INTERTAPE POLYMER GROUP INC
Form 20-F
March 31, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 20-F

¨ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2014

OR

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

¨ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report ____________

For the transition period from __________ to __________

Commission file number: 1-10928

INTERTAPE POLYMER GROUP INC.

(Exact name of Registrant as specified in its charter)

Canada

(Jurisdiction of incorporation or organization)

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

(Address of principal executive offices)

Jeffrey Crystal, (941) 739-7522, jcrystal@itape.com, 100 Paramount Drive, Suite 300, Sarasota, Florida 34232

(Name, Telephone, E-mail, and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Shares, without nominal or par value	Toronto Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

Not applicable

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

Not applicable

(Title of Class)

Indicate the number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the period covered by the annual report. As of December 31, 2014, there were 60,435,826 common shares outstanding.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. x Yes ¨ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. ¨ Yes x No

Note Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. x Yes ¨ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ¨ Yes ¨ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x   Accelerated filer ¨   Non-accelerated filer ¨

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

US GAAP ¨   International Financial Reporting Standards as issued by the International Accounting Standards Board x   Other ¨

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. ¨ Item 17 ¨ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ¨ Yes x No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. ¨ Yes ¨ No

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Cautionary Note Regarding Forward-Looking Statements

Certain statements and information included in this annual report on Form 20-F constitute forward-looking information within the meaning of applicable Canadian securities legislation and forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, (collectively, forward-looking statements), which are made in reliance upon the protections provided by such legislation for forward-looking statements. All statements other than statements of historical facts included in this annual report on Form 20-F, including statements regarding economic conditions, the Company s outlook, plans, prospects, products, financial position, future sales and financial results, availability of credit, level of indebtedness, payment of dividends, fluctuations in raw material costs, competition, capital and other significant expenditures, manufacturing facility closures and other restructurings, liquidity, litigation and business strategies, may constitute forward-looking statements. These forward-looking statements are based on current beliefs, assumptions, expectations, estimates, forecasts and projections made by the management of Intertape Polymer Group Inc. (Intertape, Intertape Polymer Group, or the Company). Words such as may, will, should, expect, continu estimate, anticipate, plan, foresee, believe or seek or the negatives of these terms or variations of them or sim terminology are intended to identify such forward-looking statements. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, these statements, by their nature, involve risks and uncertainties and are not guarantees of future performance. Such statements are also subject to assumptions concerning, among other things: business conditions and growth or declines in the Company s industry, the Company s customers industries and the general economy; the anticipated benefits from the Company s manufacturing facility closures and other restructuring efforts; the quality, and market reception, of the Company s products; the Company s anticipated business strategies; risks and costs inherent in litigation; the Company s ability to maintain and improve quality and customer service; anticipated trends in the Company s business; anticipated cash flows from the Company s operations; availability of funds under the Company s Revolving Credit Facility; and the Company s ability to continue to control costs. The Company can give no assurance that these statements and expectations will prove to have been correct. Actual outcomes and results may, and often do, differ from what is expressed, implied or projected in such forward-looking statements, and such differences may be material. Readers are cautioned not to place undue reliance on any forward-looking statement. For additional information regarding some important factors that could cause actual results to differ materially from those expressed in these forward-looking statements and other risks and uncertainties, and the assumptions underlying the forward-looking statements, you are encouraged to read Item 3. Key Information - Risk Factors, Item 5. Operating and Financial Review and Prospects (Management s Discussion & Analysis) as well as statements located elsewhere in this annual report on Form 20-F and the other statements and factors contained in the Company s filings with the Canadian securities regulators and the US Securities and Exchange Commission. Each of the forward-looking statements speaks only as of the date of this annual report on Form 20-F. The Company will not update these statements unless applicable securities laws require it to do so.

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PART I

Item 1: Identity of Directors, Senior Management and Advisers
Not applicable.

Item 2: Offer Statistics and Expected Timetable
Not applicable.

Item 3: Key Information

A. SELECTED FINANCIAL DATA
The selected financial data presented below for the five years ended December 31, 2014 is presented in US dollars and is derived from the Company s consolidated financial statements in US dollars and prepared in accordance with International Financial Reporting Standards (IFRS). The information set forth below was extracted from the consolidated financial statements and related notes included in this annual report and annual reports previously filed and should be read in conjunction with such consolidated financial statements. As required by the Canadian Accounting Standards Board, the Company adopted IFRS on January 1, 2011 and the Company s financial information for 2010 has been restated to comply with IFRS.

	As of and for the Year Ended December 31				
	2014	**2013**	**2012**	**2011**	**2010**
	(in thousands of US dollars, except shares and per share amounts)				
Statements of Consolidated Earnings (Loss):					
	$	$	$	$	$
Revenue	812,732	781,500	784,430	786,737	720,516
Net Earnings (Loss) before Taxes	58,719	31,553	20,594	9,154	(15,316)
Net Earnings (Loss)	35,816	67,357	20,381	7,384	(48,549)
Earnings (Loss) per Share					
Basic	0.59	1.12	0.35	0.13	(0.82)
Diluted	0.57	1.09	0.34	0.12	(0.82)
Balance Sheets:					
Total Assets	466,676	465,199	426,152	446,723	476,614
Capital Stock	357,840	359,201	351,702	348,148	348,148
Shareholders Equity	227,500	230,428	153,834	137,178	144,085
Number of Common Shares Outstanding	60,435,826	60,776,649	59,625,039	58,961,050	58,961,050
Dividends Declared per Share	0.40	0.24	0.08		

B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

D. RISK FACTORS

Current economic conditions and uncertain economic forecast could adversely affect the Company s results of operations and financial conditions.

Unfavorable changes in the global economy have affected and may affect the demand for the products of the Company and its customers. Adverse economic conditions could also increase the likelihood of customer delinquencies. A prolonged period of economic decline would have a material adverse effect on the results of operations, gross margins, and the overall financial condition of the Company, as well as exacerbate the other risk factors set forth below.

Fluctuations in raw material costs or the unavailability of raw materials may adversely affect the Company s profitability.

Historically, the Company has not always been able to pass on significant raw material cost increases through price increases to its customers. The Company s results of operations in prior years, at times, have been negatively impacted by raw material cost increases. These fluctuations adversely affected the Company s profitability. As a result of raw material cost increases, the Company may increase prices (which could result in reduced market share) or may choose to keep prices the same (which could result in decreased margins). The Company s profitability in the future may be adversely affected due to continuing fluctuations in raw material prices. Additionally, the Company relies on its suppliers for deliveries of raw materials. If any of its suppliers are unable to deliver raw materials to the Company for an extended period of time, there is no assurance that the Company s raw material requirements would be met by other suppliers on acceptable terms, or at all, which could have a material adverse effect on the Company s results of operations.

The Company s ability to achieve its growth objectives depends in part on the timing and market acceptance of its new products.

The Company s business plan includes the introduction of new products, which are both developed internally and obtained through acquisitions. The Company s ability to introduce these products successfully depends on the demand for the products, as well as their price, quality, and related customer service. In the event the market does not accept these products or competitors introduce similar or superior products, the Company s ability to expand its markets and generate organic growth could be negatively impacted which could have an adverse effect on its operating results.

The Company s competition and customer preferences could impact the Company s profitability.

The markets for the Company s products are highly competitive. Competition in its markets is primarily based upon the quality, breadth and performance characteristics of its products, customer service and price. The Company s ability to compete successfully depends upon a variety of factors, including its ability to increase plant efficiencies and reduce manufacturing costs, as well as its access to quality, low-cost raw materials.

Some of the Company s competitors may, at times, have lower raw material, energy and labor costs and less restrictive environmental and governmental regulations to comply with than the Company does. Other competitors may be larger in size or scope than the Company, which may allow them to achieve greater economies of scale on a global basis or allow them to better withstand periods of declining prices and adverse operating conditions.

Demand for the Company s products and, in turn, its revenue and profit margins, are affected by customer preferences and changes in customer ordering patterns which occur as a result of changes in inventory levels and timing of purchases which may be triggered by price changes and incentive programs.

The Company s customer contracts contain termination provisions that could decrease the Company s future revenues and earnings.

Most of the Company s customer contracts can be terminated by the customer on short notice without penalty. The Company s customers are, therefore, not contractually obligated to continue to do business with it in the future. This creates uncertainty with respect to the revenues and earnings the Company may recognize with respect to its customer contracts.

The Company s manufacturing plant rationalization initiatives, manufacturing cost reduction programs and capital expenditure projects may result in higher costs and less savings than anticipated.

The Company has implemented several manufacturing plant rationalization initiatives, manufacturing cost reduction programs and capital expenditure projects. Each may not be completed as planned and as a result, the costs and capital expenditures incurred by the Company may substantially exceed projections. This could potentially result in additional debt incurred by the Company, reduced production and elimination, or reduction of anticipated manufacturing cost savings.

Acquisitions could expose the Company to significant business risks.

The Company may make strategic acquisitions that could, among other goals, complement its existing products, expand its customer base and markets, improve distribution efficiencies and enhance its technological capabilities. Financial risks from these acquisitions include the use of the Company s cash resources, paying a price that exceeds the future value realized from the acquisition, and incurring additional debt and liabilities (including potentially unknown liabilities). Further, there are possible operational risks including difficulty assimilating and integrating the operations, products, technology, information systems and personnel of acquired companies, losing key personnel of acquired entities, entry into markets in which the Company has no or limited prior experience, failure to obtain or retain intellectual property rights for certain products and difficulty honoring commitments made to customers of the acquired companies prior to the acquisition. The Company may incur significant acquisition, administrative and other costs in connection with these transactions, including costs related to the integration of acquired businesses. These acquisitions could expose the Company to significant integration risks and increased organizational complexity which may challenge management and may adversely impact the realization of an increased contribution from said acquisitions. The failure to adequately address these risks could adversely affect the Company s business and financial performance.

Although the Company performs due diligence investigations of the businesses and assets that it acquires, and anticipates continuing to do so for future acquisitions, there may be liabilities related to the acquired business or assets that the Company fails to, or is unable to, uncover during its due diligence investigation and for which the Company, as a successor owner, may be responsible. When feasible, the Company seeks to minimize the impact of these types of potential liabilities by obtaining indemnities and warranties from the seller, which may in some instances be supported by deferring payment of a portion of the purchase price. However, these indemnities and warranties, if obtained, may not fully cover the liabilities because of their limited scope, amount or duration, the financial resources of the indemnitor or warrantor, or other reasons.

The Company s Revolving Credit Facility contains covenants that limit its flexibility and prevents the Company from taking certain actions.

The loan and security agreement governing the Company s Revolving Credit Facility includes a number of significant restrictive covenants. These covenants could adversely limit the Company s ability to plan for or react to market conditions, meet its capital needs and execute its business strategy. These covenants, among other things, limit the Company s ability and the ability of its subsidiaries to incur additional debt; prepay other debt; pay dividends and make other restricted payments; create or permit certain liens; issue or sell capital stock of restricted subsidiaries; use the proceeds from sales of assets; make certain investments; create or permit restrictions on the ability of the guarantors to pay dividends or to make other distributions to the Company; enter into certain types of transactions with affiliates; engage in unrelated businesses; enter into sale and leaseback transactions; and consolidate or merge or sell the Company s assets substantially as an entirety.

The Company depends on its subsidiaries for cash to meet its obligations and pay any dividends.

The Company is a holding company. Its subsidiaries conduct all of its operations and own substantially all of its assets. Consequently, the Company s cash flow and its ability to meet its obligations or pay dividends to its stockholders depend upon the cash flow of its subsidiaries and the payment of funds by its subsidiaries to the Company in the form of dividends, tax sharing payments or otherwise. The Company s subsidiaries ability to provide funding will depend on, amongst others, their earnings, the terms of indebtedness from time to time, tax considerations and legal restrictions.

