Company or such affiliates. Our forum selection by-law also provides that our shareholders are deemed to have consented to personal jurisdiction in the Province of Québec and to service of process on their counsel in any foreign action initiated in violation of our by-law. Therefore, it may not be possible for shareholders to litigate any action relating to the foregoing matters outside of the Province of Québec. Our forum selection by-law seeks to reduce litigation costs and increase outcome predictability by requiring derivative actions and other matters relating to our affairs to be litigated in a single forum. While forum selection clauses in corporate charters and by-laws are becoming more commonplace for public companies in the U.S. and have been upheld by courts in certain states, they are untested in Canada. It is possible that the validity of our forum selection by-law could be challenged and that a court could rule that such by-law is inapplicable or unenforceable. If a court were to find our forum selection by-law inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions and we may not obtain the benefits of limiting jurisdiction to the courts selected.

DIVIDENDS

The Company has not declared or paid any cash dividends on its securities in Fiscal 2016, Fiscal 2017 and Fiscal 2018, and does not currently anticipate paying any cash dividends on its securities, in the near term. The Company currently intends to reinvest its earnings to finance the growth of its business. The Company expects to pay a dividend in the future, however, any future determination to pay dividends on its securities will be at the discretion of the Board and will depend on, among other things, the Company's results of operations, current and anticipated cash requirement and surplus, financial condition, contractual restrictions and financing agreement covenants, solvency tests imposed by corporate laws and other factors that the Board may deem relevant. See "Risk Factors".

DESCRIPTION OF THE CAPITAL STRUCTURE

The following is a summary of the material attributes and characteristics of the Company's authorized share capital. This summary may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the Company's articles.

Authorized and Issued Share Capital

The Company's authorized share capital consists of (i) an unlimited number of Common Shares; and (ii) an unlimited number of preferred shares issuable in series. As at the close of business on March 11, 2019, 53,808,430 Common Shares and no Preferred Shares were issued and outstanding. The Company's Class B Common Shares are no longer available for issuance in accordance with the articles of the Company. See "General Development of the Business".

Common Shares

Holders of Common Shares are entitled to one vote in respect of each Common Share held at all meetings of holders of shares, other than meetings at which only the holders of another class or series of shares are entitled to vote separately as a class or series. The holders of the Common Shares will be entitled to receive any dividend declared by the Company in respect of the Common Shares, subject to the rights of the holders of classes of shares senior to the Common Shares. The holders of the Common Shares will be entitled to receive, subject to the rights of the holders of classes of shares senior to the Common Shares, the remaining property and assets of the Company available for distribution, after payment of liabilities, upon the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary. The Common Shares do not carry any pre-emptive, redemption, conversion, exchange or retraction rights, nor do they contain any purchase for cancellation or surrender provisions, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities and any other material restrictions, or provisions requiring a securityholder to contribute additional capital.

Preferred Shares

The Preferred Shares are issuable at any time and from time to time in one or more series. The Board is authorized to fix before issue the number of, the consideration per share of, the designation of, and the provisions attaching to, the Preferred Shares of each series. The Preferred Shares of each series will rank on parity with the Preferred Shares of every other series and will be entitled to preference over the Common Shares and any other shares ranking junior to the Preferred Shares with respect to payment of dividends and distribution of any property or assets in the event of the Company's liquidation, dissolution or winding-up, whether voluntary or involuntary. If any cumulative dividends (whether or not declared), non-cumulative dividends declared or amounts payable on a return of capital are not paid in full, the Preferred Shares of all series will participate rateably in accordance with the amounts that would be payable on such Preferred Shares if all such dividends were declared and paid in full or the sums that would be payable on such shares on the return of capital were paid in full, as the case may be. Except as required by the CBCA or in accordance with any voting rights that may from time to time be attached to any series of Preferred Shares by the Board, the holders of Preferred Shares will not be entitled to receive notice of, to attend or to vote at meetings of shareholders. The Preferred Shares do not carry any pre-emptive, redemption, conversion, exchange or retraction rights, nor do they contain any purchase for cancellation or surrender provisions, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities and any other material restrictions, or provisions requiring a securityholder to contribute additional capital.

Certain Important Provisions of the Company's By-laws

The following describes certain provisions of the Company's by-laws. The description of such provisions may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the Company's by-laws, as they may be amended from time to time.

<u>Advance Notice Procedures and Shareholder Proposals</u>

Under the CBCA, shareholders may make proposals for matters to be considered at shareholders' meetings. Such proposals must be sent to the Company in advance of any proposed meeting by delivering a timely written notice in proper form to its registered office in accordance with the requirements of the CBCA. The Company's by-laws provide that shareholders seeking to nominate candidates for election as directors of the Company must provide timely notice in writing. To be timely, such shareholder's notice must be received at the Company's registered office: (i) in the case of an annual meeting (including an annual and special meeting) of shareholders, not later than the close of business on the 30th day before the date of the annual meeting of shareholders; provided, however, that if the first public announcement made by the Company of the date of the annual meeting (each such date being the "**Notice Date**") is less than 50 days prior to the meeting date, notice by the shareholder may be given not later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the Board, not later than the close of business on the 15th day following the Notice Date; provided that in certain circumstances if notice-and-access is used for delivery of proxy related materials in respect of a meeting and the Notice Date in respect of the meeting is not less than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the date of the applicable meeting.

