EXHIBIT 99(C)(3)  
   
 MEMORANDUM OF AGREEMENT made as of the 16th day of June, 1997.  
  
  
B E T W E E N:  
  
 XXXXXXXX XXXXXXXX,  
 of the City of Los Angeles,  
 in the State of California,  
  
 (hereinafter called the "Executive"),  
  
 OF THE FIRST PART,  
 - and -  
  
 CCL INDUSTRIES INC.,  
 a corporation continued under the  
 laws of Canada,  
  
 (hereinafter called "CCL")  
  
 OF THE SECOND PART,  
  
 - and -  
  
  
 SEDA SPECIALTY PACKAGING CORP.,  
 a corporation reincorporated under the  
 laws of Delaware,  
  
 (hereinafter called the "Corporation")  
  
 OF THE THIRD PART.  
  
  
 WHEREAS:  
  
1. The Executive is the Chairman, President and Chief Executive Officer of  
the Corporation.  
  
2. Pursuant to an Agreement and Plan of Merger and Reorganization dated the  
date hereof, Seawolf Acquisition Corporation, a wholly-owned indirect subsidiary  
of CCL ("Seawolf"), has agreed to make, and CCL has agreed to cause Seawolf to  
make, as soon as reasonably practicable but on or before June 23, 1997, a tender  
offer in accordance with applicable laws in the United States of America (the  
"Offer") for all of the outstanding shares of common stock (the "Common Shares")  
of the Corporation and thereafter on successful completion of the Offer,  
Seawolf will merge with and into the Corporation (the "Merger"), with the  
Corporation being the corporation surviving the Merger.  
  
  
   
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3. Pursuant to a Lock-Up Agreement (the "Lock-Up Agreement") dated June 16th,  
1997 with CCL and Seawolf, the Executive, amongst others, has agreed, subject to  
certain conditions, to tender 535,620 Common Shares into the Offer, vote his  
517,713 remaining common shares (the "Remaining Shares") in favour of the Merger  
and accept on the Merger for Remaining Shares the consideration described in the  
Lock-Up Agreement, and has granted Seawolf the option to acquire, in the  
circumstances specified in the Lock-Up Agreement, the Remaining Shares for the  
consideration specified therein.  
  
4. The value of the consideration paid or payable by Seawolf to the Executive  
for the Common Shares of the Corporation to be acquired by Seawolf and the  
Corporation pursuant to the Offer, the Option and the Merger will be at least  
$27.67 million.  
  
5. Under the Executive's control, direction, guidance and supervision the  
Corporation has carried on the businesses of developing, manufacturing and  
marketing specialty plastic packaging products to the personal care and  
cosmetics, food and beverage, household and industrial chemical, and  
pharmaceutical industries (the "Business") and has sold such products throughout  
the United States and in Canada and Mexico from plants located in California and  
New York.  
  
6. The Executive, in the course of carrying out his responsibilities to the  
Corporation in the past and hereafter, has had and will continue to have  
fiduciary responsibilities to the Corporation and has had and will continue to  
have access to and has been and will continue to be entrusted with the  
confidential and proprietary information and trade secrets of the Corporation  
including, without limitation, information not previously disclosed to the  
public regarding the names, addresses, terms of contracts and other arrangements  
with customers, suppliers, agents and employees of the Corporation; revenues,  
expenses, costs, xxxx-ups, profit margins and other financial and budgeting  
information; marketing and distribution plans and practices; manufacturing  
processes, formulae, methods and facilities; research and development; manuals;  
confidential reports; business plans, opportunities and projects; product  
information including information entrusted to the Corporation by its customers  
in confidence; and other information not generally known regarding the business,  
affairs and plans of the Corporation (herein "Confidential Information"), the  
unauthorized use or disclosure of which would be detrimental to the Corporation  
and the Business and would reasonably be anticipated to materially impair the  
value of the Corporation and the Business.  
  
   
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7. The Executive has been and will be the principal representative of the  
Corporation to customers and suppliers of the Business and has been and will be  
responsible for maintaining those relations and the Corporation's goodwill and  
has been and will be primarily responsible for the Corporation's business  
success and profitability.  
  
8. The right to maintain the Confidential Information and to preserve the  
Corporation's goodwill constitute proprietary rights that the Corporation is  
entitled to protect; failure to do so would result in irreparable harm to the  
Corporation which could not be compensated for by monetary damages alone.  
  
9. The entering into of this Agreement by the Executive is a fundamental and  
material inducement to Seawolf making the Offer and completing the Merger and to  
CCL in causing Seawolf to make the Offer.  
  
10. The Executive and the Corporation wish to record the terms upon which the  
Executive will continue to be employed by the Corporation.  
  
11. CCL has agreed to be party to this Agreement for the purpose of granting  
stock options to the Executive pursuant to section 3.5 of this Agreement and  
purchasing or causing to be purchased key-man insurance pursuant to section 1.5.  
  
 NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the  
covenants and agreements herein contained, the payments and inducements provided  
by the Corporation to the Executive and for other good and valuable  
consideration it is hereby agreed as follows:  
  
1.0 EMPLOYMENT  
  
1.1 POSITION - The Executive shall hold the position of President of the  
Corporation, and shall carry out such duties and functions, on behalf of the  
Corporation and its subsidiaries and affiliates, as from time to time are vested  
in him by the by-laws of the Corporation or assigned to him by the Board of  
Directors of the Corporation (the "Board") consistent with the Executive's prior  
responsibilities (but recognizing that the Corporation will upon completion of  
the Merger cease to be a "public company") and consistent with the position of  
President, including, without limiting the generality of the foregoing,  
supervising the day to day business and affairs of the Corporation and its  
subsidiaries and affiliates. The Board shall, with due consultation with   
  
   
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the Executive, develop an annual business plan, and once adopted by the Board,  
the plan shall be implemented by the Executive. Any material change in such plan  
or the implementation thereof shall require the approval of the Board. The  
Executive shall generally report to Xxxx Xxxxxx, President of the Container  
Division of CCL and shall also report to and be under the control and direction  
of the Board. The Executive shall be located in and report from Los Angeles and  
shall not be required to relocate from Los Angeles without his consent. The  
Executive acknowledges that it is contemplated that the business carried on by  
CCL and its subsidiaries and affiliates will be reorganized at an appropriate  
time during the Term to create the CCL Specialty Packaging group and upon such  
reorganization the Executive will have the responsibility for the day-to-day  
operations of the plastic packaging division of CCL Specialty Packaging group,  
reporting to the head of the CCL Specialty Packaging group on the terms set out  
in this Agreement.  
  
1.2 TIME TO BE DEVOTED - The Executive shall devote his full working time and  
attention to carrying out his duties and responsibilities hereunder and shall  
report to and be subject to the control and direction of the Board.  
  
1.3 EMPLOYMENT OBLIGATIONS - During the continuance of his employment  
hereunder, the Executive shall well and faithfully serve the Corporation and its  
subsidiaries and affiliates (including, without limiting the generality of the  
foregoing, by submitting to the Corporation all reports and other communications  
whenever the same may be reasonably required by the Board) and shall use his  
best efforts to promote the interests of the Corporation and its subsidiaries  
and affiliates.  
  
1.4 ACTIVE EMPLOYMENT - For the purposes hereof, "Active Employment" means the  
employment of the Executive by the Corporation hereunder prior to the giving of  
any notice of termination pursuant to subsection 2.2(b), subsection 2.2(c) or  
subsection 2.2(d).  
  
1.5 KEY-MAN INSURANCE - CCL, or any affiliate thereof, other than the  
Corporation, shall have the right to obtain for its benefit such amount of life  
insurance on the life of the Executive as CCL, or such affiliate, may in its  
sole discretion determine, and the Executive shall, if requested by the Board,  
make all reasonable efforts to assist CCL, or such affiliate, to obtain such  
insurance, including submitting to a medical examination of the kind typically  
required in similar circumstances.  
  