Payment of dividends may not continue in the future, and the payment of dividends is subject to restriction.

On August 14, 2013, the Board of Directors modified the Company s dividend policy to provide for the payment of quarterly cash dividends as opposed to semi-annual cash dividends. On July 7, 2014, the Board of Directors further modified the

Company s dividend policy to increase the annualized dividend by 50% from $0.32 to $0.48 per common share. The future declaration and payment of dividends, if any, will be at the discretion of the Board of Directors and will depend on a number of factors, including the Company s financial and operating results, financial position, and anticipated cash requirements. The Company can give no assurance that dividends will be declared and paid in the future or, if declared and paid in the future, at the same level as in the past. Additionally, the Company s Revolving Credit Facility restricts its ability to pay dividends if the Company does not maintain certain borrowing availability or if the Company is in default.

The Company s significant debt could adversely affect its financial condition.

While the Company s indebtedness has declined in recent years, it still has a significant amount of indebtedness. As of December 31, 2014, the Company had outstanding debt of $123.3 million, which represented 13% of its total capitalization. Of such total debt, approximately $123.2 million, or all of the Company s outstanding senior debt, was secured.

The Company s significant indebtedness could adversely affect its financial condition. The Company s substantial indebtedness could also increase its vulnerability to adverse general economic and industry conditions; require the Company to dedicate a substantial portion of its cash flows from operating activities to payments on its indebtedness, thereby reducing the availability of the Company s cash flows to fund working capital, capital expenditures, potential acquisitions, research and development efforts and other general corporate purposes; limit the Company s flexibility in planning for, or reacting to, changes in its business and the industry in which it operates; place the Company at a competitive disadvantage compared to its competitors that have less debt; and limit the Company s ability to borrow additional funds on terms that are satisfactory to it or at all.

The Company may not be able to generate sufficient cash flow to meet its debt service obligations.

The Company s ability to generate sufficient cash flows from operating activities to make scheduled payments on its debt obligations will depend on its future financial performance, which will be affected by a range of economic, competitive, regulatory, legislative and business factors, many of which are outside of the Company s control. If the Company does not generate sufficient cash flows from operating activities to satisfy its debt obligations, the Company may have to undertake alternative financing plans, such as refinancing or restructuring its debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. The Company cannot assure that any refinancing would be possible or that any assets could be sold on acceptable terms or otherwise. The Company s inability to generate sufficient cash flows to satisfy its debt obligations, or to refinance its obligations on commercially reasonable terms, would have an adverse effect on the Company s business, financial condition and results of operations. In addition, any refinancing of the Company s debt could be at higher interest rates and may require the Company to comply with more onerous covenants, which could further restrict its business operations. Also, any additional issuances of equity would dilute the Company s shareholders.

Despite the Company s level of indebtedness, it will be able to incur substantially more debt. Incurring such debt could further exacerbate the risks to the Company s financial condition described above.

The Company will be able to incur substantial additional indebtedness in the future. Although the loan and security agreement governing the Revolving Credit Facility contains restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions and the indebtedness incurred in compliance with these restrictions could be substantial. The restrictions also do not prevent the Company from incurring obligations that do not constitute indebtedness. To the extent new debt is added to the Company s currently anticipated debt levels, the substantial leverage risks described above would increase.

The failure to maintain effective internal control over financial reporting in accordance with applicable securities laws could cause the Company s stock price to decline.

Section 404 of the Sarbanes-Oxley Act of 2002 and the related rules and regulations of the Securities and Exchange Commission, as well as applicable Canadian securities laws require annual management assessments of the effectiveness of the Company s internal control over financial reporting and a report by the Company s independent registered public accounting firm to express an opinion on these controls based on their audit. Due to inherent limitations, there can be no assurance that the Company s system of internal control over financial reporting will be successful in preventing all errors, theft, and fraud, or in informing management of all material information in a timely manner. Also, if the Company cannot in the future favorably assess, or the Company s independent registered public accounting firm is unable to provide an unqualified attestation report on the effectiveness of the Company s internal control over financial reporting, investors may lose confidence in the reliability of the Company s financial reports, which could cause the Company s stock price to decline.

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The Company s pension and other post-retirement benefit plans are unfunded which could require Company contributions.

The Company s pension and other post-retirement benefit plans currently have an unfunded deficit of $31.7 million as of December 31, 2014 as compared to $18.9 million at the end of 2013. For 2014 and 2013, the Company contributed $2.2 million and $4.3 million, respectively, to its funded pension plans and to beneficiaries for its unfunded other benefit plans. In addition, for 2014, the Company recognized non-cash settlement losses of $1.6 million resulting from the difference between the accounting liability and the cost to settle obligations related to the wind-up of a defined benefit plan associated with the former Brantford, Ontario manufacturing facility. The Company may need to divert certain of its resources in the future in order to resolve this funding deficit. In addition, the Company cannot predict whether a change in factors such as pension asset performance or interest rates, will require the Company to make a contribution in excess of its current expectations. Further, the Company may not have the funds necessary to meet future minimum pension funding requirements or be able to meet its pension benefit plan funding obligation through cash flows from operating activities.

The Company depends on the proper functioning of its information systems.

The Company is dependent on the proper functioning of information systems, some of which are owned and operated by third parties, to store, process and transmit confidential information, including financial reporting, inventory management, procurement, invoicing and electronic communications belonging to our customers, our suppliers, our employees and/or us. The Company s information systems are vulnerable to natural disasters, fire, casualty theft, technical failures, terrorist acts, cyber security breaches, power loss, telecommunications failures, physical or software intrusions, computer viruses, and similar events. If the Company s critical information systems fail or are otherwise unavailable, our operations could be disrupted, causing a material adverse effect on our business. Also, any theft or misuse of information resulting from a security breach could result in, among other things, loss of significant and/or sensitive information, litigation by affected parties, financial obligations resulting from such theft or misuse, higher insurance premiums, governmental investigations, negative reactions from current and potential future customers (including potential negative financial ramifications under certain customer contract provisions) and poor publicity. Any of these consequences, in addition to the time and funds spent on monitoring and mitigating our exposure and responding to breaches, including the training of employees, the purchase of protective technologies and the hiring of additional employees and consultants to assist in these efforts, could adversely affect our financial results.

The Company faces risks related to its international operations.

The Company has customers and operations located outside the United States and Canada. In 2014, sales to customers located outside the United States and Canada represented approximately 10% of its sales. The Company s international operations present it with a number of risks and challenges, including potential difficulties staffing and managing its foreign operations, potential adverse changes in tax regulations affecting tax rates and the way the United States and other countries tax multinational companies, the effective marketing of the Company s products in other countries, tariffs and other trade barriers, less favorable intellectual property laws, longer customer payment cycles, exposure to economies that may be experiencing currency volatility or negative growth, and different regulatory schemes and political environments applicable to its operations in these areas, such as environmental and health and safety compliance.

In addition, the Company s financial statements are reported in US dollars while a portion of its sales is made in other currencies, primarily the Canadian dollar and the Euro. As a result, fluctuations in exchange rates between the US dollar and foreign currencies can have a negative impact on the Company s reported operating results and financial condition. Moreover, in some cases, the currency of the Company s sales does not match the currency in which it

incurs costs, which can negatively affect its profitability. Fluctuations in exchange rates can also affect the relative competitive position of a particular facility where the facility faces competition from non-local producers, as well as the Company s ability to successfully market its products in export markets.

The Company s operations are subject to comprehensive environmental regulation and involve expenditures which may be material in relation to its operating cash flow.

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The Company s operations are subject to extensive environmental regulation in each of the countries in which it maintains facilities. For example, United States (federal, state and local) and Canadian (federal, provincial and local) environmental laws applicable to the Company include statutes and regulations intended to impose certain obligations with respect to site contamination and to allocate the cost of investigating, monitoring and remedying soil and groundwater contamination among specifically identified parties, as well as to prevent future soil and groundwater contamination; imposing ambient standards and, in some cases, emission standards, for air pollutants which present a risk to public health, welfare or the natural environment; governing the handling, management, treatment, storage and disposal of hazardous wastes and substances; and regulating the discharge of pollutants into waterways.

The Company s use of hazardous substances in its manufacturing processes and the generation of hazardous wastes not only by the Company, but by prior occupants of its facilities, suggest that hazardous substances may be present at or near certain of the Company s facilities or may come to be located there in the future. Consequently, the Company is required to closely monitor its compliance under all the various environmental laws and regulations applicable to it. In addition, the Company arranges for the off-site disposal of hazardous substances generated in the ordinary course of its business.

The Company obtains Phase I or similar environmental site assessments, and Phase II environmental site assessments, if necessary, for most of the manufacturing facilities it owns or leases at the time it either acquires or leases such facilities. These assessments typically include general inspections and may involve soil sampling and/or groundwater analysis. The assessments have not revealed any environmental liability that, based on current information, the Company believes will have a material adverse effect on it. Nevertheless, these assessments may not reveal all potential environmental liabilities and current assessments are not available for all facilities. Consequently, there may be material environmental liabilities that the Company is not aware of. In addition, ongoing cleanup and containment operations may not be adequate for purposes of future laws and regulations. The conditions of the Company s properties could also be affected in the future by neighboring operations or the conditions of the land in the vicinity of its properties. These developments and others, such as increasingly stringent environmental laws and regulations, increasingly strict enforcement of environmental laws and regulations, or claims for damage to property or injury to persons resulting from the environmental, health or safety impact of its operations, may cause the Company to incur significant costs and liabilities that could have a material adverse effect on it.

Except as described in Item 4B(8) below, the Company believes that all of its facilities are in material compliance with applicable environmental laws and regulations and that it has obtained, and is in material compliance with, all material permits required under environmental laws and regulations. Although certain of the Company s facilities emit toluene and other pollutants into the air, these emissions are within current permitted limits.

The Company s facilities are required to maintain numerous environmental permits and governmental approvals for its operations. Some of the environmental permits and governmental approvals that have been issued to the Company or to its facilities contain conditions and restrictions, including restrictions or limits on emissions and discharges of pollutants and contaminants, or may have limited terms. If the Company fails to satisfy these conditions or to comply with these restrictions, it may become subject to enforcement actions and the operation of the relevant facilities could be adversely affected. The Company may also be subject to fines, penalties or additional costs. The Company may not be able to renew, maintain or obtain all environmental permits and governmental approvals required for the continued operation or further development of the facilities, as a result of which the operation of the facilities may be limited or suspended.

The Company may become involved in litigation relating to its intellectual property rights, which could have an adverse impact on its business.

The Company relies on patent protection, as well as a combination of copyright, trade secret and trademark laws, nondisclosure and confidentiality agreements and other contractual restrictions to protect its proprietary technology. Litigation may be necessary to enforce these rights, which could result in substantial costs to the Company and a substantial diversion of management attention. If the Company does not adequately protect its intellectual property, its competitors or other parties could use the intellectual property that the Company has developed to enhance their products or make products similar to the Company s and compete more efficiently with it, which could result in a decrease in the Company s market share.

While the Company has attempted to ensure that its products and the operations of its business do not infringe other parties patents and proprietary rights, its competitors or other parties may assert that the Company s products and operations may infringe upon patents held by them. In addition, because patent applications can take many years to issue, the Company might have products that infringe upon pending patents of which it is unaware. If any of the Company s products infringe a valid

patent, it could be prevented from selling them unless the Company obtains a license or redesigns the products to avoid infringement. A license may not be available or may require the Company to pay substantial royalties. The Company may not be successful in attempts to redesign its products to avoid infringement. Infringement or other intellectual property claims, regardless of merit or ultimate outcome, can be expensive and time-consuming to resolve as well as divert management s attention from the Company s core business.