The Company's by-laws are designed to: (i) facilitate an orderly and efficient annual meeting or, where the need arises, special meeting, process; (ii) ensure that there is adequate notice of director nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation. As a whole, these provisions are intended to provide shareholders, directors and management with a clear framework for nominating directors. A failure to comply with the advance notice procedures in the Company's by-laws will disqualify a nominee.

Forum Selection

The Company's by-laws include a provision providing for a forum for adjudication of certain disputes whereby, unless the Company approves or consents in writing to the selection of an alternative forum, the courts of the Province of Québec and appellate courts therefrom shall be the sole and exclusive forum for: (i) any derivative action or proceeding brought on behalf of the Company; (ii) any action asserting a claim for breach of a fiduciary duty owed by any director or officer of the Company to the Company; (iii) any action asserting a claim arising pursuant to any provision of the CBCA or the articles or by-laws of the Company (as either may be amended from time to time); or (iv) any action asserting a claim otherwise related to the relationships among the Company, its affiliates and their respective shareholders, directors and/or officers, but does not include claims related to the business carried on by the Company or such affiliates. Any person or entity owning, purchasing or otherwise acquiring any interest, including without limitation any registered or beneficial ownership thereof, in the securities of the Company shall be deemed to have notice of and consented to the provisions of the by-laws.

MARKET FOR SECURITIES AND TRADING PRICE AND VOLUME

Trading Price and Volume

The Common Shares are listed and traded under the symbol "IPLP" on the TSX. The following table shows the monthly range of high and low prices per Common Share at the close of market (TSX), as well as monthly volumes and average daily volumes of the Common Shares traded on the TSX from June 28, 2018, being the date of closing of the IPO, to December 31, 2018, being the end of the Company's most recently completed fiscal year:

Month	Price per Common Share (C$) Monthly High	Price per Common Share (C$) Monthly Low	Common Shares Total Monthly Volume	Common Shares Average Daily Volume
June 2018	13.47	13.20	1,098,546	54,927
July 2018	13.50	13.20	838,079	39,909
August 2018	13.42	10.40	1,144,808	57,240
September 2018	13.22	12.12	355,785	17,789
October 2018	13.41	10.00	1,001,523	47,692
November 2018	11.07	8.06	2,263,194	113,160
December 2018	10.82	9.00	833,997	41,700

No other securities of the Company were listed for trading on any stock exchange.

Prior Sales

Since the IPO, other than issuances of options under the Company's omnibus incentive plan, the Company has not issued any securities which are not listed or quoted on a marketplace.

DIRECTORS AND OFFICERS OF THE COMPANY

Directors

The following table sets forth the names, ages, residence, positions and duration of service of the directors of the Company. The directors of the Company are elected by shareholders at each annual meeting of the Company's shareholders, and all directors hold office for a term expiring at the close of the next annual meeting or until their respective successors are elected or appointed and are eligible for re-election or re-appointment. The nominees for election by shareholders as directors are determined by the Corporate Governance and Nominating Committee in accordance with the provisions of applicable corporate law and the mandate of the Corporate Governance and Nominating Committee, and CDPQ is entitled to nominate two directors. See "Material Contracts — Investor Rights Agreement".

As a group, the directors and executive officers of the Company beneficially own, or control or direct, directly or indirectly, a total of 231,778 Common Shares, representing approximately 0.43% of all of the issued and outstanding Common Shares as at March 11, 2019.

Name and Province or State and Country of Residence	**Age**	**Director Since**	**Position / Title**	**Independent**	**Committees**	**Principal Occupation**
Pat Dalton........................ Dublin, Ireland	53	2012 (IPL Ltd)	Director, CFO	No	—	CFO
Rose Hynes..................... Limerick, Ireland	61	2012 (IPL Ltd)	Director	Yes	Corporate Governance and Nominating (Chair)	Corporate Director
Linda Kuga Pikulin........... Mississauga, Ontario	64	2018	Director	Yes	Corporate Governance and Nominating Human Resources and Remuneration	Corporate Director
David McAusland[(1)] .... Baie-D'Urfé, Québec	65	2018	Director, Chair of the Board	Yes	—	Partner, McCarthy Tétrault, LLP
Hugh McCutcheon........... Dublin, Ireland	65	2015 (IPL Ltd)	Director	Yes	Audit Human Resources and Remuneration (Chair)	Corporate Director and Independent Consultant
Geoff Meagher................. Kilkenny, Ireland	69	2013 (IPL Ltd)	Director	Yes	Audit	Corporate Director and Independent Consultant
Sharon Pel....................... Toronto, Ontario	62	2018	Director	Yes	Corporate Governance and Nominating	Chief Executive Officer, Inglewood Advisory Services
Mary Ritchie .... Edmonton, Alberta	62	2018	Director	Yes	Audit (Chair)	President and Chief Executive Officer, Richford Holdings Ltd.
Alain Tremblay[(1)].............. Québec, Canada	56	2018 (IPL Ltd))	Director	Yes	Human Resources and Remuneration	Investment Manager, Private Equity at CDPQ
Alan Walsh .... Co. Laois, Ireland	42	2009 (IPL Ltd)	Director, CEO	No	—	CEO

(1) Nominee of CDPQ. See "Material Contracts — Investor Rights Agreement".

Each of the directors, except for Sharon Pel, has held the occupation listed above for more than five years. Sharon Pel was Senior Vice President, Group Head of Legal and Business Affairs and Corporate Secretary of TMX Group Limited until 2015.