   
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2.0 TERM AND TERMINATION  
  
2.1 TERM - This Agreement, and the employment of the Executive by the  
Corporation hereunder, shall commence on the day on which the Offer is completed  
in accordance with the terms thereof and shall continue in full force and effect  
for a term of three (3) years (the "Term"), unless terminated in accordance with  
section 2.2. Until the commencement of the Term, the employment of the  
Executive by the Corporation shall continue in accordance with the terms of his  
existing employment agreement with the Corporation, which terms are summarized  
in Schedule A hereto. If the Executive meets the conditions for earning the  
bonus or benefits provided for in his existing employment agreement, the  
Executive shall be entitled to a pro-rated portion of such bonus or benefits,  
based on the portion of the fiscal year ending December 31, 1997 in respect of  
which the Executive was employed pursuant to his existing employment agreement.  
With respect to that portion of the 1997 fiscal year ending December 31, 1997 in  
respect of which the Executive is employed pursuant to this Agreement, the  
Executive shall be entitled to a pro-rated portion of the performance bonus  
provided for in section 3.4 hereof. Any bonus or benefits accrued and payable  
pursuant to the foregoing shall be payable within 60 days of the applicable  
year-end. The parties agree that they shall, not less than six (6) months prior  
to the end of the Term, enter into good faith negotiations with respect to the  
continued employment of the Executive by the Corporation, provided that the  
Executive shall have no obligation to accept any offer of employment by the  
Corporation.  
  
2.2 TERMINATION BY THE CORPORATION OR THE EXECUTIVE - During the Term of this  
Agreement, the employment of the Executive may be terminated in the following  
manner:  
  
 (a) by the Corporation, at any time, including during any Notice Period  
 (as hereinafter defined), by notice in writing from the Corporation to  
 the Executive for cause, which, for the purposes of this Agreement,  
 shall be deemed to occur upon (A) the willful failure by the Executive  
 to substantially perform his duties with the Corporation, other than  
 any such failure resulting from Disability (as hereafter defined) or  
 as a result of the termination of the employment of the Executive  
 pursuant to subsection 2.2(d), or (B) the willful engaging by the  
 Executive in gross misconduct materially injurious to the Corporation  
 or the commission of a criminal act which is materially injurious to  
 the Corporation or materially affects the Executive's ability to  
 perform his duties under this Agreement. For the purposes of this  
 paragraph, no act, or failure to act, on the Executive's part shall be  
 considered "willful" unless done, or omitted to be done,   
  
   
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 by the Executive not in good faith and without reasonable belief that  
 the Executive's action or omission was in the best interest of the  
 Corporation. Notwithstanding the foregoing, the Executive shall not be  
 deemed to have been terminated for cause unless and until there shall  
 have been delivered to the Executive a copy of a notice from the  
 Chairman of the Board after reasonable notice to the Executive and an  
 opportunity for the Executive, together with the Executive's counsel,  
 to be heard before the Chairman, finding that in the good faith  
 opinion of such executive the Executive was guilty of conduct set  
 forth above in clauses (A) or (B) of the first sentence of this  
 paragraph and specifying the particulars thereof in detail;  
  
 (b) by the Corporation, at any time, other than pursuant to subsection  
 2.2(a) or subsection 2.2(c), by prior written notice equal to the  
 period of time commencing on the date notice of termination of  
 employment is given, and ending the last day of the Term, less the  
 number of weeks of termination pay to which the Executive shall be  
 entitled pursuant to any applicable employment legislation as at the  
 effective date of termination (the "Notice Period");  
  
 (c) by the Corporation, if the Executive shall by reason of illness or  
 mental or physical disability or incapacity ("Disability") fail for  
 any six (6) consecutive calendar months, or nine (9) months in  
 aggregate (and not necessarily consecutive) in any two (2) year  
 period, to perform his duties hereunder; or  
  
 (d) by the Executive, for "Good Reason", which shall mean, without the  
 express written consent of the Executive, the occurrence of any of the  
 following events unless such events are corrected in all material  
 respects within 30 days following written notification by the  
 Executive to the Corporation that he intends to terminate his  
 employment hereunder for one of the reasons set forth below:  
  
 (i) any material alteration, reduction or diminution in the  
 duties, responsibilities and status of the Executive's  
 position as described in section 1.1 having regard to the  
 recognitions and acknowledgments of the Executive contained  
 therein;  
  
   
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 (ii) the Corporation's requiring the Executive to be based  
 anywhere other than at the Corporation's headquarters, or  
 anywhere outside of Los Angeles County, California;  
  
 (iii) a material breach by the Corporation of any provision of  
 this Agreement; or  
  
 (iv) the occurrence of a "Change of Control";  
  
A "Change of Control" shall have occurred if, and only if, (w) a person, or  
persons acting jointly and in concert pursuant to an agreement among them,  
(other than one or more members of Xxxxxx X. Xxxx'x family), holds more than 50%  
of the voting shares of CCL and, as a result, holds the right to elect a  
majority of the members of the Board of Directors of CCL or (x) any merger or  
consolidation of the Corporation with, or sale of all or substantially all of  
the Corporation's assets or business to, another person (other than CCL or any  
affiliate of CCL) or any similar transaction or combination of the foregoing  
which would have substantially the same effect as any of the foregoing; or (y)  
there is a sale of ownership of fifty percent (50%) or more of the voting  
securities of the Corporation to another person, other than to CCL or an  
affiliate thereof. If a Change of Control occurs the Executive shall have the  
right, exercisable no earlier than three (3) months, but no later than four (4)  
months, following a Change of Control, to give notice pursuant to subsection  
2.2(d), and for a period of one (1) month after the giving of such notice the  
Executive shall use his reasonable best efforts to assist the Corporation in  
making an orderly transition to new management, whereupon his Active Employment  
shall cease and the provisions of section 2.4 shall apply.  
  
2.3 EFFECT OF TERMINATION FOR CAUSE PURSUANT TO SUBSECTION 2.2 (A) OR UPON  
RESIGNATION NOT FOR GOOD REASON - Upon any notice being given pursuant to  
subsection 2.2(a) or upon the resignation of the Executive otherwise than for  
Good Reason, subject to section 8.4, this Agreement and the employment of the  
Executive hereunder shall be wholly terminated, and the Executive, his heirs and  
representatives, shall have no claim against the Corporation for damages or  
otherwise except in respect of payment of the remuneration provided for in  
section 3.1 to the effective date of such termination or resignation.  
  
2.4 EFFECT OF TERMINATION PURSUANT TO SUBSECTION 2.2(B) OR SUBSECTION 2.2(D) -  
Upon any notice being given pursuant to subsection 2.2(b) or subsection 2.2(d),  
but subject to the provisions thereof including clause 2.2(d)(iv), effective as  
of the commencement of the Notice Period, the Executive shall be relieved from  
Active Employment, and this Agreement shall not be subject to renewal or  
extension, and this Agreement shall, subject to section 8.4, expire at the   
  
   
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end of the Notice Period, whereupon the employment of the Executive hereunder  
shall be wholly at an end, and the Executive, his heirs and representatives,  
shall have no claim against the Corporation for damages or otherwise, except in  
respect of:  
  
 (a) payment of the Termination Salary and Termination Bonuses (as defined  
 in section 4.1) pursuant to section 4.1;  
  
 (b) entitlement to the Termination Benefits (as defined in section 4.2)  
 pursuant to section 4.2;  
  
 (c) entitlement to the Incentive Options (as defined in subsection  
 3.5(b)), if earned pursuant to subsection 3.5(b), in respect only of  
 the fiscal year in which notice of termination is given; and  
  
 (d) payment of any lump sum payment required to be made by the Corporation  
 to the Executive at the end of the Notice Period pursuant to any  
 applicable employment legislation.  
  
2.5 EFFECT OF TERMINATION PURSUANT TO SUBSECTION 2.2(C) - Upon any notice being  
given pursuant to subsection 2.2(c), effective as of the commencement of the  
Notice Period, the Executive shall be relieved from Active Employment, and this  
Agreement shall not be subject to any renewal or extension, but shall, subject  
to section 8.4, expire at the end of the Notice Period, whereupon the employment  
of the Executive hereunder shall be wholly at an end, and the Executive, his  
heirs and representatives shall have no claim against the Corporation for  
damages or otherwise, except in respect of:  
  
 (a) payment of the Termination Salary, subject to the deductions provided  
 for in section 2.7;  
  
 (b) entitlement to the Termination Bonuses (as defined in section 4.1) on  
 the same basis as the Executive would have been entitled thereto had  
 notice of termination been given pursuant to subsection 2.2 (b) or  
 subsection 2.2(d);  
  
 (c) entitlement to the Incentive Options (as defined in subsection 3.5(b))  
 on the same basis as the Executive would have been entitled thereto  
 had notice of termination been given pursuant to subsection 2.2(b) or  
 subsection 2.2(d);  
  
   
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 (d) entitlement to the Termination Benefits (as defined in section 4.2) on  
 the same basis as the Executive would have been entitled thereto had  
 notice of termination been given pursuant to subsection 2.2(b) or  
 subsection 2.2(d); and  
  
 (e) payment of any lump sum payment required to be made by the Corporation  
 to the Executive at the end of the Notice Period pursuant to any  
 applicable employment legislation.  
  