The Company may become involved in labor disputes or employees could form or join unions increasing the Company s costs to do business.

Some of the Company s employees are subject to collective bargaining agreements. Other employees are not part of a union and there are no assurances that such employees will not form or join a union. Any attempt by employees to form or join a union could result in increased labor costs and adversely affect the Company s business, its financial condition and/or results of operations.

Except for the strike which occurred at the Company s Brantford, Ontario plant in 2008, which is now closed, the Company has never experienced any work stoppages due to employee related disputes. Management believes that it has a good relationship with its employees. There can be no assurance, however, that work stoppages or other labor disturbances will not occur in the future. Such occurrences could adversely affect the Company s business, financial condition and/or results of operations.

The Company may become involved in litigation which could have an adverse impact on its business.

The Company, like other manufacturers and sellers, is subject to potential liabilities connected with its business operations, including potential liabilities and expenses associated with product defects, performance, reliability or delivery delays. The Company is threatened from time to time with, or is named as a defendant in, legal proceedings, including lawsuits based upon product liability, personal injury, breach of contract and lost profits or other consequential damages claims, in the ordinary course of conducting its business. A significant judgment against the Company, or the imposition of a significant fine or penalty resulting from a finding that the Company failed to comply with laws or regulations, or being named as a defendant on multiple claims could adversely affect the Company s business, financial condition and/or results of operations.

Uninsured and underinsured losses and rising insurance costs could adversely affect the Company s business.

The Company maintains property, business interruption, general liability, directors and officers liability and other ancillary insurance on such terms as it deems appropriate. This may result in insurance coverage that, in the event of a substantial loss, would not be sufficient to pay for the full current market value or current replacement cost of the Company s lost investment. Not all risks are covered by insurance.

The Company s cost of maintaining property, general liability and business interruption insurance and director and officer liability insurance is significant. The Company could experience higher insurance premiums as a result of adverse claims experience or because of general increases in premiums by insurance carriers for reasons unrelated to its own claims experience. Generally, the Company s insurance policies must be renewed annually. The Company s ability to continue to obtain insurance at affordable premiums also depends upon its ability to continue to operate with an acceptable claims record. A significant increase in the number of claims against the Company, the assertion of one or more claims in excess of its policy limits, or the inability to obtain adequate insurance coverage at acceptable rates, or any insurance coverage at all, could adversely affect the Company s business, financial condition and/or results of operations.

The Company s success depends upon retaining the services of its management team and key employees.

The Company is dependent on its management team and expects that continued success will depend largely upon their efforts and abilities. The loss of the services of any key executive for any reason could have a material adverse effect the Company. Success also depends upon our ability to identify, develop, and retain qualified employees.

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Product liability could adversely affect the Company s business.

Difficulties in product design, performance and reliability could result in lost sales, delays in customer acceptance of the Company s products, customer complaints or lawsuits. Such difficulties could be detrimental to the Company s market reputation. The Company s products and the products supplied by third parties on behalf of the Company may not be error-free. Undetected errors or performance problems may be discovered in the future. The Company may not be able to successfully complete the development of planned or future products in a timely manner or adequately address product defects, which could harm the Company s business and prospects. In addition, product defects may expose the Company to product liability claims, for which it may not have sufficient product liability insurance. Difficulties in product design, performance and reliability or product liability claims could adversely affect the Company s business, financial condition and/or results of operations.

Because the Company is a Canadian company, it may be difficult to enforce rights under US bankruptcy laws.

The Company and certain of its subsidiaries are incorporated under the laws of Canada and a substantial amount of its assets are located outside of the United States. Under bankruptcy laws in the United States, courts typically assert jurisdiction over a debtor s property, wherever located, including property situated in other countries. However, courts outside of the United States may not recognize the United States bankruptcy court s jurisdiction over property located outside of the territorial limits of the United States. Accordingly, difficulties may arise in administering a United States bankruptcy case involving a Canadian debtor with property located outside of the United States, and any orders or judgments of a bankruptcy court in the United States may not be enforceable outside the territorial limits of the United States.

It may be difficult for investors to enforce civil liabilities against the Company under US federal and state securities laws.

The Company and certain of its subsidiaries are incorporated under the laws of Canada. Certain of their directors are residents of Canada and a portion of directors and executive officers assets may be located outside of the United States. In addition, certain subsidiaries are located in other foreign jurisdictions. As a result, it may be difficult or impossible for US investors to effect service of process within the United States upon the Company, its Canadian subsidiaries, or its other foreign subsidiaries, or those directors and officers, or to realize against them upon judgments of courts of the United States predicated upon the civil liability provisions of US federal securities laws or securities or blue sky laws of any state within the United States. The Company believes that a judgment of a US court predicated solely upon the civil liability provisions of the Securities Act of 1933, as amended and/or the Exchange Act of 1934, as amended (Exchange Act) would likely be enforceable in Canada if the US court in which the judgment was obtained had a basis for jurisdiction in the matter that was recognized by a Canadian court for such purposes. The Company cannot assure that this will be the case. There is substantial doubt whether an action could be brought in Canada in the first instance on the basis of liability predicated solely upon such laws.

While our shares trade on the Toronto Stock Exchange, they trade on the OTC Pink Marketplace in the US, which may result in the possible absence of a liquid trading market for securities of US investors.

The Company s common shares are traded in the US on the OTC Pink Marketplace. Trading on this market can be thin and characterized by wide fluctuations in trading prices, due to many factors that may have little to do with a company s operations or business prospects. In addition, trading on this market is often sporadic, so shareholders may have some difficulty reselling any of their shares of common stock on this market.

Compliance with the SEC s new conflict mineral disclosure requirements results in additional compliance costs and may create reputational challenges.

The SEC adopted rules pursuant to Section 1502 of the Dodd-Frank Act setting forth disclosure requirements concerning the use or potential use of certain minerals and their derivatives, including tantalum, tin, gold and tungsten, that are mined from the Democratic Republic of Congo and adjoining countries, and deemed conflict minerals. These requirements have necessitated, and will continue to necessitate, due diligence efforts by the Company to assess whether such minerals are used in our products in order to make the relevant required disclosures. There are certain costs associated with complying with these new disclosure requirements, including diligence to determine the sources of those minerals that may be used or necessary to the production of the Company s products. If the Company determines that certain of its products contain minerals that are not conflict-free or is unable to sufficiently verify the origins for all conflict minerals used in its products, the Company may face changes to its supply chain or challenges to its reputation, either of which could impact future sales.

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The Company s exemptions under the Securities Exchange Act of 1934, as amended, as a foreign private issuer limits the protections and information afforded investors.

The Company is a foreign private issuer within the meaning of the rules promulgated under the Exchange Act. As such, it is exempt from certain provisions applicable to United States companies with securities registered under the Exchange Act, including: the rules under the Exchange Act requiring the filing with the Securities and Exchange Commission of quarterly reports on Form 10-Q or current reports on Form 8-K; the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act; and the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and establishing insider liability for profits realized from any short-swing trading transaction (*i.e.,* a purchase and sale, or sale and purchase, of the issuers equity securities within a period of less than six months). Because of these exemptions, purchasers of the Company s securities are not afforded the same protections or information generally available to investors in public companies organized in the United States. Prior to December 31, 2000, the Company filed its annual reports on Form 20-F. Commencing with the year ended December 31, 2000 through December 31, 2007, and again for the year ended December 31, 2009, the Company filed its annual reports on Form 40-F. For the year ended December 31, 2008 and commencing for the year ended December 31, 2010 and going forward, the Company has elected to file its annual report on Form 20-F which also fulfills the requirements of the Annual Information Form required in Canada, thus necessitating only one report. The Company reports on Form 6-K with the United States Securities and Exchange Commission and publicly releases quarterly financial reports.

Item 4: Information on the Company

A. HISTORY AND DEVELOPMENT OF THE COMPANY

The business of Intertape was established when Intertape Systems Inc., a predecessor of the Company, established a pressure sensitive tape manufacturing facility in Montreal, Canada. The Company was incorporated under the *Canada Business Corporations Act* on December 22, 1989 under the name 171695 Canada Inc. On October 8, 1991, the Company filed a Certificate of Amendment changing its name to Intertape Polymer Group Inc. A Certificate of Amalgamation was filed by the Company on August 31, 1993, at which time the Company was amalgamated with EBAC Holdings Inc. The Shareholders, at the Company s June 11, 2003 annual and special meeting, voted on the replacement of the Company s By-Law No. 1 with a new General By-Law 2003-1. The intent of the replacement by-law was to conform the Company s general by-laws with amendments that were made to the *Canada Business Corporations Act* since the adoption of the general by-laws and to simplify certain aspects of the governance of the Company. On August 6, 2006, the Company filed a Certificate of Amendment to permit the Board of Directors of the Company to appoint one or more additional Directors to hold office for a term expiring not later than the close of the next annual meeting of the Company s Shareholders, so long as the total number of Directors so appointed does not exceed one-third of the number of Directors elected at the previous annual meeting of the Shareholders of the Company.

The Company s corporate headquarters is located at 9999 Cavendish Blvd., Suite 200, Ville St. Laurent, Québec, Canada H4M 2X5 and the address and telephone number of its registered office is 800 Place Victoria, Suite 3700, Montréal, Québec H4Z 1E9, c/o Fasken Martineau Dumoulin LLP, (514) 397-7400.

The Company operates in various geographic locations and develops, manufactures and sells a variety of paper and film based pressure sensitive and water activated tapes, polyethylene and specialized polyolefin packaging films, woven coated fabrics and complementary packaging systems for industrial and retail use. Most of the Company s

products are made from similar processes. A vast majority of the Company s products, while brought to market through various distribution channels, generally have similar economic characteristics.

The Company closed its Brantford, Ontario, facility during the second quarter of 2011 and discontinued the manufacture of certain products that were produced solely at the Brantford, Ontario, plant. The Company sold the Brantford, Ontario, facility in January 2013. The Company sold its Hawkesbury, Ontario, plant in 2011. In the fourth quarter of 2012, the Company ceased manufacturing operations at its Richmond, Kentucky, manufacturing facility and transferred operations to its Carbondale, Illinois, facility during the first quarter of 2013. The Company sold the Richmond, Kentucky facility in the fourth quarter of 2014. In addition, the Company consolidated its North American shrink film production at its Tremonton, Utah, facility.

As the result of an internal restructuring, effective December 31, 2012, the Company liquidated and dissolved ECP L.P. and ECP GP II Inc., its Canadian operating companies, and all business, assets and liabilities were transferred to Intertape Polymer Inc., another Canadian subsidiary of the Company. Also effective December 31, 2012, the Company liquidated and dissolved Polymer International Corp., a Virginia corporation, and all of its assets and liabilities are with Intertape Polymer Corp., a Delaware corporation, a US subsidiary of the Company.

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Effective October 30, 2014, the Company completed an additional internal restructuring to reorganize the capital structure of several of its legal entities to more efficiently manage its intercompany debt. The results of this restructuring were (in addition to certain transfers of certain intercompany receivables, payables and notes): (a) IPG Holdings LP was dissolved; (b) all of the preferred shares in IPG (US) Holdings Inc. were redeemed and cancelled, with Intertape Polymer Group Inc. owning all of the common shares of IPG (US) Holdings Inc.; (c) Intertape Polymer Group Inc. formed IPG Luxembourg S.à r.l, a Luxembourg private limited liability company (société à responsabilité limitée) as a wholly owned subsidiary of Intertape Polymer Group Inc. and (d) Intertape Polymer Corp. transferred all of its preferred equity interests in Intertape Polymer Inc. to IPG (US) Inc.