Officers

The following table sets forth, as of the date hereof, the names, residences, ages and positions of the officers of the Company as at March 15, 2019. Additional biographical information for each individual, other than Alan Walsh and Pat Dalton, is provided in the text following the table:

Name	Age	Current Office	Officer since
Alan Walsh	42	CEO	2009
Pat Dalton	53	CFO	2012
Denis Desaulniers	55	Chief Human Resources Officer	2018
Christian Marcoux	44	Chief Legal Officer	2019
PJ Browne	43	Head of Financial Assurance and Risk Management	2017
Conor Wall	49	Head of Environment, Health, Safety and Sustainability	2016

Mr. Alan Walsh and Mr. Pat Dalton have held a position with IPL similar to that listed above for more than five years. Mr. Denis Desaulniers was Vice President Human Resources for Québecor Inc. from 2016 to 2018 and was Vice President Human Resources and Communication (CHRO) for Colabor inc. from 2013 to 2016. Mr. Christian Marcoux was Vice-President, Legal Affairs and Secretary for Laurentian Bank of Canada from 2016 to 2018 and Senior Director, Mergers, acquisitions and financing and Corporate Secretariat at Québecor Inc. from 2006 to 2016. From 2008 to 2015, Mr. PJ Browne was Company Secretary and Head of Risk & Internal Audit at EcoSecurities Group plc, and from 2015 to 2017, Mr. Browne worked for CircleK Ireland (formerly Topaz Energy Group Limited) and ACTAVO Group Limited in a number of roles including Head of Internal Audit, Head of Shared Services and Head of Risk & Compliance. Prior to joining the Company, Mr. Conor Wall held the position of Senior Environmental Consultant at Golder Associates from 2002 to 2016.

Corporate Cease Trade Orders

No current director or executive officer of the Company is, as at the date of this Annual Information Form, or was within the ten years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including the Company) that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days.

Corporate Bankruptcies

No current director or executive officer of the Company has, within the ten years prior to the date of this Annual Information Form, been a director or executive officer of any company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or comprise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No current director or executive officer of the Company has, within the ten years prior to the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or comprise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

Shareholder Cease Trade Orders and Bankruptcies

No shareholder holding a sufficient number of securities to affect materially the control of the Company is, as at the date of this Annual Information Form, or has been within ten years before the date of this Annual Information Form, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No shareholder holding a sufficient number of securities to affect materially the control of the Company has, within the ten years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the shareholder.

Penalties or Sanctions

To the knowledge of the Company, none of the current directors or executive officers or shareholders of the Company holding a sufficient number of shares of the Company to materially affect the control of the Company has been subject to 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 has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

As at the date of this Annual Information Form, to the best of our knowledge, there are no known existing or potential conflicts of interest among us and our current directors, officers or other members of management as a result of their outside business interests, except that certain of our directors and officers also serve as directors or officers of other companies, and therefore it is possible that a conflict may arise between their duties to us and their duties as a director or officer of such other companies.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

IPLP may from time to time be involved in legal administrative and other proceedings of a nature considered normal to our business. We believe that none of the litigation in which we are currently involved, or have been involved since the beginning of the most recently completed financial year is, individually or in the aggregate, material to our combined financial condition or results of operations.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in this Annual Information Form, there are no material interests, direct or indirect, of any anticipated or current director or executive officer of the Company, any shareholder that beneficially owns, or controls or directs (directly or indirectly) more than 10% of any class or series of the Company's outstanding voting securities, or any associate or affiliate of any of the foregoing persons, in any transaction within the three years before the date hereof that has materially affected or is reasonably expected to materially affect the Company.

INDEPENDENT AUDITOR, TRANSFER AGENT AND REGISTRAR

The Company's current auditor is KPMG LLP, 600 de Maisonneuve Boulevard West, Suite 1500, Montréal, Québec, H3A 0A3, who reported on the 2018 consolidated financial statements.

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. at its principal office in Montréal.

MATERIAL CONTRACTS

The following are the only material contracts, other than those contracts entered into in the ordinary course of business, which the Company has entered into within the last financial year or before the last financial year, but which are still in effect and which are required to be filed with Canadian securities regulatory authorities in accordance with Section 12.2 of National Instrument 51-102 – *Continuous Disclosure Obligations*. Each of the summaries below describes certain material provisions of the relevant material contract and is subject to, and qualified in its entirety by reference to, the relevant material contract, a copy of which is available on SEDAR at www.sedar.com.

Share Purchase Agreement

The Company entered today into a Share Purchase Agreement to acquire Looman for an enterprise value of approximately $85.5 million (€75.0 million), subject to certain closing conditions. The closing of the acquisition is scheduled for the end of March 2019.

IPO Underwriting Agreement

In connection with its IPO, the Company entered into an underwriting agreement dated June 21, 2018 with BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., National Bank Financial Inc., J&E Davy, Goodbody Stockbrokers UC, Desjardins Securities Inc., GMP Securities L.P., HSBC Securities (Canada) Inc. and Laurentian Bank Securities Inc. (collectively, the "**Underwriters**") pursuant to which, among other things, the Company agreed to sell and the Underwriters agreed to purchase 13,200,000 Common Shares (or 15,180,000 Common Shares including the over-allotment option) at a price of $13.50 per Common Share. See "General Development of the Business".