2.6 TERMINATION OF OBLIGATIONS OF THE CORPORATION - For greater certainty,  
notwithstanding anything to the contrary contained herein, the Executive hereby  
expressly acknowledges and agrees that each and every obligation of the  
Corporation contained in this Agreement including, without limitation, the  
Corporation's obligations to make any payments in the nature of salary or  
bonuses, and to provide any benefits shall, unless otherwise expressly provided  
herein, expire effective as of the last day of the Term; provided that the  
foregoing shall not affect the Corporation's obligation to pay all amounts owing  
to the Executive in respect of periods prior to the last day of the Term or the  
Notice Period, as the case may be or pursuant to any plan, policy or other  
agreement with the Corporation.  
  
2.7 DEDUCTION OF AMOUNTS TO WHICH EXECUTIVE BECOMES ENTITLED AS A RESULT OF  
DISABILITY - For greater certainty, notwithstanding anything to the contrary  
contained herein, the Executive shall, and shall be required to account to the  
Corporation and the Corporation shall be entitled to withhold from any and all  
payments made by the Corporation to the Executive during a Notice Period  
relating to a termination pursuant to subsection 2.2(c), an amount equal to all  
amounts to which the Executive becomes entitled as a result of or in connection  
with his Disability from or under any disability plans maintained by the  
Corporation.  
  
  
3.0 REMUNERATION AND BENEFITS  
  
3.1 REMUNERATION - During the Executive's Active Employment hereunder, the  
salary payable to the Executive for his services hereunder shall be two hundred  
and fifty thousand dollars ($250,000) per annum, payable in equal monthly  
installments in arrears on the last business day of the month, the first of such  
payments to be due the last business day of the month following the month in  
which the Offer is completed in accordance with its terms. If the first month  
is a part month such equal monthly instalment will be appropriately pro-rated.  
There shall   
  
   
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be deducted from all such payments all required deductions for income tax and  
other withholdings. On or about each anniversary date of the Executive's Active  
Employment hereunder, the Executive's salary will be reviewed in accordance with  
the policies of the Corporation, but shall not be reduced.  
  
3.2 BENEFITS - During the Term the Executive shall be entitled to the benefits  
described in Schedule A hereto (the "Benefits").  
  
3.3 RETENTION BONUS AND NON-COMPETITION PAYMENTS  
  
 (a) Provided that, and as long as, the Executive is not in default or  
 breach of any of his obligations pursuant to sections 5.3, 5.4 and  
 5.6, and no notice of termination of employment has been given to the  
 Executive by the Corporation under, or on a basis set forth in,  
 subsection 2.2(a) hereof, on the last business day of each of the  
 calendar years 1997, 1998 and 1999 if the Executive is in compliance  
 with his obligations pursuant to sections 5.3, 5.4 and 5.6 prior to  
 and up to the time of payment, the Corporation shall pay to the  
 Executive in equal monthly instalments, in arrears, less all required  
 withholdings, additional compensation in the form of a retention and  
 non-competition payment (the "R&N Payment") at the rate of two hundred  
 thousand dollars ($200,000) per annum.  
  
 (b) Should the Executive die while still employed by the Corporation prior  
 to all of the R&N Payments having been made to the Executive in  
 accordance with subsection (a) of this section 3.3 and without any  
 notice of termination of employment having been given to the Executive  
 by the Corporation under, or on a basis set forth in, subsection  
 2.2(a) hereof, the Corporation shall instead pay to the estate of the  
 Executive within six (6) weeks of receipt of proof of death an amount  
 equal to the aggregate of all such unpaid R&N Payments.  
  
3.4 PERFORMANCE BONUS - Provided that the Executive is still employed by the  
Corporation (and provided such employment is Active Employment) on the last  
business day of each of the calendar years 1997, 1998 and 1999 (the "payment  
dates") and no notice of termination of employment has been given to the  
Executive by the Corporation under subsection 2.2 (a) hereof on or before a  
particular payment date, the Corporation shall pay to the Executive additional  
compensation in the form of a performance bonus (the "Performance Bonuses"),  
based on the increase of EBITDA (as such term is defined in Schedule B hereto)  
of the Corporation over the   
  
   
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immediately proceeding fiscal year, commencing with the fiscal year ending  
December 31, 1997 and ending with the fiscal year ending December 31, 1999, in  
the following amounts:  
  
  
  
 EBITDA GROWTH OVER Bonus Amount  
 Prior Fiscal Year  
   
   
 15% 50% of Salary Amount  
  
 20% 100% of Salary Amount  
  
 21% or more 100% of Salary Amount plus 10% of Salary  
 Amount for each whole percentage point of  
 EBITDA above 20%  
  
 15-20% 50% of Salary Amount plus 10% of Salary  
 Amount for each whole percentage point of  
 EBITDA above 15%  
  
  
The parties acknowledge that EBITDA of $20 million in respect of the fiscal year  
ending December 31, 1997 represents growth of 20% over the prior fiscal year and  
will, subject to the other terms of this section 3.4, entitle the Executive to a  
Performance Bonus equal to 100% of the Salary Amount. For the purposes of this  
section 3.4, "Salary Amount" means the remuneration paid to the Executive in  
respect of the fiscal year then ended pursuant to section 3.1. Performance  
Bonuses, if earned, shall be payable within 60 days of the applicable payment  
date. Notwithstanding anything else in this section 3.4, the Performance Bonus,  
if any, payable to the Executive in respect of the fiscal year ending December  
31, 1997, shall be pro-rated in accordance with section 2.1 hereof.  
  
3.5 OPTIONS  
  
 (a) During the Executive's employment hereunder, the Executive shall be  
 entitled to participate in CCL's Stock Option Plan on the same terms  
 and conditions (and on a comparable basis) as such plan is made  
 available to other senior executive officers of CCL, and shall be  
 entitled to such benefits thereunder as the compensation committee of  
 CCL, subject to the approval of the Board of Directors of CCL, shall  
 determine from time to time;  
  
 (b) In addition to the right of the Executive to participate in CCL's  
 Stock Option Plan, the Executive shall be entitled to receive and CCL  
 shall grant to the Executive immediately upon completion of the Offer  
 in accordance with its terms, additional options (the "Incentive  
 Options") to acquire 500,000 CCL Class B  
  
   
   