In February 2013, the Company announced plans to relocate and modernize its Columbia, South Carolina, manufacturing facility and in June 2013, acquired property in Blythewood, South Carolina, which is located in close proximity to the Columbia, South Carolina plant. Improvements to the Blythewood property are underway to adapt it for use as a tape and stencil manufacturing facility. The Company anticipates the plant to be fully operational and the transition of operating from the Columbia facility to the Blythewood facility to be fully complete in the first half of 2015. Capital expenditures for this project are expected to total $52 million to $54 million, of which $2.7 million was spent in 2012, $21.8 million in 2013, and $24.3 million in 2014.

The Company s total capital expenditures in connection with property, plant and equipment were $40.6 million and $46.8 million for the years 2014 and 2013, respectively. The majority of the expenditures were to update existing manufacturing equipment and to obtain new equipment.

There has not been any indication of any public takeover offers by third parties in respect of the Company s shares or by the Company in respect of other companies shares during the last and current fiscal year.

B. BUSINESS OVERVIEW

The Company operates in the specialty packaging industry in North America. The Company develops, manufactures and sells a variety of paper and film-based pressure sensitive and water activated tapes, polyethylene and specialized polyolefin packaging films, woven coated fabrics and complementary packaging systems for industrial and retail use. The Company s products primarily consist of carton sealing tapes, including pressure-sensitive and water-activated tapes; packaging equipment; industrial and performance specialty tapes including masking, duct, electrical and reinforced filament tapes; shrink film; stretch wrap; lumberwrap, structure fabrics, geomembrane fabrics; and non-manufactured flexible intermediate bulk containers (FIBCs).

The Company has approximately 1,900 employees with operations in 15 locations, including 10 manufacturing facilities in North America and one in Europe.

The Company has assembled a broad range of products by leveraging its manufacturing technologies, its research and development capabilities, global sourcing expertise and its strategic acquisition program. Over the years, the Company has made a number of strategic acquisitions in order to offer a broader range of products to better serve its markets. The Company s extensive product line permits the Company to offer tailored solutions to a wide range of end-markets including food processing, fulfillment, consumer, building and construction, oil and gas, transportation, agriculture, aerospace, appliance, general manufacturing, marine, composites and military applications.

Overview of Periods

2012

During 2012, the Company continued to focus on developing and selling higher-margin products, reducing variable manufacturing costs, executing on previously announced manufacturing plant initiatives, and optimizing its debt structure. The Company took several steps during 2012 to accomplish these objectives.

The Company had a $200.0 million Asset Based Loan (ABL) entered into with a syndicate of financial institutions. The amount of borrowings available to the Company under the ABL was determined by its applicable borrowing base from time to time. The borrowing base was determined by calculating a percentage of eligible trade accounts receivable, inventories, and equipment. The ABL was priced at 30-day LIBOR plus a loan margin determined from a pricing grid. The loan margin declined as unused availability increased. The pricing grid of the ABL, prior to the February 1, 2012 amendment, ranged from 1.5% to 2.25%. Unencumbered real estate was subject to a negative pledge in favor of the ABL lenders. However, the Company retained the ability to secure financing on all or a portion of its owned real estate up to $35.0 million and had the negative pledge in favor of the ABL lenders terminated. The ABL was scheduled to mature in March 2013. Effective February 1, 2012, the Company entered into a Third Amendment to Loan and Security Agreement among certain subsidiaries of the Company, the Lenders referred to therein, Bank of America, N.A., as agent, Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Lead Arranger and Wells Fargo Capital Finance, LLC, as right side joint lead arranger. The Third Amendment extended the maturity date of the ABL to February 2017 from March 2013. Under the Third Amendment, the interest rate increased modestly while several other modifications in the terms provided the Company with greater flexibility. The pricing grid of the extended ABL ranged from 1.75% to 2.25%.

On June 26, 2012, the Company announced its intention to close its Richmond, Kentucky facility with the majority of production to be transferred to its Carbondale, Illinois facility (the Richmond, Kentucky facility was sold in December 2014). The Company also announced the transfer of the shrink film production business from its Truro, Nova Scotia facility to its Tremonton, Utah plant. This allowed the Company to further optimize its manufacturing footprint and generate significant annual savings.

On August 14, 2012, the Company entered into an Equipment Finance Agreement with a lifetime and maximum funding amount of $24.0 million. The terms of the arrangements included multiple individual capital leases, each of which has a term of sixty months and a fixed interest rate. The average of the fixed interest rates was expected to be less than 3%. If the Company did not finance the full amount of $4.0 million and $20.0 million by December 31, 2012 and December 31, 2013, respectively, then, subject to certain conditions, the Company would be required to pay a Reinvestment Premium (as defined in the Equipment Finance Agreement) on the difference between those amounts and the amounts actually funded in each of those years. In 2012, the Company financed the required amounts and was not subject to a Reinvestment Premium.

On October 10, 2012, the Company paid a dividend of CDN$0.08 per common share to shareholders of record at the close of business on September 21, 2012. The aggregate amount of the dividend paid was USD$4.8 million.

During 2012, the Company redeemed $80.0 million of its Senior Subordinated Notes, $25.0 million on August 1, 2012 and $55.0 million on December 13, 2012, both at par value. The notional amount of Senior Subordinated Notes outstanding after the redemptions was $38.7 million.

On October 16, 2012, the Company prepaid in full the outstanding balance of $1.9 million for its $3.0 million mortgage on its Danville, Virginia, facility which was originally due July 1, 2013.

On November 1, 2012, the Company entered into a Real Estate Loan of $16.6 million, amortized on a straight-line basis over the ten year term (in November 2014, the Company prepaid in full the Real Estate Loan with proceeds from the Revolving Credit Facility). The maturity of the loan could have been accelerated if the ABL was not extended and if Bank of America, N.A. ceased to be the agent by reason of an action of the Company. A portion of the loan may have been required to be repaid early if any mortgage properties were disposed of prior to October 31, 2022. Interest on the Real Estate Loan through December 31, 2012, was at a rate of 30-day LIBOR plus 250 basis points. Thereafter, the Real Estate Loan bore interest at a rate of 30-day LIBOR plus a loan margin between 225 and 275 basis points

based on a pricing grid as defined in the loan agreement. The Real Estate Loan contained two financial covenants, both of which were calculated at the end of each fiscal month. The Company was in compliance with these covenants since entering into the Real Estate Loan. The loan was secured by certain of the Company s real estate.

2013

In January 2013, the Company sold the Brantford, Ontario manufacturing facility and received net proceeds of $1.6 million. The Company recovered $0.2 million of the asset impairment charge previously recorded in 2011 and 2010.

On February 26, 2013, the Company announced plans to relocate and modernize its Columbia, South Carolina manufacturing operation. In June 2013, the Company acquired property located in Blythewood, South Carolina in connection

with the relocation and modernization of its Columbia, South Carolina manufacturing facility. This property was financed by an $8.5 million mortgage with Wells Fargo National Association (the South Carolina Mortgage). In November 2014, the Company prepaid in full this loan with proceeds from the Revolving Credit Facility. Improvements are underway to adapt the facility for use as a tape manufacturing facility and it is expected to be fully operational by the end of the first half of 2015.

In June 2013, the Company redeemed $20.0 million aggregate principal amount of its outstanding Senior Subordinated Notes, and on August 30, 2013, the Company redeemed the remaining $18.7 million aggregate principal amount of its outstanding Senior Subordinated Notes due August 1, 2014, fully discharging and satisfying the Senior Subordinated Notes and Indenture.

During 2013, the Company completed certain initiatives regarding its facilities. Production ceased at the Company s Richmond, Kentucky, plant in the fourth quarter of 2012, production of shrink film ceased at the Company s Truro, Nova Scotia, plant in the first quarter of 2013, and the Company consolidated its shrink film operations at its Tremonton, Utah, manufacturing facility.

On August 14, 2013, the Board of Directors modified the Company s dividend policy to provide for the payment of quarterly dividends as opposed to semi-annual dividends. During 2013, the Company paid dividends totaling USD$0.24 per share.

In August 2013, the Company relocated its US corporate headquarters to a leased facility at 100 Paramount Drive, Suite 300, Sarasota, Florida 34232. The prior U.S. headquarters located in Bradenton, Florida is idle and being marketed for sale.

As discussed above, the Company entered into an Equipment Finance Agreement in August 2012. During 2013, the Company was required to finance $20 million of equipment purchases. As of December 31, 2013, the Company financed $16.9 million. However, the Company was not required to pay a Reinvestment Premium on the shortfall inasmuch as the three-year SWAP rate at December 31, 2013 as set forth in the Federal Reserve H.15 report decreased to less than 0.5%. The average of the fixed interest rates of the capital leases as of December 31, 2013 was 2.86%.

In assessing the recoverability of deferred tax assets, management determines, at each balance sheet date, whether it is more likely than not that a portion or all of its deferred tax assets will be realized. This determination is based on quantitative and qualitative assessments by management and the weighing of all available evidence, both positive and negative. Such evidence includes the scheduled reversal of deferred tax liabilities, projected future taxable income and the implementation of tax planning strategies. As of December 31, 2013, management analyzed all available evidence including, in particular, the Company s financial results for the year then ended (taxable income and earnings before income tax expense (benefit)), the 2013 budget variances, and the Company s cumulative financial results for the prior three years. In addition, management took under significant consideration the Company s 2014 budget, its long-term financial projections, market and industry conditions and certain available tax strategies. As a result of this detailed analysis, management determined at such time that it was more likely than not that substantially all of the Company s deferred tax assets in the US would be realized and, accordingly, recognized $47.8 million of its US deferred tax assets, $43.0 million of which impacted the Company s net earnings while the balance impacted its shareholders equity.

In addition, management determined at such time that it was more likely than not that a portion of its deferred tax assets related to the Company s corporate (holding) entity (Intertape Polymer Group Inc. or the Entity) would not be realized due to insufficient taxable income in future periods. Previously, the Entity benefited from sufficient taxable income as a result of certain tax planning strategies implemented in 2011 (the Planning). The Company s management

continues to expect that, pursuant to the Planning, the Entity will continue to generate sufficient taxable income in order to fully utilize its net operating losses with expiration dates through 2015. However, the benefit of the Planning is expected to diminish over such time. Accordingly, the Company derecognized $4.6 million of its Canadian deferred tax assets as of December 31, 2013. These deferred tax assets remain available to the Company in order to reduce its taxable income in future periods.

2014

In 2014, Intertape hired a new Chief Financial Officer. Bernard J. Pitz s tenure as chief financial officer ended on January 30, 2014. Michael C. Jay, Corporate Controller since 2011, assumed the duties of interim Chief Financial Officer from January 30, 2014 to May 9, 2014. Jeffrey Crystal was appointed Chief Financial Officer effective May 9, 2014.

In March 2014, Intertape increased the amount available under the Equipment Finance Agreement dated August 14, 2012 from $24.0 million to $25.7 million and also entered into its final capital lease schedule under this agreement for $3.5 million. The average of the fixed interest rates of the capital leases as of December 31, 2014 was 2.87%.

On June 11, 2014, Intertape s Board of Directors adopted: (a) the Performance Share Unit Plan (PSU Plan) and (b) the Deferred Share Unit Plan (DSU Plan). The PSU Plan is administered by the Compensation Committee of the Board of Directors of the Company and authorizes the Company to award PSUs to eligible persons. The DSU Plan is administered by the Compensation Committee of the Board of Directors of the Company and authorizes the Company to award DSUs to any member of the Board of Directors of the Company that is not an executive officer or employee of the Company. A maximum of 1,000,000 common shares may be issued from treasury under the PSU Plan. A maximum of 250,000 common shares may be issued from treasury under the DSU Plan.