Investor Rights Agreement

In connection with the IPO, the Company entered into an Investor Rights Agreement with CDPQ (the "**Investor Rights Agreement**"). The Investor Rights Agreement became effective upon closing of the IPO. The following is a summary of certain rights of CDPQ under the Investor Rights Agreement, which summary is not intended to be complete.

<u>Nomination Rights</u>

The Investor Rights Agreement provides that CDPQ will initially be entitled to nominate two of the Company's directors as part of the slate of director candidates proposed by the Company in its management proxy circular, and will continue to be entitled to nominate such number of directors for so long as it owns at least 20% of the Common Shares. Should CDPQ hold less than 20%, but at least 10%, of the Common Shares, CDPQ will be entitled to nominate one director of the slate of director candidates proposed by the Company.

The Investor Rights Agreement also provides that, should the Company grant additional nomination rights in the future to an investor other than CDPQ, the Company will have to cause such other investor to exercise all voting rights under its control to vote in favour of CDPQ's nominees; provided that such other investor may withhold from voting in favour of CDPQ's nominees.

Subject to compliance with applicable securities laws and the rules of the TSX, CDPQ will be entitled to nominate a member of each of the Audit Committee, the Corporate Governance and Nominating Committee and the Human Resources and Remuneration Committee, and quorum for the

Board and any committees (where a CDPQ's nominee is a member of such committee) must include at least one of CDPQ's nominees, upon their request.

Restrictive Covenants

Under the Investor Rights Agreement, the Company is subject to a number of restrictive covenants, including covenants limiting the ability of the Company to discontinue material operations of its Québec-based facilities, transfer a material part of its Québec-based assets or prejudice the maintenance within Québec of its head office or Centers for Innovation and Excellence. These restrictive covenants continue to apply until the occurrence of either (i) CDPQ ceasing to hold 10% of the Common Shares; or (ii) seven years following the completion of the IPO.

Preferential Subscription Right

For as long as CDPQ holds at least 10% of the Common Shares, CDPQ benefits from preferential subscription rights in any issuance by IPLP of new equity securities or securities exchangeable or convertible into equity securities.

Registration Rights

Under the Investor Rights Agreement, CDPQ benefits from demand registration rights for as long as it holds at least 10% of the Common Shares. Such rights enable CDPQ to require the Company to effect the registration and/or qualification for distribution of all or part of the Common Shares held by CDPQ, provided that any such demand results in an aggregate offering price of at least C$50 million, and are not exercised more than three times in any 12-month period.

CDPQ also benefits from piggy-back registration rights enabling it, for as long as its holds at least 10% of the Common Shares, to participate in any offering by IPLP of new equity securities or securities exchangeable or convertible into equity securities on a *pro rata* basis.

New Facilities Agreement

On April 17, 2018, IPL Ltd (as parent of a group of borrowers including IPL Ltd and certain of its subsidiaries) entered into a facilities agreement (the "**New Facilities Agreement**") which replaced its existing credit facilities with committed facilities of €400.0 million ($494.3 million) provided by way of a term loan facility in the aggregate amount equal to €110.0 million ($135.9 million) (the "**Term Facility**") and a revolving credit facility in the aggregate amount equal to €290.0 million ($358.4 million) (the "**Revolving Credit Facility**" and together with the Term Facility, the "**Facilities**"). The New Facilities Agreement contains an accordion feature allowing IPL Ltd to seek a maximum of two increases of the Revolving Credit Facility commitments in an aggregate maximum amount of €100.0 million ($123.9 million) at any time during the availability period for the Revolving Credit Facility.

The Facilities are available in euros, Pounds Sterling, U.S. dollars or Canadian dollars and subject to agreement with the lenders, some or all the Facilities will be available in one or more alternative currencies. Subject to the terms of the New Facilities Agreement, the Facilities are available for five years from the date of the New Facilities Agreement or, if all the lenders agree, following their receipt of an extension request from IPLP within one month of the first anniversary of the New Facilities Agreement and/or one month of the second anniversary of the New Facilities Agreement, six years or seven years, as the case may be.

Term Facility

The Term Facility matures on April 17, 2023, and as of December 31, 2018, a principal amount of $130.8 million was outstanding. Repayment of the Term Facility must be made in installments of €2.75 million ($3.2 million), the first of which will occur on October 17, 2019, being 18 months after the date of the New Facilities Agreement, with subsequent installments at three-month intervals thereafter. The balance must be repaid in full on April 17, 2023, subject to the right of IPLP to request two extension periods of one year each and the lender acceptance of any such request.

Revolving Credit Facility

The Revolving Credit Facility matures on April 17, 2023, subject to any extension period consented to by the lenders, and as of December 31, 2018, the Company had $129.5 million drawn under the Revolving Credit Facility. The outstanding balance under the Revolving Credit Facility must be repaid in full on April 17, 2023, subject to the right of IPLP to request two extension periods of one year each and the lender acceptance of any such request.

During Q3 2018, the Company used $104.7 million of the proceeds from the IPO to repay a portion of its U.S. dollar Revolving Credit Facility.

Senior Secured Facilities Amendment

On March 13, 2019, the Company signed a supplemental facilities agreement with its syndicate of banks to enable it to utilize the accordion feature contained in the New Facilities Agreement, thereby obtaining an increase of the Revolving Credit Facility in the amount of €90 million ($101.7 million). This was done in order to finance the acquisition of Loomans. The New Facilities Agreement permits the Company to seek one further increase of the Revolving Credit Facility under this accordion feature provided the combined increases sought do not exceed an aggregate amount of €100.0 million ($113.0 million) at any time during the availability period for the Revolving Credit Facility. As of March 11, 2019, the Company had drawn $128.7 million under the Revolving Credit Facility.