   
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 non-voting common shares ("Class B Shares"). The Incentive Options  
 shall vest and be exercisable as to 100,000 Class B Shares with  
 respect to each of the next five consecutive fiscal years commencing  
 with the fiscal year ending December 31, 1997, if and only if EBITDA  
 for a particular fiscal year is 20% greater than EBITDA for the prior  
 fiscal year. The parties acknowledge that the EBITDA target for the  
 vesting of the first 100,000 Incentive Options (for the fiscal year  
 ending December 31, 1997) is $20 million. For greater certainty (i)  
 the vesting of Incentive Options shall be based on EBITDA growth in a  
 fiscal year over EBITDA for the prior fiscal year, and EBITDA for any  
 other fiscal years shall not be relevant for such purpose; (ii) if in  
 respect of any fiscal year EBITDA is less than 20% of EBITDA for the  
 prior fiscal year, the 100,000 Incentive Options in respect of such  
 year shall not vest and shall be cancelled; (iii) Incentive Options  
 shall not vest or be exercisable but shall be cancelled if the  
 Executive is in breach of his obligations pursuant to sections 5.3,  
 5.4 or 5.6 hereunder; and (iv) Incentive Options which vest and become  
 exercisable in accordance with this subsection 3.5(b) shall expire on  
 the sixth anniversary of the date of the granting of the Incentive  
 Options hereunder. The exercise price of the Incentive Options shall  
 be equal to the simple average of the daily high and low board lot  
 trading prices for Class B Shares on The Toronto Stock Exchange for  
 the ten trading days commenced June 10, 1997 and ending June 23, 1997  
 (the "Option Price"). Notwithstanding the foregoing, any issuance of  
 Incentive Options will occur only upon (a) compliance by CCL with the  
 terms of Section 1.1, and by Xxxxx of Section 1.3, of the  
 Qualification and Listing of Shares Agreement (the "Rights Agreement")  
 dated June 16, 1997 between CCL and Xxxxx, but only insofar as such  
 terms relate to the issuance of Class B Shares issuable upon exercise  
 of the Incentive Options, or (b) waiver by Xxxxx of compliance by CCL  
 with such terms. Notwithstanding anything else in this section 3.5,  
 but provided that the Executive is not in breach of his obligations  
 pursuant to sections 5.3, 5.4 and 5.6, if the employment of the  
 Executive is terminated pursuant to subsection 2.2(b), subsection  
 2.2(c), subsection 2.2(d) or the Executive dies, only those Incentive  
 Options scheduled to vest in the fiscal year in which the Executive's  
 employment is terminated shall vest, and the remaining balance of the  
 unvested Incentive Options shall not vest or be exercisable and shall  
 be cancelled.  
  
 (c) Pursuant to an option agreement made as of the 16th day of June, 1997  
 between the Executive and CCL, CCL has agreed to xxxxx Xxxxx an  
 irrevocable option (the "Rollover Option") to purchase from CCL  
 545,000 Class B Shares (the "Rollover Option Shares"). Upon exercise  
 of the Rollover Option in the manner therein provided, CCL shall pay  
 to the Executive forthwith an amount in cash equal to the number of  
 Rollover Option Shares in respect of which the Rollover Option is to  
 be exercised multiplied by the amount by which the Option Price (less   
 Cdn. $10.35) exceeds Cdn $6.0225.  
  
  
   
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3.6 REIMBURSEMENT FOR EXPENSES - During the Executive's Active Employment  
hereunder, the Executive shall be reimbursed for all traveling and other out-of-  
pocket expenses actually and properly incurred by him in connection with his  
duties hereunder. For all such expenses, the Executive shall furnish to the  
Corporation statements and vouchers as and when reasonably required by it.  
  
3.7 VACATION - During the Executive's Active Employment hereunder, the  
Executive shall be entitled to five (5) weeks vacation per calendar year, in  
accordance with the Corporation's policy concerning vacations for senior  
executives, as the same may exist from time to time. Such vacation may be taken  
as the Executive may from time to time reasonably decide, provided such vacation  
time does not materially interfere with his duties to the Corporation.  
  
3.8 EXCHANGEABLE SHARES - Notwithstanding anything in this Agreement or in the  
provisions attaching to the exchangeable shares of the Corporation or Seawolf,  
as the case may be (the "Exchangeable Shares") to be issued to the Executive as  
partial consideration for the Common Shares of the Corporation to be acquired by  
Seawolf pursuant to the Merger, the Exchangeable Shares shall not be retractable  
by the Executive prior to the third anniversary of the date of issue of the  
Exchangeable Shares (the "Anniversary Date"); provided that if notice is given  
pursuant to subsection 2.2(b), subsection 2.2(c) or subsection 2.2(d) (subject  
to the provisions thereof), upon the death of the Executive, or if a Change of  
Control occurs, then the Exchangeable Shares shall thereafter be immediately  
retractable by the Executive (or if applicable his heirs and representatives)  
for Class B Shares. In the event the Executive is distributed Class B Shares  
upon a liquidation of the Corporation, pursuant to the provisions attaching to  
the Exchangeable Shares, the Executive covenants and agrees that he shall not  
sell, assign, transfer, encumber or otherwise dispose of any of the Class B non-  
voting shares ("Class B Shares") in the capital of CCL received upon such  
distribution prior to the Anniversary Date. All share certificates evidencing  
the Exchangeable Shares or, in the event of the distribution of Class B Shares  
pursuant to the liquidation of the Corporation, the Class B Shares received upon  
such distribution, shall bear a legend setting out the foregoing restrictions  
provided that upon the expiration of such restrictions, such shares shall be  
recertificated without such legend. The Executive shall use reasonable  
commercial efforts to conduct all permitted dispositions of Exchangeable Shares  
and Class B Shares in an orderly manner such that the market price of the Class  
B Shares shall not be unduly affected by any such disposition, and the Executive  
shall provide reasonable advance notice to CCL of any proposed disposition,  
whereupon CCL shall have the right (which right CCL shall have the right to  
assign to an institution, pension fund, mutual fund or similar purchaser,  
provided that any such assignment shall not relieve CCL from its obligations  
with   
  
   
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respect to the exercise of such right, and provided that such assignment shall  
not delay the right or ability of the Executive to so dispose of his Class B  
Shares) but not the obligation, upon notice in writing to the Executive within  
one business day of receipt by CCL of the Executive's notice, to purchase all or  
part of such Class B Shares at a price per share equal to the closing price of  
the Class B Shares on the TSE on the trading day immediately preceding the date  
of notice by the Executive. Such purchase and sale shall be completed on the  
third business day following the date of CCL's (or its assigns) notice to the  
Executive. It shall be a condition, which the Executive may waive, to the right  
of CCL (or its assigns) to purchase all or part of such Class B Shares that the  
Executive receive a legal opinion that the sale of such shares to CCL (or its  
assigns) shall not result in tax consequences to the Executive which are  
materially less favourable than if the Executive were to sell such Class B  
Shares in the open market. If such condition is not waived by the Executive, the  
opinion shall be obtained at the expense of the Executive (and a copy delivered  
to CCL (or its assigns)) not more than ten (10) business days following the  
giving of notice by the Executive, in which case the time periods in which CCL  
(or its assigns) is required to give notice of its intention to purchase such  
shares, and to complete the purchase of such shares, shall not commence until  
receipt of such opinion by CCL (or its assigns).  
  
4.0 EXECUTIVE'S ENTITLEMENT ON NOTICE OF TERMINATION PURSUANT TO  
 SUBSECTION 2.2(B), SUBSECTION 2.2(C), SUBSECTION 2.2(D), DEATH OR  
 DISABILITY  
  
 4.1 TERMINATION PAYMENTS - Upon any notice of termination being given  
 pursuant to subsection 2.2(b), subsection 2.2(c) or subsection 2.2(d)  
 (and subject to the provisions thereof) provided that, and as long as,  
 the Executive is not in default or breach of any of his obligations  
 pursuant to sections 5.4, 5.5 and 5.7, and provided that, and as long  
 as, no notice of termination has been given to the Executive pursuant  
 to subsection 2.2(a), the Corporation shall continue to pay, during  
 the Notice Period, the Executive's then current annual salary in  
 accordance with and in the manner prescribed by section 3.1 (the  
 "Termination Salary"); provided that the Executive shall be entitled  
 to receive, in addition to the Termination Salary, (i) all unpaid R&N  
 Payments, if earned in accordance with the provisions of section 3.3,  
 payable immediately; and (ii) the Performance Bonus, if earned in  
 accordance with the provisions of section 3.4, in respect only of the  
 fiscal year in which notice of termination has been given pursuant to  
 subsection 2.2(b), subsection 2.2(c) or subsection 2.2(d) (and subject  
 to the provisions thereof), and not in respect of subsequent fiscal  
 years, payable at such time as the Performance Bonus, if any, would  
 have been payable pursuant to subsection 3.4 to the Executive but for  
 notice of termination having been given pursuant to subsection 2.2  
 (b), subsection 2.2(c) or subsection 2.2(d) (and subject to the  
 provisions thereof); and   
  
   
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 provided that in no event or under any circumstances shall such  
 Performance Bonus for such fiscal year exceed 100% of the Salary  
 Amount. The R&N Payments and the Performance Bonuses payable pursuant  
 to this subsection 4.1 (a) are herein referred to as the "Termination  
 Bonuses".  
  