On July 7, 2014, Intertape announced a normal course issuer bid (NCIB) effective on July 10, 2014. In connection with this NCIB, the Company is entitled to repurchase for cancellation up to 2,000,000 of Intertape s common shares issued and outstanding. The NCIB will expire on July 9, 2015. As of December 31, 2014, the Company has repurchased 597,500 common shares at an average price of CDN$14.35 per share, including commissions, for a total purchase price of $7.8 million.

On July 7, 2014, Intertape s Board of Directors modified Intertape s dividend policy to increase the annualized dividend by 50% from $0.32 to $0.48 per common share.

On August 5, 2014, the Board of Directors appointed Mr. Frank Di Tomaso as a new board member of the Company.

Effective October 30, 2014, Intertape completed an internal restructuring to reorganize the capital structure of several of its legal entities to more efficiently manage its intercompany debt. The results of this restructuring were (in addition to certain transfers of certain intercompany receivables, payables and notes): (a) IPG Holdings LP was dissolved; (b) all of the preferred shares in IPG (US) Holdings Inc. were redeemed and cancelled, with Intertape Polymer Group Inc. owning all of the common shares of IPG (US) Holdings Inc.; (c) Intertape Polymer Group Inc. formed IPG Luxembourg Finance S.à r.l, a Luxembourg private limited liability company (société à responsabilité limitée) as a wholly owned subsidiary of Intertape Polymer Group Inc. and (d) Intertape Polymer Corp. transferred all of its preferred equity interests in Intertape Polymer Inc. to IPG (US) Inc.

On November 18, 2014, Intertape entered into a new Revolving Credit Facility Agreement which provides for a five-year US$300 million Revolving Credit Facility. The Revolving Credit Facility replaced the ABL Facility and prepaid in full the outstanding balances of the Real Estate Loan and South Carolina Mortgage. The Revolving Credit Facility Agreement includes an incremental accordion feature of US$150 million, which will enable the Company to increase the limit of this facility (subject to the Revolving Credit Facility Agreement s terms) if needed. The Revolving Credit Facility matures on November 18, 2019 and bears an interest rate based primarily on the LIBOR rate plus a spread varying between 100 and 225 basis points (125 basis points as of December 31, 2014) depending on the consolidated total leverage ratio.

In December 2014, the Company sold the Richmond, Kentucky manufacturing facility and received net proceeds of $2.3 million.

(1) Products, Markets and Distribution

(a) Tapes

The Company manufactures a variety of paper and film based tapes, including pressure-sensitive and water-activated carton sealing tapes; industrial and performance specialty tapes including paper, flatback, duct, double coated, foil, electrical, filament tapes and stencil products.

The Company is the only packaging company that manufactures carton sealing tapes using all four adhesive technologies: hot melt, acrylic, natural rubber and water-activated. As a vertically integrated manufacturer, the Company believes it has distinctive capabilities, relative to its competitors, to produce its own film and adhesives used in the manufacture of its finished tape.

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The Company s tape products are manufactured and primarily sold under the Company s Intertape , Central®, American®, Anchor®, and Crowell® brands to industrial distributors and retailers, and are manufactured for sale to third parties under private brands.

Tape products launched in 2012, 2013 and 2014 include new transfer adhesive products, clean removal tensilized polypropylene and filament products, UL rated HVAC tapes, and hot melt carton sealing tape manufactured with a proprietary Corru-Grip adhesive formulation for optimal closure of highly recycled corrugate. Further information regarding these new products can be found in the Research & Development section of this document.

In 2012, the Company redirected its focus to address specific solutions the Company is able to provide for the following targeted markets: fulfillment, general manufacturing, food processing and specialty (oil and gas, HVAC, aerospace, residential and commercial painting, building and construction, and mass transportation).

In 2013, the majority of the Company s product launches were double-coated, carton sealing, HVAC, appliance packaging and masking tapes.

In 2014, the Company enhanced its offering of packaging solutions with the introductions of: ExlfilmPlus® GPL, a new high performance cross linked polyolefin shrink film; Ripcord , a knife free solution to open packages; RG317, a filament tape for L-clip box closure applications; Auto H2O uniform semi-automatic water-activated case sealer and other complementary products.

For the years ending December 31, 2014, December 31, 2013, and December 31, 2012, tapes accounted for 65%, 65%, and 66%, respectively, of the Company s revenue.

The Company s tape products consist of two main product groups, Carton Sealing Tapes and Industrial & Specialty Tapes.

Carton Sealing Tapes

Carton sealing tapes are sold primarily under the Intertape and Central® brands to industrial distributors and leading retailers, as well as to third parties under private brands. Management believes the Company is the only company worldwide that produces carton sealing tapes using all four adhesive technologies: hot melt, acrylic, natural rubber and water- activated. The Company also sells the application equipment required for the dispensing of its carton sealing tapes.

Hot Melt Tape

Hot melt carton sealing tape is a polypropylene film coated with a synthetic rubber adhesive which offers a wide range of application flexibility and is typically used in carton sealing applications. The Company s primary competitors are 3M Co., Shurtape Technologies LLC and Vibac Group.

Acrylic Tape

Acrylic carton sealing tape is a polypropylene film coated with an aqueous, pressure-sensitive acrylic adhesive which is best suited for applications where performance is required within a broad range of temperatures from less than 40°F (4°C) to greater than 120°F (49°C). The Company s primary competitors are 3M Co., GTA, Primetac (Pitamas) and imported Asian products.

Natural Rubber Tape

Natural rubber carton sealing tape is a polypropylene film coated with natural rubber adhesive and is unique among the carton sealing tapes because of its robust adhesion properties. This tape is ideally suited for conditions involving hot, dusty, humid or cold environments. Typical uses include moving and storage industry applications, as well as packaging and shipping. The Company s primary competitors are Vibac Group and imported products from Europe.

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Water-Activated Tape

Water-activated carton sealing tape is typically manufactured using a filament reinforced kraft paper substrate and a starch based adhesive that is activated by water. Water-activated tape is used primarily in applications where a strong mechanical bond or tamper evidence is required. Typical end-use markets include retail fulfillment centers, 3PL s (third-party logistics providers), furniture manufacturers and the apparel industry. The Company s primary competitor is Holland Manufacturing Co. Inc.

Industrial & Specialty Tapes

The Company produces eight primary industrial and specialty products sold primarily under the Intertape , American® and Anchor® brands: paper tape, flatback tape, duct tape, double-coated tape, foil tape, electrical tape, filament tape and stencil products.

Paper Tape

Paper tape is manufactured from a crepe paper substrate coated with a natural rubber or a synthetic rubber adhesive. Paper tape is used for a variety of performance and general purpose end-use applications. Product applications include paint masking (consumer, contractor, automotive, aerospace and marine), splicing, bundling/packaging, and general light duty applications. The Company s primary competitors for this product are 3M Co., Shurtape Technologies, LLC, Cantech and tesa tape, inc.

Flatback Tape

Flatback tape is manufactured using a smooth kraft paper substrate coated with a natural rubber/SIS blended adhesive. Flatback tape is designed with low elongation and is widely used in applications such as splicing where the tape should not be distorted. Typical applications for flatback tape include splicing, printable identification tapes, label products and carton closure. The Company s primary competitors for this product are 3M Co. and Shurtape Technologies, LLC.

Duct Tape

Duct tape is manufactured from a polyethylene film that has been reinforced with scrim and coated with natural/synthetic rubber blend adhesive or specialty polymer adhesives. Duct tape is primarily used by general consumers for a wide range of applications. Duct tapes are also used in maintenance, repair and operations, in the HVAC (heating, ventilation and air conditioning) markets, construction and in the convention and entertainment industries. The Company s primary competitors for this product are Berry Plastics Corp., 3M Co. and Shurtape Technologies, LLC.

Double-Coated Tape

Double-coated tape is manufactured from a paper, foam, or film substrate and is coated on both sides with a variety of adhesive systems. Double-coated tape also uses a release liner made from paper or film that prevents the tape from sticking to itself. Double-coated tape is typically used to join two dissimilar surfaces. The Company s double-coated tape products are used across a range of markets that include aerospace, graphics, transportation, converting and nameplates. The Company s primary competitors for this product are 3M Co., tesa tape, inc., and Scapa Group plc.

Foil Tape

Foil tape is manufactured using an aluminum substrate and a variety of adhesive systems. The tape is designed for applications that range from HVAC, building and construction, aerospace, transportation, industrial, and general purpose. The products are UV resistant, have reflective and flame retardant properties, and remain flexible to resist cracking and lifting around irregular or curved surfaces. The Company s primary competitors for this product are 3M Co., Berry Plastics and Avery Dennison Corp.

Electrical and Electronic Tape

Electrical and electronic tape is manufactured from a number of different substrates, including paper, polyester, glass cloth and a variety of adhesive systems that include rubber, acrylic and silicone adhesives. Electrical and electronic tapes are engineered to meet stringent application specifications and many electrical and electronic tapes are Underwriters Laboratories (UL) component listed. The Company s primary competitors for this product are 3M Co., Nitto Denko, Saint Gobain, Bondtec, and H-Old.

Filament Tape

Filament tape is a film or paper-backed adhesive tape with fiberglass, polyesterfibers embedded in the adhesive to provide high tensile strength. Primary applications for filament tape include temporary holding, bundling and unitizing, subsea umbilical cables (oil and gas), metal coil tabbing, and agricultural applications. The Company s primary competitors for this product are 3M Co., TaraTape, Inc. and Shurtape Technologies, LLC.

Stencil Products

Stencil products are manufactured from a calendared natural/synthetic rubber blended substrate with an acrylic adhesive and specially formulated adhesives. Stencil products are used in applications within the sign and monument manufacturing markets to protect a surface where high pressure blasting is required. The Company s primary competitor for this product is 3M Co.

(b) Films

The Company also manufactures a variety of polyethylene and specialized polyolefin films, as well as complementary packaging systems, for industrial use and retail use, including shrink film, stretch wrap and air pillows. As a vertically integrated manufacturer, the Company uses internally manufactured films to produce tape products.

The Company s film products are marketed under the Company s brands including SuperFlex®, StretchFlex®, ExlfilmPlus®, Exlfilm® and iCushion® to industrial distributors and retailers, and are manufactured for sale to third parties under private brands.

For each of the years ending December 31, 2014, December 31, 2013, and December 31, 2012, films accounted for 19% of the Company s revenue.

The Company s film products consist of two main product groups, film and protective packaging.

The Company primarily produces two film product lines: SuperFlex® and StretchFlex® stretch wrap and ExlfilmPlus® and Exlfilm® shrink film.

Stretch Wrap

Stretch wrap is a single or multi-layer plastic film that can be stretched without application of heat and which has the characteristic of trying to return to its original length thereby applying force on the wrapped load. It is used industrially to wrap pallets of various products ensuring a solid load for shipping. The Company uses state-of-the-art technology for the manufacturing of its stretch film products.

SuperFlex® is a high performance, light gauge stretch film which offers customers good security for their loads but at a low cost per load. Genesys®, Genesys®Ultra, Fortress®, ProLite® and Orbit Air B are SuperFlex® brand products. Since 2013, we have re-formulated our legacy Genesys®, Genesys®Ultra and ProLite® brand products to enhance their performance capabilities. AEP Industries, Inc., Amtopp, Berry Plastics Corp., Malpack (Canada), and Paragon Films produce competitive products.

StretchFlex® is the Company s regular duty, typically a heavier gauge of stretch film which also provides the customer with secure loads at a low price per pound. SFI, SSC, SFIII, Hand Wrap II and Hand Wrap IV are StretchFlex® brand products.