In accordance with the covenants contained in the New Facilities Agreement, the Company's Total Net Leverage ratio availability will increase to 4.50 to 1.00 for the two financial quarters ending immediately after the date of completion of the acquisition which are the periods ending June 30, 2019 and September 30, 2019, before falling to 4.00 to 1.00 for the two financial quarters ending immediately after these initial two quarters and falling further to 3.50 to 1.00 for each relevant period thereafter.

INTEREST OF EXPERTS

KPMG LLP, the external auditor of the Company, reported on the 2018 consolidated financial statements, which were filed with the securities regulatory authorities. KPMG LLP have confirmed that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

AUDIT COMMITTEE

Mandate of the Audit Committee

The Board has adopted a written mandate for the Audit Committee describing its principal duties and responsibilities as well as some of the policies and procedures that apply to the Audit Committee in discharging its duties and responsibilities. The Audit Committee's responsibilities include: (i) monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance prior to public disclosure of such information, as well as reviewing any significant financial reporting issues and judgments contained therein; (ii) monitoring and reviewing the effectiveness of the Company's internal audit function in the context of the Company's overall risk management systems; (iii) approving the appointment and removal of the Head of the Internal Audit Function; (iv) making recommendations to the Board, to be put to shareholders for approval at the annual shareholders meeting of the Company in relation to the appointment, re-appointment and/or removal of the Company's external auditor; (v) assessing annually the external auditor's independence and objectivity, taking into account relevant professional and regulatory requirements and the Company's relationship with the external auditor as a whole, including the provision of any non-audit services, by among other things, reviewing a written report from the external auditor in respect of its independence and consideration of applicable auditor independence standard and by at least once every five years, conducting a comprehensive review of the external auditor; (vi) developing, implementing, updating, and monitoring compliance with, a policy on the provision of non-audit services by the external auditor, taking into account any relevant ethical guidance on the matter and pre-approving all engagements for permitted non-audit services provided by the shareholders' auditor to the Company; (vii) overseeing and advising the Board on the current risk exposures of the Company and future risk strategy; and (viii) keeping under review the Company's overall risk assessment processes and methodology that inform the Board's decision making, ensuring both qualitative and quantitative metrics are used. The Audit Committee has direct communication channels with the CFO and the external auditors of the Company to discuss and review such issues as the Audit Committee may deem appropriate. The text of the Audit Committee's mandate is attached hereto as Appendix A.

Composition of the Audit Committee and Relevant Education and Experience of the Audit Committee Members

The Audit Committee must consist of at least three directors of the Company, all of whom are persons determined by the Company to be both independent directors and financially literate within the meaning of National Instrument 52-110 – *Audit Committees*. The Audit Committee is currently comprised of Mary Ritchie, Geoff Meagher and Hugh McCutcheon. Each of the Audit Committee members has an understanding of the accounting principles used to prepare the Company's financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting.

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

Mary Ritchie

Mary Ritchie is the President and Chief Executive Officer of Richford Holdings Ltd., an accounting and investment advisory services firm based in Edmonton, Alberta. She has over 30 years of experience in both the public, private and not-for-profit sectors and is a member of CPA Canada and a Fellow of CPA Alberta. Ms. Ritchie is a member of the board of directors and audit committees of EnWave Corporation, Alaris Royalty Corp. and Industrial Alliance Insurance and Financial Services Inc., and is also a member of RBC Global Asset Management's independent oversight committee. Ms. Ritchie holds a B.A. degree from the University of Western Ontario and a Bachelor of Commerce degree from the University of Alberta.

Hugh McCutcheon

Hugh McCutcheon is a corporate director. He has extensive capital markets experience and mergers and acquisitions advisory experience for public and private companies across a broad range of industries including manufacturing, financial services, construction, pharma, food, oil and gas, mining and government. He has a degree in Economics from Trinity College, Dublin. Mr. McCutcheon is a Chartered Accountant and was the head of corporate finance at J&E Davy, one of Ireland's leading providers of wealth management, asset management, capital markets and financial advisory services, until November 2011. He joined J&E Davy in 1989 from PricewaterhouseCoopers, where he qualified as a Chartered Accountant in 1979. Mr. McCutcheon is a senior independent director of Origin Enterprises plc. and an alternate director at the Irish Takeover Panel, and from December 2011 to July 2014, he was an independent non-executive director of Petroceltic International plc.

Geoff Meagher

Geoff Meagher is a Certified Public Accountant and worked with PricewaterhouseCoopers and Kilkenny Engineering Products, and served with Glanbia plc from 1992 to 2009, where he was Group Finance Director, and latterly Deputy Group Managing Director. Since 2009, Mr. Meagher is a corporate director and an independent consultant. He is currently Chair of Bórd na Mona and also serves on the board of directors of Enterprise Ireland, Bon Secours Health System Limited and SME Finance and Leasing Solutions Ltd.

Independent Auditor Fees

In Fiscal 2018 and Fiscal 2017, the Company was billed the following fees by its external auditor, KPMG:

($'000)	**Fiscal 2018**	**Fiscal 2017**
Audit Fees(1)	1,791	568
Tax Fees(2)	1,758	600
All Other Fees(3)	4	73
Total Fees Paid	3,553	1,241

Notes:

(1) Fees necessary to perform the annual audit or quarterly review of our consolidated financial statements along with fees in respect of the IPO and related matters, which amounted to $0.8 million in Fiscal 2018.