  
4.2 BENEFITS DURING NOTICE PERIOD - Upon any notice of termination being  
 given pursuant to subsection 2.2(b) or subsection 2.2(d) (and subject to  
 the provisions thereof), provided that, and as long as, the Executive is  
 not in default or breach of any of his obligations pursuant to sections  
 5.3, 5.4 and 5.6, and provided that, and as long as, no notice of  
 termination has been given to the Executive pursuant to subsection 2.2(a),  
 the Executive shall continue to be entitled to the Benefits (collectively,  
 the "Termination Benefits") until the date of expiry of the Notice  
 Period; provided that if notice of termination is given pursuant to  
 subsection 2.2(c), the Corporation shall not be required to extend the  
 Benefits, if comparable benefits are provided to the Executive pursuant to  
 any disability plans maintained by the Corporation.  
  
  
4.3 ENTITLEMENT ON DEATH Should the Executive die while still employed by the  
Corporation without any notice of termination of employment having been given to  
the Executive by the Corporation under, or on a basis set forth in, subsection  
2.2(a) hereof, his heirs and representatives shall have no claim against the  
Corporation for damages or otherwise, except that the Corporation shall pay to  
the estate of the Executive the following:  
  
 (a) the amount of the Executive's salary in accordance with and in the  
 manner described in section 3.1, for the balance of the Term within  
 six (6) weeks of proof of death;  
  
 (b) the unpaid R&N Payments, within six (6) weeks of proof of death; and  
  
 (c) if the Executive died in the second half of a fiscal year, the  
 Incentive Options and Performance Bonus in respect only of the fiscal  
 year in which the Executive dies, provided that the entitlement to  
 such Incentive Options and Performance Bonus shall be calculated based  
 on the EBITDA for the first two quarters of the fiscal year (or the  
 first three quarters, if the Executive dies after the completion of  
 the third quarter) compared to EBITDA for the same period in the prior  
 year.  
  
   
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4.4 VESTING AND EXERCISE OF STOCK OPTIONS UPON NOTICE OF TERMINATION PURSUANT  
TO SUBSECTION 2.2(B), SUBSECTION 2.2(C) OR SUBSECTION 2.2(D) - Upon any notice  
of termination being given pursuant to subsection 2.2(b), subsection 2.2(c) or  
subsection 2.2(d) (and subject to the provisions thereof), notwithstanding  
anything to the contrary contained in any Stock Option Plan of CCL in which the  
Executive is entitled to participate, or in any agreement or certificate between  
the Corporation and the Executive in respect thereof, but subject to any  
required regulatory approvals, all stock options (other than the Rollover Option  
and the Incentive Options) which would otherwise have become exercisable during  
the Notice Period if the Executive had not received notice of termination, shall  
immediately become exercisable and the Executive shall have the privilege of  
exercising, within twelve (12) months of the date of commencement of the Notice  
Period, all stock options which were exercisable and remained unexercised as at  
the date of commencement of the Notice Period, and which have not expired,  
together with all stock options which become exercisable at the commencement of  
the Notice Period pursuant to this section 4.3; provided that the Executive's  
right to exercise any such stock options shall expire at the end of such twelve  
(12) month period. The vesting and exercise of the options granted to the  
Executive in connection with the Merger shall be governed by the terms of the  
agreement entered into between CCL and the Executive providing for the grant of  
such options, and not by this section 4.4. The vesting and exercise of Incentive  
Options shall be governed by subsection 3.5 (b) and not by this section 4.4.  
  
4.5 ACCRUED BENEFITS - For greater certainty, notwithstanding anything else in  
this Agreement, the Executive shall be entitled on notice of termination of this  
Agreement to any benefits which have accrued and are payable to the Executive  
pursuant to and in accordance with the terms of any benefit plan or similar  
arrangement with the Corporation.  
  
5.0 COVENANTS OF THE EXECUTIVE  
  
5.1 OBLIGATION OF THE EXECUTIVE TO PROVIDE COUNSEL AND ADVICE - During any  
Notice Period and the Consulting Period (as hereafter defined) hereunder, the  
Executive covenants and agrees, upon each reasonable request by the Corporation,  
to make himself available to the Corporation for the purpose of providing  
counsel and advice, and such other consulting services as are requested from  
time to time, provided that the Corporation pays or reimburses the Executive for  
all out-of-pocket expenses incurred by him in connection with rendering such  
services.  
  
   
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5.2 ACKNOWLEDGMENT - The Executive acknowledges that the recitals to this  
Agreement are true and correct. In addition, the Executive acknowledges that  
the Corporation, its subsidiaries and affiliates have heretofore carried on and  
will hereafter carry on the Business and that in the course of carrying out,  
performing and fulfilling his responsibilities to the Corporation hereunder he  
has had and will continue to have access to and has been and will continue to  
be entrusted with the Confidential Information relating to the Business, and to  
any other businesses now, or during the Term or Notice Period hereof, carried on  
by the Corporation, its subsidiaries and affiliates, the disclosure of any of  
which Confidential Information to competitors of the Corporation or to the  
general public may be detrimental to the best interests of the Corporation. The  
Executive further acknowledges that in the course of performing his obligations  
to the Corporation hereunder he has been and will continue to be the principal  
representative of the Corporation and as such has been and will continue to be  
significantly responsible for maintaining or enhancing the goodwill of the  
Corporation. The Executive acknowledges and agrees that the right to maintain  
the confidentiality of such Confidential Information, and the right to preserve  
its goodwill, constitute proprietary rights which the Corporation is entitled to  
protect.  
  
5.3 CONFIDENTIALITY - Accordingly, the Executive covenants and agrees with the  
Corporation that he will not, either during the Term or, if applicable, any  
Notice Period, of this Agreement, or at any time after the expiry thereof,  
disclose any of such Confidential Information to any person other than to the  
officers of the Corporation and the Board, nor shall he use the same for any  
purpose other than those of the Corporation; provided, however, that the  
foregoing shall not apply to any Confidential Information which is or becomes  
known to the public or to the competitors of the Corporation otherwise than by a  
breach of this Agreement by the Executive or which the Executive is required by  
law to disclose pursuant to the order of any court of competent jurisdiction or  
a governmental regulatory agency or body, in which case he will provide the  
Corporation with prompt notice of such circumstance so that the Corporation may  
seek a protective order or other appropriate remedy and/or waive compliance with  
the provisions of this Agreement. In the event that such protective order or  
other remedy is not obtained, or that the Corporation waives compliance with the  
provisions of this Agreement, he will furnish only that portion of the  
Confidential Information which he is advised by written opinion of counsel is  
legally required. The Executive will exercise his reasonable best efforts to  
obtain a protective order or other reasonable assurance that confidential  
treatment will be accorded the Confidential Information.  
  
   
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5.4 NON-COMPETITION - Accordingly, the Executive covenants and agrees with the  
Corporation that he will not, during the Term or, if applicable, any Notice  
Period, of this Agreement, nor at any time within a period of one (1) year after  
the expiry thereof (or within a period of two (2) years after the expiry thereof  
if such period is extended pursuant to section 5.9) (in either case, the  
"Consulting Period"), either individually or in partnership or jointly or in  
conjunction with any person or persons as principal, agent, shareholder,  
trustee, beneficiary, or in any other manner whatsoever whether directly or  
indirectly, carry on or be engaged in or concerned with or interested in, or  
advise, lend money to, guarantee the debts or obligations of, or permit his name  
or any part thereof to be used or employed by or associated with, any person or  
persons, firm, association, syndicate, trust, company or corporation engaged in  
or concerned with or interested in any business which is competitive with the  
Business in any of the 58 counties in the State of California or in any of the  
thousands of cities, counties and other political subdivisions of the largest of  
the following geographical areas:  
  
 (a) Canada, the United States and Mexico; or  
  
 (b) Canada and the United States; or  
  
 (c) the United States; or  
  
 (d) the States of the United States west of the Mississippi River; or  
  
 (e) the State of California.  
  
 And for greater certainty and without limiting the provisions of  
article 6, subsections 5.4(a) through 5.4(e) are each separate and distinct  
covenants, severable one from the other and the most restrictive of subsections  
5.4(a) through 5.4(e) shall apply unless such covenant is determined to be  
invalid or unenforceable, in which event the next most restrictive shall apply,  
and so on.  
  