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Since 2013, we have re-formulated our legacy SFI products to enhance performance capabilities. Competitors include AEP Industries Inc., Berry Plastics Corp., Sigma Plastics Group and Amtopp.

Shrink Film

ExlfilmPlus® and Exlfilm® shrink film are specialty plastic films which shrink under controlled heat to conform to a package s shape. The process permits the over-wrapping of a vast array of products of varying sizes and dimensions with a single packaging line. ExlfilmPlus® and Exlfilm® are used to package paper products, food, toys, games, sporting goods, hardware and housewares and a variety of other products. In 2014, the Company introduced ExlfilmPlus® GPL, a new high performance cross linked polyolefin shrink film. The Company s primary competitors for this product are Sealed Air Corp. and Bemis Co. Inc.

The Company entered the European shrink film market through its investment in Fibope in April 1995. The Company initially purchased a 50% equity interest in Fibope, acquiring the remaining 50% equity stake in July 2003 to serve as a platform to penetrate European and African markets with other products of the Company. Fibope operates as an autonomous unit within the Company.

Fibope produces a full range of shrink film products for sale in the European Community. Raw materials are primarily sourced within Europe, with multiple sources utilized to ensure stability of supply and a competitive price environment.

Protective Packaging

Air Pillows

Air pillows are manufactured from polyethylene film and are inflated at the point of use with an air pillow machine. Air pillows are used as packaging material for void fill and cushioning applications. Typical end-use markets for air pillows include 3PL s retail fulfillment houses and contract packaging operations. The Company s primary competitors for this product are Pregis Corp., Sealed Air Corp., Storopack, Inc., Free-Flow Packaging International Inc. and Polyair Inter Pack Inc.

Complementary Packaging Systems

Machinery

IPG also provides complementary packaging systems under the Interpack brand. Machinery that makes up IPG s Complementary Packaging Systems include, but are not limited to, mechanical systems for case sealing applications with the use of long roll carton sealing tape, as well as water-activated tape produced by IPG. They also include IPG s void fill machines and bagging machines. These machines are used in production lines at the packaging level. They are also widely used in the fulfillment industries. These systems add value by providing efficient packaging processes to a variety of industrial customers. The company s primary competitors are 3M, Loveshaw, BestPack, Better Packages, Marsh and Phoenix.

(c) Woven Coated Fabrics

The Company develops and manufactures innovative industrial packaging, protective covering, barrier and liner products utilizing engineered coated polyolefin fabrics, paper and other laminated materials. Its products are sold

through multiple channels in a wide number of industries including lumber, construction and agriculture.

On October 5, 2005, Intertape Polymer Inc., a subsidiary of the Company, acquired all of the issued and outstanding shares of Flexia Corporation Ltd., which was the result of the amalgamation of Flexia Corporation and Fib-pak Industries, Inc. The businesses of such companies were operated under wholly-owned Canadian entities, ECP L.P. and ECP GP II Inc. through December 31, 2012. ECP GP II Inc. was a producer of a wide range of engineered coated and laminated products with its facilities located in Langley, British Columbia and Truro, Nova Scotia. As a result of an internal restructuring of the Company s subsidiaries, ECP L.P. and ECP GP II Inc. were liquidated and dissolved on December 31, 2012 and as a result, all business, assets and liabilities were transferred to Intertape Polymer Inc.

The Company s woven coated fabrics are categorized in four markets: (A) building and construction, (B) agro-environmental, (C) specialty fabrics, and (D) industrial packaging. For the years ended December 31, 2014, December 31, 2013, and December 31, 2012, woven coated fabric products accounted for 15%, 15%, and 14%, respectively, of the Company s revenue.

Building and Construction Products

The Company s building and construction product group includes protective wrap for kiln dried lumber, membrane barrier products such as house wrap, window and door flashing, membrane structure fabrics used in clear span buildings, roof underlayment, and insulation facing, which are used directly in residential and commercial construction. The Company also supplies packaging over-wrap sleeves for unitizing multiple bags of fiberglass insulation. The Company s primary competitors for these products include InterWrap, Inc., E.I. DuPont de Nemours and Company, Polymer Group International, Alpha ProTech and various producers from India, China and Korea.

Lumberwrap

The Company s lumberwrap is used to package, unitize, protect and brand lumber during transportation and storage. The product is available in polyethylene or polypropylene coated fabrics and polyethylene films printed to customer specifications. The Company s primary competitor is InterWrap.

Membrane Structure Fabrics

Nova-Shield® is a lightweight, wide-width, and durable polyolefin fabric used as the outer skin layer for flexible membrane structures. The introduction and continuous improvement of the Nova-Shield® fabric in the membrane structure market has enabled membrane structure manufacturers to expand the use of this product beyond agricultural applications. New applications include agriculture barns, amphitheaters, recreational facilities, trade show pavilions, aircraft hangers, and casinos. Developments in the product line include the patented stacked weave, and AmorKote coatings. The Company sells the Nova-Shield® fabrics to membrane structure manufacturers who design, fabricate, and install the structures. The Company s primary competitors are Fabrene Inc. and a number of PVC (polyvinyl chloride) producers.

Roof Underlayment

IPG s roofing underlayment is a woven synthetic weather barrier installed on the roof before slate, tile or shingles are applied. IPG s roofing underlayment is lighter and easier to install than standard #30 building felt. To meet these market needs, the Company currently has a three-tiered (Good, Better, Best) approach in an attempt to reach all market segments. The Company s primary competitors in this market are InterWrap, Alpha ProTech, a variety of #30 felt producers and a number of competitors from India, China and Korea.

Agro-Environmental Products

The Company has developed a range of Agro-Environmental products, including bags for packaging fiber insulation, fabrics designed for conversion into hay covers, grain covers, landfill covers, oil field membranes, and canal and pond liners. These fabrics are intended to provide protection during transit and storage and to line waterways and ponds to prevent loss of water and other liquids.

Geomembrane Fabrics

The Company s AquaMaster® line of geomembrane fabrics is used as irrigation canal liners, golf course and aquascape pond liners, oil pad liners, hydraulic fracturing ponds and in aquaculture operations. During 2014, the Company widened its product offering by manufacturing composite product composed of its traditional extrusion-coated substrates laminated to other materials such as non-woven textiles and polyethylene film. In order to help customers specify and use the best solution for their particular need, the Company re-branded its geomembrane product lines to clearly separate long-term, high-performance products from products used for shorter term applications during 2014. The Company s primary competitors for similar products include Fabrene Inc., Mai Weave LLC, InterWrap and Inland Tarp. Competitive products which may be used as substitutes are manufactured by GSE Environmental and Raven Industries Inc.

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Hay Wrap

Hay cover products are specially designed fabrics designed to function as protective covers, haystack covers, pit and pond liners and pool covers. The proprietary coating is used to enhance abrasion resistance, flex resistance, seam strength, UV resistance and longevity. The Company s primary competitors for this product include offshore imports, as well as InterWrap, Maiweave and Fabrene.

Poultry Fabrics

Woven coated polyolefin fabrics are used in the construction of poultry houses in the southern United States. Materials with high ultraviolet resistance are fabricated into side curtains that regulate ventilation and temperature in buildings. Other materials are used in ceiling construction. The Company s primary competitors for this product are Fabrene Inc. and Mai Weave LLC.

Specialty Fabrics

The Company s specialty fabric product category is comprised of a variety of specialty materials custom designed for unique applications or specific customers. The Company s ability to provide polyolefin fabrics in a variety of weights, widths, colors and styles, and to slit, print and perform various other conversion steps, allows it to provide an array of coated products designed to meet the specific needs of its customers.

Products and applications of specialty fabrics include fabrics designed for conversion into pool covers, field covers, disaster relief materials, protective covers and construction sheeting, brattice cloth for mine ventilation, underground marking tapes, salt pile covers and industrial packaging.

Primary competitors of the Company for this product include Fabrene Inc., Mai Weave LLC and producers from China and Korea.

Industrial Packaging Products

The Company s printed wrap is used to brand and protect a variety of products during transit and storage. For example, the Company s product is used to cover small recreational vehicles (ATV s) during transportation from their manufacturing location to retail dealers. Primary competitors of the Company for this product include Interwrap Inc. and Covalence Specialty Materials Corp.

(d) Other

The Company also earns revenues from the sale of FIBCs and from royalties from the sale of film wrap. FIBCs are flexible, intermediate bulk containers generally designed to carry and discharge 1,500 to 3,500 pounds of dry flowable fill products such as chemicals, minerals and dry food ingredients. The market for FIBCs is highly fragmented. The Company has established proven supply lines for FIBCs with integrated bag manufacturers in India, China and Mexico. Revenue from royalties is earned on the purchases of film wrap by end-users from another supplier which is used in machines supplied by the Company. During each of the last three years, other revenues accounted for 1% of the Company s revenue.

(2) Sales and Marketing

As of December 31, 2014, the Company had 186 sales, customer service and marketing personnel, including manufacturer representatives. The Company participates in industry trade shows and uses trade advertising as part of its marketing efforts. The Company s customer base is diverse; however there was one customer that accounted for approximately 7% of total sales in 2014. Sales of products to customers located in the United States and Canada accounted for approximately 83% and 8% of total sales, respectively, in 2014, 82% and 8%; in 2013, and 81% and 9% in 2012.

Many tape and film products are sold to the market through a network of paper, packaging and industrial distributors throughout North America. The Company also sells carton closing systems, including automatic and semi-automatic carton sealing equipment through this same network of distribution. The Company s shrink and stretch film products are typically sold through industrial distributors. Electrical and electronic tapes are primarily sold through specialty distribution.

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The Company s woven coated fabrics are primarily sold directly to end-users. The Company also earns revenues from the sale of FIBCs and from royalties from the sale of film wrap. FIBCs are sold primarily to end-users and are marketed throughout North America.

(3) Seasonality of the Company s Main Business

The Company does not experience material seasonality or cyclicality in its operations.

(4) Equipment and Raw Materials

The Company purchases mostly custom designed manufacturing equipment, including extruders, coaters, finishing equipment, looms, printers, bag manufacturing machines and injection molds, from manufacturers located in the United States and Western Europe, and participates in the design and upgrading of such equipment. The Company is not dependent on any one manufacturer for its equipment.

The major raw materials purchased for the Company s tape products are polypropylene resin, polyethylene resin, synthetic rubber, hydrocarbon resin, and paper (crepe and kraft). The resins and synthetic rubber are generated from petrochemicals which are by-products of crude oil and natural gas. Almost all of these products are sourced from North American manufacturers. The majority of paper products are produced by North American paper manufacturers which are derived from the North American pulp and paper industry. Raw materials accounted for approximately 67% of reported cost of sales in each of 2014, 2013 and 2012.

The major raw material used in our film products is polyethylene resin. Polyethylene is a derivative of natural gas petrochemical by-products and/or crude oil.

The major raw materials used to produce the Company s woven coated fabrics are polyethylene and polypropylene resins. Both of these products are petrochemical based products derived from crude oil and/or natural gas. These products are predominantly sourced from North American petrochemical manufacturers.

During 2014, selling prices (including the impact of product mix) increased more than raw material costs, which also rose on average. During 2014, resin-based raw material costs increased by about 8%, paper costs increased by about 4%, and adhesives decreased about 5%.

The prices of most of the major raw materials noted above can be subject to significant volatility, primarily influenced by commodity price fluctuations for crude oil and natural gas.