(2) Fees for tax compliance, tax advice and tax planning, for example in the context of internal reorganizations or acquisitions. In Fiscal 2018, the Company was billed significant fees in respect of the IPO and related matters.

(3) All other fees not included above.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information, including, without limitation, directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, will be contained in the Company's information circular for its annual meeting of shareholders.

Additional information is provided in the audited consolidated financial statements and management's discussion and analysis of the Company for Fiscal 2018.

GLOSSARY OF TERMS

"**Audit Committee**" means the audit committee of the Board, as further described under the heading "Audit Committee".

"**Board**" means the board of directors of the Company.

"**CBCA**" has the meaning ascribed thereto under "Corporate Structure — Incorporation and Office".

"**CDPQ**" means *Caisse de dépôt et placement du Québec*.

"**CEO**" means the chief executive officer of the Company.

"**CFO**" means the chief financial officer of the Company.

"**Class B Common Shares**" means the former class B common shares of the Company, which were all automatically converted into Common Shares on December 28, 2018.

"**Common Shares**" means the common shares of the Company, as described under "Description of the Capital Structure".

"**Company**", "**we**", "**us**", or "**our**" has the meaning ascribed thereto under "Explanatory Notes — Introductory Information".

"**Corporate Governance and Nominating Committee**" means the corporate governance and nominating committee of the Board.

"**CPS**" means the Company's consumer packaging solutions segment.

"**Encore**" means Encore Industries, Inc.

"**Facilities**" has the meaning ascribed thereto under "Material Contracts — New Facilities Agreement".

"**Fiscal 2016**" refers to the year ended December 31, 2016.

"**Fiscal 2017**" refers to the year ended December 31, 2017.

"**Fiscal 2018**" refers to the year ended December 31, 2018.

"**Fiscal 2020**" refers to the year ending December 31, 2020.

"**Fiscal 2022**" refers to the year ending December 31, 2022.

"**FSTQ**" means *Fonds de solidarité des travailleurs du Québec (F.T.Q.)*.

"**Group**" has the meaning ascribed thereto under "Explanatory Notes — Introductory Information".

"**Human Resources and Remuneration Committee**" means the human resources and remuneration committee of the Board.

"**IFRS**" means the International Financial Reporting Standards and their interpretations issued by the International Accounting Standards Board.

"**IML**" refers to in-mold labelling.

"**Investor Rights Agreement**" has the meaning ascribed thereto under "Material Contracts — Investor Rights Agreement".

"**IPL Ltd**" has the meaning ascribed thereto under "Corporate Structure — Incorporation and Office".

"**IPLP**" has the meaning ascribed thereto under "Explanatory Notes — Introductory Information".

"**IPLP Predecessor**" has the meaning ascribed thereto under "General Development of the Business".

"**IPO**" has the meaning ascribed thereto under "Corporate Structure — Incorporation and Office".

"**LF&E**" means the Company's large format packaging and environmental solutions segment.

"**Loomans**" has the meaning ascribed thereto under "General Development of the Business".

"**Macro**" means Macro Plastics, Inc.

"**New Facilities Agreement**" has the meaning ascribed thereto under "Material Contracts — New Facilities Agreement".

"**North America**" or "**North American**" refers to Canada and the United States.

"**Notice Date**" has the meaning ascribed thereto under "Description of the Capital Structure — Certain Important Provisions of the Company's By-laws — Advance Notice Procedures and Shareholder Proposals".

"**Preferred Shares**" means the preferred shares of the Company, as described under "Description of the Capital Structure".

"**Q2 2018**" means the quarter ended June 30, 2018.

"**Q3 2018**" means the quarter ended September 30, 2018.

"**Revolving Credit Facility**" has the meaning ascribed thereto under "Material Contracts — New Facilities Agreement".

"**RPS**" means the Company's returnable packaging solutions segment.

"**Scheme of Arrangement**" has the meaning ascribed thereto under "Corporate Structure — Incorporation and Office".

"**Term Facility**" has the meaning ascribed thereto under "Material Contracts — New Facilities Agreement".

"**TSX**" has the meaning ascribed thereto under "Corporate Structure — Incorporation and Office".

"**Underwriters**" has the meaning ascribed thereto under "Material Contracts — IPO Underwriting Agreement".

APPENDIX A

MANDATE OF THE AUDIT COMMITTEE OF IPL PLASTICS INC.

See attached.

IPL PLASTICS INC.

MANDATE OF THE AUDIT COMMITTEE

INTRODUCTION

The purpose of this mandate is to describe the principal duties and responsibilities of the audit committee (the "**Committee**") of the board of directors (the "**Board**") of IPL Plastics Inc. (the "**Company**"), as well as some of the policies and procedures that apply to the Committee in discharging its duties and responsibilities.

MEMBERSHIP

1. The Committee will be composed of three or more members of the Board.

2. Members of the Committee and the chairman of the Committee (the "**Committee Chairman**") shall be appointed by the Board, on the recommendation of the Corporate Governance and Nominating Committee.

3. Each member of the Committee shall (except to the extent permitted by National Instrument 52 110 – *Audit Committees*, as it may be amended from time to time ("**NI 52-110**")) be independent (as defined by NI 52-110), and free from any relationship that, in the view of the Board, could be reasonably expected to interfere with the exercise of his or her independent judgment as a member of the Committee.