5.5 PERMITTED INVESTMENTS - Nothing herein shall restrict or prevent the  
Executive from owning as a passive investor less than 10% of any class of  
securities of a corporation which is a competitor of the Corporation whose  
securities are trading in the public market.  
  
5.6 NON-SOLICITATION - The Executive hereby covenants and agrees with the  
Corporation that he will not at any time during the Term or Notice Period of  
this Agreement, or at any time within   
  
   
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one (1) year after the expiry thereof (or within a period of two (2) years after  
the expiry thereof if such period is extended pursuant to section 5.9), directly  
or indirectly, solicit or attempt to induce, procure, encourage or direct away  
from the Corporation any customer, supplier or employee of the Corporation.  
  
5.7 REMEDIAL RIGHTS - Nothing contained in this article 5 shall be deemed to  
affect or impair the otherwise lawful rights of the Corporation to enforce its  
legal remedies against the Executive either during the period from the date  
hereof to the date the Executive ceases to be employed by the Corporation or at  
any time thereafter to prevent the Executive from approaching or soliciting any  
customer, supplier or employee of the Corporation with a view towards inducing  
such customer, supplier or employee to breach a contract between the Corporation  
and such customer, supplier or employee and to recover any damages resulting  
therefrom. Time shall not toll during any breach of the provisions of article 5.  
  
5.8 RESIGNATION AS OFFICER AND DIRECTOR - The Executive covenants and agrees  
that upon any notice of termination being given pursuant to article 2, he shall  
tender his resignation from all offices then held by him in the Corporation and  
its subsidiaries and affiliates and if requested by the Board, he shall tender  
his resignation as a director of the Corporation and its subsidiaries and  
affiliates. Such resignations shall provide that they are to be effective as of  
the commencement of the Notice Period or as of such other date as may be  
mutually agreed to by the Executive and the Corporation. The Executive further  
agrees to accept such other suitable corporate senior office or position with  
the Corporation or with its subsidiaries and affiliates as may be determined by  
the Board and which is acceptable to the Executive acting reasonably.  
  
5.9 EXTENSIONS OF COVENANTS - In addition to the R & N Payments, if any, to be  
made to the Executive, the Corporation shall have the right at any time during  
the Term or, if applicable, any Notice Period, or within one (1) year after the  
expiry thereof, in its sole discretion, and upon notice in writing to the  
Executive, to extend the periods of restriction provided for in sections 5.4 and  
5.6 from one (1) year to two (2) years, and in respect of such extension the  
Corporation shall pay the Executive $500,000 on the first day of the second year  
of such period of restriction.  
  
5.10 ACKNOWLEDGMENTS BY EXECUTIVE - The Executive hereby acknowledges and  
agrees that: (a) based on the Corporation's Business, business plans and  
prospects, the provision and restrictions in this article 5 are reasonable in  
the circumstances and, in particular, the duration, area and types of activities  
referred to therein are necessary for the protection of legitimate proprietary  
interests of the Corporation; (b) the Corporation presently carries on business,  
  
   
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directly or indirectly, in the United States, Canada and Mexico; (c) without  
prejudice to and in addition to any other recourse or remedy which the  
Corporation may have, the Corporation has the right to obtain an injunction  
enjoining any violation of any provision of article 5; (d) any violation of any  
provision of article 5 will cause the Corporation irreparable harm for which  
monetary damages are not an adequate remedy and that an interim interlocutory  
and permanent injunction restraining any breach of his obligations hereunder  
will be necessary to protect the Corporation from irreparable harm to its  
legitimate business interests. In the event of any such breach, the Executive  
hereby waives any defences to such an injunction and consents to the immediate  
issuance of such an injunction to restrain such breach; and (e) nothing in this  
Agreement releases the Executive from any fiduciary or other obligation, duty or  
responsibility he may have to the Corporation under any other agreement or  
implied at law.  
  
5.11 TERMS - The terms "customer" and "supplier" as used in this article 5  
means those persons, who supplied or were supplied by or whose business was  
actively sought by the Corporation during the last eighteen (18) months of the  
Executive's employment by the Corporation. The term "employee" means a person  
employed by the Corporation or otherwise in a management position at the  
Corporation within the last eighteen (18) months of the Executive's employment  
by the Corporation.  
  
6.0 SEVERABILITY  
  
 If any covenant or provision of this Agreement is determined to be invalid,  
void or unenforceable in whole or in part, it shall not nor be deemed to affect  
or impair the validity of any other covenant or provision hereof and each of  
such covenants and provisions is hereby declared to be separate and distinct and  
severable from each of the others for the purpose of this Agreement. The  
Executive hereby agrees that all covenants and provisions contained in article 5  
are reasonable, valid and necessary both as to area and duration for the  
protection of the Corporation's proprietary interests and the parties intend  
this Agreement to be enforced as written. However, if any provision, or part  
thereof is held to be unenforceable because of the duration thereof, the area  
covered thereby, or the types of activities restricted thereby, the parties  
agree that a Court of competent jurisdiction making such determination shall  
have the power to reduce the duration and/or area of such provision or types of  
activities restricted to the maximum duration and/or area permitted by  
applicable law and/or to delete specific words or phrases and in its reduced  
form such provision shall then be enforceable.  
  
   
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7.0 NOTICES - Any notice, direction or other instrument required or permitted  
to be given or made hereunder shall be in writing and shall be sufficiently  
given or made if delivered in person to the address set forth below, or  
telecopied or sent by other means of recorded electronic communication and  
confirmed by delivery as soon as practicable thereafter. Notices shall be  
addressed to the parties as follows:  
  
 If to the Executive:  
 Xx. Xxxxxxxx Xxxxxxxx  
 0000 Xxxx Xxxxxxxxx Xxxxxx  
 Xxx Xxxxxxx, XX  
 00000-0000  
  
 Telecopier: (000) 000-0000  
  
 If to CCL or the Corporation  
 000 Xxxxxx Xxxxx Xxxx  
 Xxxxxxxxxx, Xxxxxxx  
 X0X 0X0  
  
 Attention: President  
 Telecopier: (000) 000-0000  
  
 Any notice, direction or other communication so given or made shall be  
deemed to have been given or made and to have been received on the day of  
delivery, if delivered, or on the day of sending if sent by telecopier or other  
means of recorded electronic communication. Either party hereto may change its  
address for notice by giving written notice thereof to the other parties hereto.  
Delivery of courtesy copies of notice shall not be a condition to the valid  
delivery of any notice, direction or other communication.  
  
8.0 GENERAL  
  
8.1 PREVIOUS AGREEMENTS - Any and all previous agreements, written or oral,  
between the parties hereto or on their behalf relating to the employment of the  
Executive by the Corporation, are hereby terminated and canceled effective the  
completion of the Offer in accordance with its terms and each of the parties  
hereto hereby releases and forever discharges the other of and from all manner  
of actions, causes of action, claims and demands whatsoever under or in respect  
of such previous agreements effective the completion of the Offer in accordance  
with its terms.  
  
8.2 GOVERNING LAW AND CONSENT TO JURISDICTION - THIS AGREEMENT SHALL BE  
GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF   
  
   
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DELAWARE WITHOUT GIVING EFFECT TO CHOICE OF LAW PRINCIPLES THEREOF. ANY JUDICIAL  
PROCEEDING BROUGHT AGAINST ANY PARTY HERETO WITH RESPECT TO THIS AGREEMENT, OR  
THE TRANSACTION CONTEMPLATED HEREBY, MAY BE BROUGHT IN THE COURTS OF THE STATE  
OF DELAWARE AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE  
PARTIES HERETO (I) ACCEPTS, GENERALLY AND UNCONDITIONALLY, THE NON-EXCLUSIVE  
JURISDICTION OF SUCH COURT AND ANY RELATED APPELLATE COURT, AND IRREVOCABLY  
AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS  
AGREEMENT, SUBJECT, IN EACH CASE, TO ALL RIGHTS TO APPEAL SUCH DECISIONS TO THE  
EXTENT AVAILABLE TO THE PARTIES AND (II) IRREVOCABLY WAIVES ANY OBJECTION IT MAY  
NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUIT, ACTION OR PROCEEDING BROUGHT  
IN SUCH COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. EACH PARTY HERETO  
HEREBY WAIVES PERSONAL SERVICE OF PROCESS AND CONSENTS THAT SERVICE OF PROCESS  
UPON SUCH PARTY MAY BE MADE BY DELIVERY AT SUCH PARTY'S ADDRESS SPECIFIED OR  
DETERMINED IN ACCORDANCE WITH THE PROVISIONS OF THIS AGREEMENT, AND SERVICE SO  
MADE SHALL BE DEEMED COMPLETED ON THE DATE OF DELIVERY. NOTHING HEREIN SHALL  
AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW. EACH  
PARTY HEREBY WAIVES TRIAL BY JURY IN ANY JUDICIAL PROCEEDINGS INVOLVING,  
DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO OR  
CONNECTED WITH THIS AGREEMENT WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.  
  