(5) Research and Development and New Products

The Company s strategy is to create growth opportunities through enhancements of existing products and the introduction of new products. The Company s research and development efforts continue to focus on new products, technology platform developments, new product processes and formulations. As described in the sections that follow, the Company introduced 38 new products in 2014 and 2013 and introduced 35 new products in 2012.

In 2012, the Company enhanced its appliance grade clean removal portfolio with new tensilized polypropylene and filament products: APL145, TPP200, TPP350, and TPP400. Each offers excellent adhesion and stain/residue free

removal from painted metals, stainless steel, ABS plastic, fiberglass and various other surfaces used in the appliance, steel, composite, plastic extrusion, fulfillment and window and door industries.

In 2012, the Company introduced UL 181B-FX listed AC50-UL, a premium-grade HVAC duct tape for flexible air ducts and air connectors. This 14 mil high-strength polyethylene-coated cloth duct tape meets flexible duct criteria for HVAC systems required by many building codes throughout the US, including that recommended by the 2009 California Residential Compliance Manual. The Company also expanded its offering to contractors with the addition of a metalized version of this AC50-UL product. Its reflective finish is especially suited for joining seams on flexible air duct with metallic jackets and duct board with exterior foil laminate vapor retarders.

In 2013, IPG expanded its adhesive transfer tapes product line to include narrower widths, longer rolls, three adhesive thicknesses and a new ATG tape dispenser. Four masking products were launched into the automotive refurbishing, marine, and architectural painting markets. Five double-coated products were released into a variety of splicing and bonding markets.

In 2014, the Company expanded its offering of specialty tape products with the introduction of AC778, a metalized BOPP tape and ALF301, an aluminum foil tape with superior UV, chemical and temperature resistant properties.

In 2013, the Company expanded its stretch film product line to include smaller sized bundle wrap designed as convenient solutions for many home, office, workshop, yard and school applications.

In 2014, the Company introduced ExlfilmPlus® GPL, the Company s newest performance shrink film. This film is a cost savings alternative to standard, heavier gauge films. The premium resin formulation exhibits exceptional machinability and high speed processing capabilities.

With more than 90% of all corrugated boxes being recovered for recycling and the average percentage of recycled content in a corrugated box greater than 40%, the Company s research and development recognized the need for a test that mirrors the effectiveness of carton sealing tapes when applied to boxes of varying recycled content. A new test apparatus was designed that accepts any box sample, duplicates the box sealing application and measures closure performance under a variety of controlled environmental conditions. In response to this market change, research and development also formulated a new Corru-Grip adhesive technology designed specifically for optimal closure of highly recycled corrugate, including 100% recycled boxes. In 2012, the Company introduced a new 1100 premium 3.0 mil hot melt carton sealing tape designed with this new proprietary adhesive formulation. The market responded favorably and the Company expanded its offering in 2013 to include 8100 (2.2 mil) and 9100 (2.5 mil).

In 2013, IPG introduced four new carton sealing tape (CST) products. Specifically, two, hot melt, pressure-sensitive adhesive (HMPSA) products targeted for sealing cartons with a high, recycled content and two water-activated tape (WAT) products. During 2014 the Company expanded its line of carton closure solutions with the addition of Ripcord , a knife free solution to open packages and RG317, a filament tape for L-clip box closure applications.

A new stainless steel uniform semi-automatic case sealer was added to IPG s line of Interpack complementary packaging systems in 2013. Targeting food processing facilities, the USC 2020-SB SS is available in food grade 302-304 stainless steel and NEMA 4 electrics, making it ideal for non-caustic wash down applications. In 2014 the Company launched its new Auto H2O uniform semi-automatic water-activated case sealer. The Auto H2O case sealer s patented technology provides a reliable and low maintenance automatic sealing system for reinforced water-activated tape to seal corrugated containers.

The Company s research expenses in 2014, 2013, and 2012 totaled $7.9 million, $6.9 million, and $6.2 million, respectively.

(6) Trademarks and Patents

The Company markets its tape products under the trademarks Intertape , Central®, Crowell®, American®, and various private labels. The Company s shrink wrap is sold under the registered trademark ExlfilmPlus® and Exlfilm®. Its stretch films are sold under the trademark SuperFlex® and StretchFlex®.

The Company markets its open mouth bags under the registered trademark NovaPac®. The other key engineered coated products are sold under the registered trademarks NovaThene®, NovaShield®, NovaSeal®, NovaWrap , and NovaFlash®. Its engineered fabric polyolefin fabrics are sold under the registered trademark NovaThene®.

The Company has approximately 154 active registered trademarks, 82 in the United States, 31 in Canada, 10 in Mexico, and 31 foreign, which include trademarks acquired from American Tape, Anchor, Rexford Paper Company, Central Products Company, The Crowell Corporation and Flexia. The Company currently has 9 pending trademark applications in the United States, and 2 in foreign jurisdictions.

The Company has pursued US and foreign patents in select areas where it believes that unique products offer a competitive advantage in profitable markets. The Company s 58 granted patents and 31 pending patent applications include engineered coated products and film for which the Company has 16 patents and 3 pending applications, tape products for which it has 20 patents and 18 pending applications, adhesive products and manufacture for which it has 17 patents and 7 pending applications, other products for which it has 5 patents and 3 pending applications.

(7) Competition

The Company competes with other manufacturers of plastic packaging and pressure -sensitive adhesive products as well as manufacturers of alternative packaging products, such as paper, cardboard and paper-plastic combinations. Some of these competitors are larger companies with greater financial resources than the Company. Management believes that competition, while primarily based on price and quality, is also based on other factors, including product performance characteristics and service. Please refer to Section B(1) above for a discussion of the Company s main competitors by product.

The Company believes that significant barriers to entry exist in the packaging market. Management considers the principal barriers to be the high cost of vertical integration which it believes is necessary to operate competitively, the technical expertise in respect to various processes and equipment operation, and the difficulties and expense of developing an adequate distribution network.

(8) Environmental Initiatives and Regulation

(a) Initiatives

The Company has and continues to be focused on reducing waste and minimizing any harmful environmental impact throughout its manufacturing process, or footprint left behind by the line of products manufactured and marketed by the Company. Lili® represents one aspect of the Company s environmental stewardship program and stands for low-environmental impact line from IPG . The stewardship program is a commitment by management and employees of the Company to continually look for opportunities to lower the Company s environmental impact. The Company has implemented and continues to implement activities, changes and programs that are designed to reduce waste in the manufacturing process; reduce the footprint left behind by its products, processes and employees; increase the recycling of its products; provide alternative solutions to a less environmentally friendly products or applications; reduce consumption of raw materials, fuel and other energy sources; reduce pollutants released through air, water and waste; and improve the safety and health of employees.

The Company continues to focus on its environmental initiative to save energy. In August 2009, the Company became an ENERGY STAR® Industrial Partner, which is a voluntary partnership with the U.S. Environmental Protection Agency (EPA) to improve energy efficiency and fight global warming. Intertape Polymer Group (IPG®) as an ENERGY STAR® Industrial Partner joined the fight against global warming by improving the efficiency of its buildings and facilities. The EPA recognized IPG as a 2014 ENERGY STAR Partner of the Year for strategically managing and improving the energy efficiency in its operating locations. In addition, several IPG facilities have met the EPA s ENERGY STAR Challenge for Industry at several of its manufacturing plants, which is to reduce energy intensity by 10% within 5 years. IPG facilities have achieved an average energy intensity reduction of 24 percent. The reductions have cut greenhouse gas emissions at IPG s plants by 34,000 metric tons over the past 5 years, which equals the emissions from the electricity use of 4,700 homes.

The transition of manufacturing operations from IPG s Columbia, South Carolina facility to IPG s new Blythewood, South Carolina facility is expected to further enhance IPG s environmental stewardship. The Blythewood plant uses non-solvent technologies that do not utilize volatile organic compounds in the manufacturing process and do not generate hazardous waste. Waste water recycling processes are slated to become active in the second quarter of 2015 at the Blythewood plant to reduce both water use and generation of waste water. Additionally, the transition of manufacturing operations to the Blythewood plant should result in increased efficiencies and a reduction of landfill waste.

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(b) Regulation

The Company s operations are subject to extensive environmental regulation in each of the countries in which it maintains facilities. For example, United States (federal, state and local) and Canadian (federal, provincial and municipal) environmental laws applicable to the Company include statutes and regulations intended to: (i) impose certain obligations with respect to site contamination and to allocate the cost of investigating, monitoring and remedying soil and groundwater contamination among specifically identified parties; (ii) prevent future soil and groundwater contamination; (iii) impose national ambient standards and, in some cases, emission standards, for air pollutants which present a risk to public health, welfare or the natural environment; (iv) govern the handling, management, treatment, storage and disposal of hazardous wastes and substances; and (v) regulate the discharge of pollutants into waterways.

The Company s use of hazardous substances in its manufacturing processes and the generation of hazardous wastes not only by the Company, but by prior occupants of its facilities, suggest that hazardous substances may be present at or near certain of the Company s facilities or may come to be located there in the future. Consequently, the Company is required to monitor closely its compliance under all the various environmental laws and regulations applicable to the Company. In addition, the Company arranges for the off-site disposal of hazardous substances generated in the ordinary course of its business.

The Company obtains Phase I or similar environmental site assessments, and Phase II environmental site assessments, if necessary, for most of the manufacturing facilities it owns or leases at the time the Company either acquires or leases such facilities. These assessments typically include general inspections and may involve soil sampling and/or ground water analysis. The assessments have not revealed any environmental liability that, based on current information, the Company believes will have a material adverse effect on the Company. Nevertheless, these assessments may not reveal all potential environmental liabilities and current assessments are not available for all facilities. Consequently, there may be material environmental liabilities that the Company is not aware of. In addition, ongoing clean up and containment operations may not be adequate for purposes of future laws and regulations. The conditions of the Company s properties could also be affected in the future by neighboring operations or the conditions of the land in the vicinity of the Company s properties. These developments and others, such as increasingly stringent environmental laws and regulations, increasingly strict enforcement of environmental laws and regulations, or claims for damage to property or injury to persons resulting from the environmental, health or safety impact of the Company s operations, may cause it to incur significant costs and liabilities that could have a material adverse effect on the Company.

Except as described below, the Company believes that all of its facilities are in material compliance with applicable environmental laws and regulations, and that the Company has obtained, and is in material compliance with, all material permits required under environmental laws and regulations.

The Company has purchased a new building in Blythewood, South Carolina and is in the process of starting up a new manufacturing plant at this location. The existing Columbia, South Carolina plant will be closed in the first half of 2015. The new Blythewood plant will use low environmental impact technologies. The Columbia, South Carolina Plant production will be relocated to this new plant and other existing Company plants. In preparation for the Columbia, South Carolina plant closure, the Company will continue to monitor and limit environmental impacts, including certain impacts that have negatively impacted the value of the Columbia, South Carolina property. The reduced environmental impacts from Blythewood plant operations minimize applicability of environmental laws and permit requirements. Blythewood operations only require a minor EPA air emission permit and the facility is not classified as a large quantity generator of hazardous waste. The transition of manufacturing operations from the Columbia plant to the Blythewood plant will eliminate toxic releases that require EPA reporting and significantly reduce carbon emissions.

In addition, although certain of the Company s facilities emit regulated pollutants into the air, the emissions are within current permitted limits, including applicable Maximum Achievable Control Technology (MACT) requirements.

The Company and its operating subsidiaries are required to maintain numerous environmental permits and governmental approvals for their operations. Some of the environmental permits and governmental approvals that have been issued to the Company or its operating subsidiaries contain conditions and restrictions, including restrictions or limits on emissions and discharges of pollutants and contaminants, or may have limited terms. If the Company or any of its operating subsidiaries fails to satisfy these conditions or to comply with these restrictions, it may become subject to enforcement actions and the operation of the relevant facilities could be adversely affected. The Company may also be subject to fines, penalties or additional costs. The Company or its operating subsidiaries may not be able to renew, maintain or obtain all environmental permits and governmental approvals required for the continued operation or further development of its facilities, as a result of which the operation of its facilities may be limited or suspended.