4. All members of the Committee must (except to the extent permitted by NI 52-110) be financially literate (as defined by NI 52-110).

5. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the chairman of the Board or any other directors of the Company, the chief executive officer or chief financial officer of the Company, the Head of Risk or any representatives from the finance function or business units or functional heads, may be invited to attend all or part of any meeting as and when appropriate and necessary. The Committee will meet *in camera* without members of management in attendance for a portion of each meeting of the Committee.

6. The external auditor may be invited to attend meetings of the Committee on a regular basis.

7. The Board shall appoint the Committee Chairman. In the absence of the Committee Chairman at a given meeting, the remaining members of the Committee present at the meeting shall elect one of themselves to chair the meeting.

8. If a regular member of the Committee is unable or unwilling to act due to absence, illness or any other cause, the Committee Chairman may, after consultation with the chairman of the Board, appoint another independent director of the Company to serve as an alternate member. Such alternate member shall meet the requirements of this mandate and applicable laws.

9. The Board may remove a member of the Committee at any time and may fill any vacancy occurring on the Committee. A member of the Committee may resign at any time and a member will automatically cease to be a member upon ceasing to be a director of the Company.

SECRETARY

The secretary of the Company or his or her nominee shall act as the secretary of the Committee (the "**Secretary of the Committee**").

QUORUM

A majority of members will constitute a quorum for a meeting of the Committee. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee. Each member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. Powers of the Committee may also be exercised by written resolutions signed by all members.

FREQUENCY OF MEETINGS

The Committee shall meet not less than once in each quarter, and at appropriate times in the reporting and audit cycle or otherwise as required.

NOTICE OF MEETINGS

1. Meetings of the Committee shall be called by the Committee Chairman at the request of any of its members, the chief executive officer or chief financial officer of the Company or at the request of the external or internal auditors of the Company if they consider it necessary, which request shall set out in reasonable details the business proposed to be conducted at the meeting so requested.

2. Unless otherwise agreed, notice of each meeting confirming its venue, time and date, together with an agenda of items to be discussed at such meeting, shall be forwarded to each member of the Committee and any other person required to attend reasonably in advance of the meeting, together with supporting documents (if any). The Committee may require officers and employees of the Company to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.

3. The Committee may meet by telephone conference call or by any other means permitted by law or the Company's bylaws.

MINUTES OF MEETINGS

1. The Secretary of the Committee, or any other person acting in such capacity, and appointed by the Committee, shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.

2. The Secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

3. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so.

ANNUAL SHAREHOLDERS MEETING

The Committee Chairman should attend the annual shareholders meeting of the Company to answer shareholder questions on the activities and responsibilities of the Committee.

DUTIES

The Committee should carry out the following duties:

1. <u>Financial Reporting</u>

The Committee shall monitor the integrity of, review and recommend to the Board for approval the Company's audited financial statements (including the auditors' report thereon) and quarterly financing statements, in each case including annual and interim reports, preliminary results' announcements and any other formal announcement relating to the Company's financial performance (including management discussion and analysis and press releases) prior to the public disclosure of such information (with such documents to indicate whether such information has been reviewed by the Board), and review any significant financial reporting issues and judgments which they contain. The Committee shall also review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, management proxy circulars, material change disclosures of a financial nature and similar disclosure documents prior to the public disclosure of such information.

In particular, the Committee shall review and challenge where necessary:

1.1 the consistency of, and any changes to, accounting policies both on a year on year basis and across the Company and its subsidiaries and, with the Company's management and external auditor, any foreseeable repercussions of any new audit or accounting standard or new securities rules;

1.2 with the Company's management and external auditor, the methods used to account for significant financial reporting estimates and judgments (including the basis for the going concern assumption), alternative accounting treatments and assumptions made by management where different approaches are possible;

1.3 the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;

1.4 the clarity and completeness of the Company's public disclosure of financial information and the context in which statements are made; and

1.5 at least annually, the dividends policy and all payments of dividends, if any.

2. <u>Internal Controls and Risk Management Systems</u>

The Committee shall:

2.1 review the adequacy and effectiveness of the Company's financial and non-financial internal controls and risk management systems;

2.2 satisfy itself that management has established adequate procedures for the review of the Company's disclosure of financial information extracted or derived directly from the Company's financial statements;

2.3 review and evaluate whether management is implementing recommendations on a timely basis;

2.4 receive reports from management on the adequacy and effectiveness of the systems they have established and the conclusions of any testing carried out by internal and external auditors;

2.5 consider and make recommendations to the Board on the nature and extent of the significant risks the company is willing to take in achieving its' strategic objectives;

2.6 review and approve the statements to be included in the public disclosure of the Company concerning internal controls and risk management and ensure that such statements contain all required information of the Committee; and

2.7 review communication with the applicable Canadian security commission(s) or any other regulatory authority concerning the Company's financial statements and the continuous disclosure documents.

3. <u>Compliance, Whistleblowing and Fraud</u>

The Committee shall:

3.1 review the adequacy of the Company's arrangements for its employees to raise concerns on an anonymous basis about possible wrongdoing in financial reporting or other questionable matters and periodically reviewing the methods by which "whistleblowing" can take place;

3.2 review the Company's procedures for (i) fraud prevention and detection, (ii) assessing the risk of material misstatement of the financial statements and (iii) detecting control weakness;

3.3 review the Company's procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or questionable matters and ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action; and

3.4 review and approve the Company's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditor of the Company.