8.3 ENUREMENT - The provisions hereof, where the context permits, shall enure  
to the benefit of and be binding upon the Executive and his heirs, executors,  
administrators and legal personal representatives and the Corporation and its  
successors and assigns.  
  
8.4 SURVIVAL - For greater certainty, notwithstanding anything to the contrary  
contained herein, the provisions of sections 3.5, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7,  
5.8, 5.9, 5.10, 5.11, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, 8.8, 8.10 and 8.11 and  
article 6 hereof shall survive any termination of this Agreement or the  
Executive's employment hereunder.  
  
8.5 WAIVER - No provision of this Agreement shall be deemed to be waived as a  
result of the failure of the Corporation to require the performance of any term  
or condition of this Agreement or by other course of conduct. To be effective,  
a waiver must be in writing, signed by each of the parties hereto and state  
specifically that it is intended to constitute a waiver of a term or breach of  
this Agreement. The waiver by the Corporation of any term or breach of this  
Agreement shall not prevent a subsequent enforcement of such term or any other  
term and shall not be deemed to be a waiver of any subsequent breach.  
  
   
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8.6 LEGAL ADVICE - The executive hereby represents and warrants to the  
Corporation that he has had sufficient opportunity to seek legal advice with  
respect to this Agreement, that he fully understands the nature and effect of  
this Agreement and that he is entering into it freely and voluntarily.  
  
8.7 CURRENCY - Unless otherwise stated, all dollar amounts herein are in U.S.  
dollars.  
  
8.8 WITHHOLDINGS AND DEDUCTIONS - All salary, remuneration, bonuses, and  
payments of any other nature whatsoever payable by the Corporation pursuant to  
this Agreement shall be subject to and reduced by any withholdings or deductions  
required to be made by law, whether for income tax or otherwise for any reason.  
  
8.9 FURTHER ASSURANCES - Each of the parties hereto hereby covenants and agrees  
to execute or cause to be executed all such further and other documents as may  
be necessary or desirable to give effect to the purposes and intent of this  
Agreement. In particular, and without limiting the generality of the foregoing,  
the Executive covenants and agrees to execute all such further and other  
covenants as to non-competition, non-solicitation, confidentiality and non-  
disclosure consistent into the terms of this Agreement as may be required by the  
Corporation from time to time in order to protect, preserve and maintain the  
Confidential Information, and goodwill of the corporation, its subsidiaries and  
affiliates, in each and every jurisdiction in which the Corporation, its  
subsidiaries and affiliates carries on business.  
  
8.10 ATTORNEY'S FEES - In the event that litigation shall be necessary to  
enforce, interpret or rescind the provisions of this Agreement, the prevailing  
party shall be entitled to recover from the other party, in addition to other  
relief all costs and reasonable attorney's fees incurred by the prevailing party  
for service before trial, on trial and on any appeal therefrom.  
  
   
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8.11 PERSONS The term "person" as used in this Agreement includes an  
individual, a firm, a corporation, a syndicate, a partnership, a trust, an  
association, a joint venture, an incorporated organization, a government or a  
regulatory authority, agency or commission or other entity.  
  
  
 IN WITNESS WHEREOF the Corporation has executed this Agreement under its  
corporate seal and the Executive has hereunto set his hand and seal.  
   
 CCL INDUSTRIES INC.  
  
  
 By: /s/ CCL INDUSTRIES INC.  
 ----------------------------------  
  
  
 By: /s/ CCL INDUSTRIES INC. c/s  
 ----------------------------------  
  
  
 SEDA SPECIALTY PACKAGING CORP.  
  
  
 By: /s/ SEDA SPECIALTY PACKAGING CORP.  
 -----------------------------------  
  
  
 By: /s/ SEDA SPECIALTY PACKAGING CORP. c/s  
 -----------------------------------  
  
SIGNED, SEALED AND DELIVERED )  
 in the presence of )  
 )  
 )  
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ) /s/ XXXXXXXX XXXXXXXX l/s  
 ------------------------  
 )   
  
   
 SCHEDULE A  
  
 TO EMPLOYMENT AGREEMENT  
  
   
BASE SALARY $400,000  
  
BONUS UP TO 100% OF BASE  
  
COMPANY CAR AND RELATED EXPENSES FORD EXPEDITION  
  
OTHER AUTO RELATED EXPENSES $20,000  
  
ELIGIBLE FOR 401(K) PLAN PARTICIPATION PARTICIPATES  
  
ELIGIBLE FOR 125 PLAN PARTICIPATION DOES NOT PARTICIPATE  
  
   
 SCHEDULE B  
 TO EMPLOYMENT AGREEMENT  
  
CAPITAL LEASE: as applied to any person, any lease (however designated) of any  
property (whether real, personal or mixed) by such person as lessee which would,  
in accordance with GAAP, be required to be classified and accounted for as a  
capital lease on the balance sheet of the Corporation or in the notes thereto,  
other than, in the case of the Corporation or any of its Subsidiaries, any such  
lease under which the Corporation or a Subsidiary is the lessor.  
  
CAPITAL LEASE OBLIGATION: as of any date, with respect to any Capital Lease,  
the amount of the obligation of the lessee thereunder which would, in accordance  
with GAAP, appear on a balance sheet of such lessee or in the notes thereto in  
respect of such Capital Lease.  
  
CONSOLIDATED NET INCOME: of the Corporation for any fiscal year, the net income  
(or deficit) of the Corporation for such period (taken as a cumulative whole),  
as determined in accordance with GAAP, after deducting, without duplication,  
operating expenses, provisions for all taxes and reserves (including reserves  
for deferred income taxes) and all other proper deductions, all determined in  
accordance with GAAP on a consolidated basis, after eliminating all offsetting  
debits and credits between the Corporation and its Subsidiaries and all other  
items required to be eliminated in the course of the preparation of consolidated  
financial statements of the Corporation and its Subsidiaries in accordance with  
GAAP and after deducting portions of income properly attributable to outside  
minority interests, if any, in the stock (or its equivalent) and surplus of any  
such Subsidiary, provided, however, that there shall in any event be excluded  
from Consolidated Net Income the following:  
  
 (a) the income (or loss) of any other person accrued prior to the date  
it becomes a Subsidiary of the Corporation or is merged into or consolidated  
with the Corporation or any Subsidiary of the Corporation;  
  
 (b) the income (or loss) of any person in which the Corporation or any  
Subsidiary of the Corporation has an ownership interest (other than a Subsidiary  
of the Corporation), except to the extent that such income has been actually  
received by the Corporation or such Subsidiary in the form of cash dividends or  
similar distributions;  
  
 (c) the undistributed earnings of any Subsidiary to the extent that  
the declaration or payment of dividends or similar distributions by such  
Subsidiary is not at the time permitted by the terms of its charter or any  
agreement, instrument, judgment, decree, order, statute, rule or governmental  
regulation applicable to such Subsidiary;  
  
 (d) any aggregate net income (but not any aggregate net loss) during  
such period arising from the sale, exchange or other distribution of capital  
assets;  
  
 (e) any income resulting from any write-up of any assets;  
  
   
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 (f) any gain or loss arising from the acquisition of any securities,  
or the extinguishment of any Debt of the Corporation or any of its Subsidiaries  
or the termination of an employee benefit plan; and  
  
 (g) the net proceeds of any life insurance policy.  
  
DEBT: as applied to any person, as of any date (without duplication):  
  
 (a) all obligations of such person evidenced by bonds, debentures,  
notes, drafts or similar instruments and all obligations of such person for  
borrowed money (whether or not so evidenced);  
  
 (b) all obligations of such person for all or any part of the deferred  
purchase price of property or services or for the cost of property constructed  
or of improvements thereon, other than trade payables and accrued liability  
incurred in respect of property purchased or services provided in the ordinary  
course of business or which are being contested in good faith by appropriate  
proceedings and are not required to be classified on such person's balance  
sheet, in accordance with GAAP, as debt;  
  
 (c) all obligations secured by any Lien on or payable out of the  
proceeds of production from property owned or held by such person even though  
such person has not assumed or become liable for the payment of such obligation;  
  
 (d) all Capital Lease Obligations of such person;  
  
 (e) all obligations of such person, contingent or otherwise, in  
respect of any letter of credit facilities, bankers' acceptance facilities or  
other similar credit facilities other than any such obligation which relates to  
an underlying obligation which otherwise constitutes Debt of such person  
hereunder or a current account payable of such person incurred in the ordinary  
course of business;  
  
 (f) all Redeemable Preferred Stock issued by such person;  
  
 (g) all obligations of such person upon which interest payments are  
customarily made; and  
  
 (h) all Guarantees by such person of or with respect to obligations of  
the character referred to in the foregoing subdivisions (a) through (g) of  
another person;  
  
 provided, however, that in determining the Debt of any person, (i) all  
liabilities for which such person is jointly and severally liable with one or  
more other persons (including, without limitation, all liabilities of any  
partnership or joint venture of which such person is a general partner or co-  
venturer) shall be included at the full amount thereof without regard to any  
right such person may have against any such other persons for contribution or  
indemnity, and (ii) no effect shall be given to deposits, trust arrangements or  
similar arrangements which, in accordance with GAAP, extinguish Debt for which  
such person remains legally liable.  
  
   
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EBITDA: of the Corporation for any fiscal year, the sum of (a) Consolidated Net  
Income of the Corporation for such period, plus (b) the sum of the following  
amounts for the Corporation and its Subsidiaries to the extent deducted in  
determining such Consolidated Net Income for such period: (i) Interest Charges,  
(ii) federal, state and local income taxes, (iii) depreciation and (iv)  
amortization. The EBITDA targets set out in the agreement to which this Schedule  
is attached are based on the capital expenditure budget for the fiscal year  
ending December 31, 1997 of $15.1 million. To the extent capital expenditures in  
any fiscal year exceed $15.1 million, there will be an appropriate increase in  
the targeted EBITDA. In addition, the targeted EBITDA for any fiscal year will  
be adjusted in an equitable fashion to take into account the effect on EBITDA of  
any acquisition made by the Corporation or any reorganization of the Corporation  
with CCL Industries Inc. ("CCL") or any division or subsidiary thereof. EBITDA  
shall be calculated after giving effect to any incentive based compensation paid  
or payable to any employee of the Corporation including Xxxxx Xxxxxxxx. EBITDA  
shall not be reduced by costs and expenses incurred in connection with  
acquisitions or dispositions by the Corporation. If there is a dispute between  
the Executive and the Corporation with respect to the calculation of EBITDA, the  
audit committee of CCL shall, subject only to a right of appeal from the  
decision of the audit committee, within ten business days of such decision, to  
the Chairman of CCL who shall consider such appeal in good faith and whose  
decision shall be final, binding and unappealable, make a determination of all  
such disputed matters. The Executive and the Corporation shall have the right to  
make representations to the audit committee of CCL in respect of a dispute with  
respect to the calculation of EBITDA. The Executive shall have twenty business  
days from the date of notice to the Executive of the Corporation's calculation  
of EBITDA to dispute such calculation by referring such dispute to the audit  
committee, and if the Executive does not dispute such calculation and refer such  
dispute to the audit committee within such period, he shall have no right to do  
so thereafter.  
  
GAAP: generally accepted accounting principles as set forth in the opinions of  
the Accounting Principles Board of the American Institute of Certified Public  
Accountants and in statements by the Financial Accounting Standards Board as at  
the date hereof.  
  
GUARANTEE: as applied to any person, any direct or indirect liability,  
contingent or otherwise, of such person with respect to any indebtedness, lease,  
dividend or other obligation of any other, including, without limitation, any  
such obligation directly or indirectly guaranteed, endorsed (otherwise than for  
collection or deposit in the ordinary course of business) or discounted or sold  
with recourse (including receivables) by such person, or in respect of which  
such person is otherwise in any manner directly or indirectly liable, including,  
without limitation, any such obligation in effect guaranteed by such person  
through any agreement (contingent or otherwise) to (a) purchase, repurchase or  
otherwise acquire such obligation or any security therefor, or to provide funds  
for the payment or discharge of such obligation (whether in the form of loans,  
advances, stock purchases, capital contributions or otherwise), or to (b)  
maintain the solvency or any balance sheet or other financial condition of the  
obligor of such obligation, or to (c) make payment for any products, materials  
or supplies or for any transportation or services regardless of the non-delivery  
or non-furnishing thereof, in any such case if the purpose or intent of such  
agreement is to provide assurance that such obligation will be paid or  
discharged, or that any   
  
   
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agreements relating thereto will be complied with, or that the holders of such  
obligation will be protected against loss in respect thereof. For purposes of  
all computations made under this agreement the amount of any Guarantee shall be  
equal to the amount of the obligation guaranteed or, if not stated or  
determined, the maximum reasonably anticipated liability in respect thereof  
(assuming such person is required to perform thereunder) as determined by such  
person in good faith.  
  
INTEREST CHARGES: of the Corporation for any fiscal year, the sum (without  
duplication) of the following (in each case, eliminating all offsetting debits  
and credits between the Corporation and its Subsidiaries and all other items  
required to be eliminated in the course of the preparation of consolidated  
financial statements of the Corporation and it Subsidiaries in accordance with  
GAAP): (a) all interest in respect of Debt of the Corporation and its  
Subsidiaries (including imputed interest on Capital Lease Obligations), deducted  
in determining Consolidated Net Income of the Corporation for such period, (b)  
all dividends in respect of Redeemable Preferred Stock payable during such  
period, and (c) all imputed interest associated with the amount of any debt  
discount and expense amortized or required to be amortized in the determination  
of such Consolidated Net Income for such period.  
  
LIEN: as to any person, any mortgage, lien (statutory or other), pledge,  
assignment, hypothecation, charge, security interest or other encumbrance in or  
on, or any interest or title of any vendor, lessor, lender or other secured  
party to or of such person under any conditional sale, trust receipt or other  
title retention agreement or Capital Lease with respect to, any property or  
asset of such person, or the signing or filing of a financing statement which  
names such person as debtor, or the signing of any security agreement  
authorizing any other party as the secured party thereunder to file any  
financing statement which names such person as debtor. The term "Lien" shall  
not include any encumbrance which is deemed to exist in respect of any property  
or asset of any person solely as a result of an agreement entered into by such  
person not to subject all or any part of such person's property or assets to a  
Lien. For purposes of this agreement, a person shall be deemed to be the owner  
of any property which it has placed in trust for the benefit of holders of Debt  
of such person which Debt is deemed to be extinguished under GAAP but for which  
such person remains legally liable, and such trust shall be deemed to be a Lien.  
  
REDEEMABLE PREFERRED STOCK: any class of preferred stock of the Corporation  
which by its terms has any of the following characteristics: (i) it is  
redeemable at a fixed or determinable date or dates, whether by operation or a  
sinking fund or otherwise, (ii) it is redeemable at the option of the holder, or  
(iii) it has conditions for redemption which are not solely within the control  
of the Corporation, such as stock which must be redeemed out of future earnings.  
  
SUBSIDIARY: means a subsidiary under GAAP. Unless otherwise specified, any  
reference to a Subsidiary is intended as a reference to a Subsidiary of the  
Corporation.  
  
VOTING STOCK: as to any corporation, association, partnership, trust, joint  
venture or other entity, capital stock (or equivalent ownership interests) the  
holders of which are ordinarily, in the   
  
   
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absence of contingencies, entitled to elect a majority of the corporate  
directors (or persons performing similar functions) of such corporation,  
association, partnership, trust, joint venture or entity involved.