4. <u>Internal Audit</u>

The Committee shall:

4.1 review the process relative to the periodic certifications by the chief executive officer and chief financial officer of the Company in respect of financial disclosures, the existence of any significant deficiencies in the design or operation of internal controls which could adversely affect the ability to record, process, summarize and report financial data and any significant changes in internal controls or changes to the environment in which the internal controls operate, including corrections of material deficiencies and weaknesses;

4.2 monitor and review the effectiveness of the Company's internal audit function in the context of the Company's overall risk management system;

4.3 approve the appointment and removal of the Head of the Internal Audit Function;

4.4 consider and approve the remit of the Internal Audit Function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. The Committee shall also ensure the function has adequate standing and is free from management or other restrictions;

4.5 review and assess the annual internal audit plan;

4.6 review periodic reports addressed to the Committee from the internal auditor regarding internal audit findings, including with respect to the Company's internal controls and the Company's progress in remedying any material control deficiencies; and

4.7 meet the Head of the Internal Audit Function periodically and as required, without management being present, to discuss their remit and any issues arising from the internal audits carried out.

5. External Audit

The Committee shall:

5.1 consider and make recommendations to the Board, to be put to shareholders for approval at the annual shareholders meeting of the Company, in relation to the appointment, re-appointment and/or removal of the Company's external auditor. The Committee shall oversee the selection process for a new auditor (as applicable) and if the Company's external auditor resigns, the Committee shall investigate the issues leading to such resignation and decide whether any action is required;

5.2 oversee the relationship with and work of the external auditor including (but not limited to):

- establishing and maintaining a direct line of communication with the Company's external auditor, and ensuring the external auditor reports directly to the Committee on a regular basis;

- making recommendations on the external auditor's remuneration, whether fees for audit or non-audit services and whether the level of fees is appropriate to enable an adequate audit to be conducted;

- pre-approving all engagements for permitted non-audit services provided by the shareholders' auditor to the Company and any consolidated subsidiary;

- approving the terms of the external auditor's engagement, including any engagement letter issued at the start of each audit and the fees, scope and timing of the audit;

- assessing annually the external auditor's independence and objectivity taking into account relevant professional and regulatory requirements and the Company's relationship with the external auditor as a whole, including the provision of any non-audit services by, among other things, reviewing a written report from the external auditor in respect of its independence and consideration of applicable auditor independence standards; and, at least once every five years, conducting a comprehensive review of the external auditor;

- monitoring the external auditor's compliance with relevant ethical and professional guidance;

- assessing annually the qualifications, expertise and resources of the external auditor and the effectiveness of the audit process, which shall include a report from the external auditor on its own internal quality procedures; and

- seeking to ensure coordination with the activities of the internal audit function;

5.3 meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditor at least once a year, without management being present, to discuss the auditor's remit and any issues arising from the audit;

5.4 review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement;

5.5 review the findings of the audit with the external auditor; and

5.6 develop, implement, update and monitor compliance with a policy on the supply of non-audit services by the external auditor, taking into account any relevant ethical guidance on the matter.

6. Risk

The Committee shall:

6.1 oversee and advise the Board on the current risk exposures of the Company and future risk strategy;

6.2 keep under review the Company's overall risk assessment processes and methodology that inform the Board's decision making, ensuring both qualitative and quantitative metrics are used;

6.3 review regularly and approve the parameters used in these measures and the methodology adopted; and

6.4 approval of the overall levels of insurance for the Company and its subsidiaries, including directors' & officers' liability insurance and indemnification of directors.

7. Reporting Responsibilities

7.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

7.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

8. Other Matters

The Committee shall:

8.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance, as required;

8.2 be provided with appropriate and timely training, both in the form of an induction program for new members and on an ongoing basis for all members;

8.3 oversee any investigation of activities which are within the scope of its mandate;

8.4 review the major findings of any internal investigations / regulatory examinations and responses and consider the implications of such for internal procedures / controls within the Company;

8.5 arrange for periodic reviews of its own performance and review its constitution and its mandate to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for consideration and approval; and

8.6 perform such other duties as may be assigned to it by the Board from time to time or as may be required by applicable regulatory authorities or legislation.

9. <u>Authority</u>

The Committee is authorized:

9.1 to seek any information it requires from any officer or employee of the Company in order to perform its duties;

9.2 to obtain, at the Company's expense, independent outside legal or other professional advice on any matter within its terms of reference and such adviser may attend meetings of the Committee as required;

9.3 to call any employee to be questioned at a meeting of the Committee as and when required; and

9.4 to have the right to publish in the Company's public disclosure details of any issues that cannot be resolved between the Committee and the Board.

LIMITATIONS ON COMMITTEE'S DUTIES

Nothing contained in this mandate is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or the members of the Committee. Even though the Committee has a specific mandate, it does not have the obligation to act as auditors or to perform audits, or to determine that the Company's financial statements are complete and accurate.

Member of the Committee are entitled to rely, absent knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, and (iii) representations made by management as to the non-audit services provided to the Company by the external auditor. The Committee's oversight responsibilities are not established to provide an independent basis to determine that (i) management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures, or (ii) the Company's financial statements have been prepared in accordance with generally accepted accounting principles and, if applicable, audited in accordance with generally accepted accounting standards.

Dated: May 3, 2018
Approved by: Committee
Board