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C. ORGANIZATIONAL STRUCTURE

Intertape Polymer Group Inc. is a holding company which owns various operating companies in the United States, Canada and internationally. Intertape Polymer Inc., a Canadian corporation, is the principal operating company for the Company s Canadian operations. Intertape Polymer Corp., a Delaware corporation, is the principal operating company for the Company s United States and international operations.

The table below lists for each of the subsidiaries of the Company their respective place of incorporation or constitution, as the case may be, and the percentage of voting securities beneficially owned or over which control or direction is exercised directly or indirectly by Intertape Polymer Group Inc.

Corporation	Place of Incorporation or Constitution	Percentage of Ownership or Control
Intertape Polymer Group Inc.	Canada	Parent
Intertape Polymer Inc.	Canada	100%
Spuntech Fabrics Inc.*	Canada	100%
Intertape Polymer Corp.	Delaware	100%
Intertape Woven Products Services, S.A. de C.V.	Mexico	100%
Intertape Woven Products, S.A. de C.V.	Mexico	100%
IPG Luxembourg Finance S.à r.l	Luxembourg	100%
IPG (US) Inc.	Delaware	100%
IPG (US) Holdings Inc.	Delaware	100%
Intertape Polymer US Inc.	Delaware	100%
Fibope Portuguesa-Filmes Biorientados S.A.	Portugal	100%
Intertape Polymer Europe GmbH	Germany	100%

* Dormant

D. PROPERTY, PLANTS AND EQUIPMENT

Location	Status	Use	Products	Square Feet	Property Size (Acres)
3647 Cortez Road West Bradenton, FL 34210	Owned	Idle	N/A	20,806	3.71
100 Paramount Dr, Suite 300 Sarasota, FL 34232	Leased	Office	N/A	28,574	
2000 South Beltline Boulevard Columbia, SC 29201	Owned	Manufacturing	Tapes (paper duct)	7 Buildings 499,770	86.48
1091 Carolina Pines Dr.	Owned	Manufacturing	Tapes (paper duct)	350,000	33.83

Blythewood, SC 29016					
360 Ringgold Industrial Pkwy. Danville, VA 24540	Leased	Regional Distribution Center	All products	199,600	
10101 Nordel Court Delta, British Columbia V4G 1J8	Leased	Manufacturing	ECPs	54,274	
317 Kendall Street (2) Marysville, Michigan 48040	Owned	Manufacturing	Tapes (paper reinforced)	5 Buildings 226,016	11.53
741 4th Street Menasha, Wisconsin 54952	Owned	Manufacturing	Tapes (water activated)	165,134	5.91
748 Sheboygan Street Menasha, Wisconsin 54953	Owned	Office Building	N/A	16,251	Incl above
760 West 1000 North Tremonton, Utah 84337	Owned	Manufacturing	Exlfilm®, Stretchflex®	115,000	17.00
50 Abbey Avenue Truro, Nova Scotia	Owned	Manufacturing	Engineered fabric products and Exlfilm®	306,200	13.00
543 Willow Street Truro, Nova Scotia	Leased	Warehouse		15,000	

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Location	Status	Use	Products	Square Feet	Property Size (Acres)
9942 Currie Davis Dr., Ste 23B Tampa, Florida 33619	Leased	Manufacturing	Assembles tape dispensing machinery	17,000	
2200 North McRoy Drive Carbondale, Illinois 62901	Owned	Manufacturing	Tapes - electrical	190,324	29.9
1095 S. 4th Avenue Brighton, Colorado 80601	Leased	Manufacturing	Film	Manufacturing & Office 252,940 Warehouse 21,450	
1101 Eagle Springs Road Danville, Virginia 24540	Owned	Manufacturing	Carton sealing tape, Stretchflex®, acrylic coating	289,195	26.0
341 Bullys Street Eagle Pass, Texas 78852	Leased	Warehouse	FIBCs	20,000	
772 Specialists Avenue Neenah, Wisconsin 54956	Leased	Distribution	Tapes water activated	75,000	
1407 The Boulevard, Suite E Rayne, Louisiana 70578	Leased	Offices	N/A	1,472	
4061 E. Francis Street Ontario, California 91761	Leased	Warehouse and Distribution	Tapes Packaging products	50,000	
9999 Cavendish Blvd., Suite 200 St. Laurent, Quebec H4M 2X5	Leased	Offices	N/A	13,500 in 2013 8,500 a/o 1/1/2014	
Gronfahrtweg 3 24955 Harrislee Germany	Leased	Office	N/A	560	
Lugar de Vilares-Barqueiros	Owned	Manufacturing and Distribution	Exlfilm®	35,500	

4740-676 Barqueiros BCL Barcelos, Portugal				
20 Rue de Peupliers L-2328 Luxembourg Grand Duchy of Luxembourg	Leased	Office	N/A	108

The Company also owns inventory that is temporarily located at facilities owned by various third-party logistics service providers. As these facilities are not owned or leased by the Company, they have been excluded from the summary table above.

The Company continued to move forward in 2014 on several of its initiatives to improve manufacturing efficiencies. Capital expenditures for the replacement of machinery and equipment during 2013 and 2014 totaled $46.8 million and $40.6 million, respectively, financed in part by an Equipment Finance Agreement, the terms of which are summarized in Item 4.B. above.

The Company is also relocating and modernizing its Columbia, South Carolina manufacturing facility. In June 2013, the Company acquired property in Blythewood, South Carolina financed by an $8.5 million mortgage with Wells Fargo National Association (in November 2014, the Company prepaid this loan in full with proceeds from the Revolving Credit Facility). The new manufacturing facility will have state-of-the-art equipment and is anticipated to be fully operational by the end of the first half of 2015. Capital expenditures for this project are expected to total $52 million to 54 million, of which $2.7 million was spent in 2012, $21.8 million in 2013, and $24.3 million in 2014. The Company anticipates that the new South Carolina facility will result in a total annual cash savings in excess of $13.0 million commencing in the second half of 2015 with the first full year effects in 2016.

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Item 4A: Unresolved Staff Comments
Not Applicable.

Item 5: Operating and Financial Review and Prospects (Management s Discussion & Analysis)
This Management s Discussion and Analysis (MD&A) is intended to provide the reader with a better understanding of the business, strategy and performance of the Company, as well as how it manages certain risks and capital resources. This MD&A should be read in conjunction with the Company s audited consolidated financial statements and notes thereto as of December 31, 2014 and 2013 and for the three-year period ended December 31, 2014.

Except where otherwise indicated, all financial information presented in this MD&A, including tabular amounts, is prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS or GAAP) and is expressed in US dollars. Variance, ratio and percentage changes in this MD&A are based on unrounded numbers.

Financial Highlights

(In millions of US dollars, except per share amounts, selected ratios, and trading volume information)

(Unaudited)

	2014	2013	2012
	$	$	$
Operations			
Revenue	**812.7**	781.5	784.4
Gross margin [(1)]	**20.1%**	20.3%	17.7%
Net earnings	**35.8**	67.4	20.4
Adjusted net earnings [(2)]	**52.4**	103.4	40.1
Adjusted EBITDA [(2)]	**103.9**	103.1	85.6
Cash flows from operating activities	**86.9**	82.2	84.5
Free cash flow [(2)]	**46.3**	35.3	62.9
Capital expenditures [(3)]	**40.6**	46.8	21.6
Effective Tax Rate [(4)]	**39.0%**	-113.5%	1.0%
Per Common Share			
Net earnings - diluted	**0.58**	1.09	0.34
Adjusted net earnings - diluted [(2)]	**0.84**	1.68	0.66
Dividend paid per share	**0.40**	0.24	0.08
Financial Position			
Working capital [(5)]	**128.2**	115.0	111.7
Total assets	**466.7**	465.2	426.2
Net debt [(6)]	**114.9**	127.3	145.4
Shareholders equity	**227.5**	230.4	153.8
Cash and loan availability [(7)]	**206.2**	50.3	54.7

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	2014	2013	2012
	$	$	$
Selected Ratios			
Current Ratio [8]	**2.50**	2.32	2.28
Leverage Ratio [9]	**1.19**	1.26	1.77
Return on equity [10]	**15.7%**	29.2%	13.2%
Stock Information			
Weighted average shares outstanding - diluted [11]	**62,061**	61,633	60,629
Shares outstanding as of December 31 [11]	**60,436**	60,777	59,625
The Toronto Stock Exchange (CDN$)			
Share price as of December 31	**18.61**	14.03	8.00
High: 52 weeks	**19.95**	15.62	9.07
Low: 52 weeks	**11.12**	7.96	3.12

(1) Gross profit divided by revenue
(2) These are non-GAAP measures defined below and accompanied by the reconciliation to the closest GAAP measure
(3) Purchases of property, plant and equipment
(4) Refer to Note 5 *Income Taxes* to the Consolidated Financial Statements as of and for the year ended December 31, 2014
(5) Current assets less current liabilities
(6) Long-term debt plus installments on long-term debt less cash
(7) Refer to Note 13 Long-Term Debt to the Consolidated Financial Statements as of and for the year ended December 31, 2014.
(8) Current assets divided by current liabilities
(9) Long-term debt plus installments on long-term debt divided by adjusted EBITDA
(10) Net earnings divided by end of period shareholders equity
(11) In thousands

2014 Share Prices

	High	Low	Close	ADV[1]
The Toronto Stock Exchange (CDN$)				
Q1	14.06	11.12	12.44	193,223
Q2	13.21	11.50	11.84	212,924
Q3	16.37	11.84	16.27	193,090
Q4	19.95	14.53	18.61	186,471

(1) Average Daily Volume

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Consolidated Quarterly Statements of Earnings (Loss)

(In thousands of US dollars, except per share amounts)

(Unaudited)

	1st Quarter			2nd Quarter		
	2014	2013	2012	**2014**	2013	2012
	$	$	$	**$**	$	$
Revenue	**199,948**	196,695	198,912	**202,925**	193,462	197,751
Cost of sales	**157,250**	158,389	166,505	**158,875**	151,202	161,629
Gross profit	**42,698**	38,306	32,407	**44,050**	42,260	36,122
Gross margin	**21.4%**	19.5%	16.3%	**21.7%**	21.8%	18.3%
Selling, general and administrative expenses	**18,980**	22,959	18,373	**20,561**	20,208	20,653
Research expenses	**2,074**	1,602	1,519	**1,667**	1,589	1,650
	21,054	24,561	19,892	**22,228**	21,797	22,303
Operating profit before manufacturing facility closures, restructuring and other related charges	**21,644**	13,745	12,515	**21,822**	20,463	13,819
Manufacturing facility closures, restructuring and other related charges	**1,384**	27,201	546	**1,020**	924	14,152
Operating profit (loss)	**20,260**	(13,456)	11,969	**20,802**	19,539	(333)
Finance costs						
Interest	**831**	1,753	3,355	**864**	1,846	3,384
Other expense, net	**352**	160	473	**370**	437	667

	1,183	1,913	3,828	**1,234**	2,283	4,051
Earnings (loss) before income tax expense (benefit)	**19,077**	(15,369)	8,141	**19,568**	17,256	(4,384)
Income tax expense (benefit)						
Current	**457**	751	493	**1,062**	1,909	353
Deferred	**6,986**	(312)	(61)	**6,392**	226	(848)
	7,443	439	432	**7,454**	2,135	(495)
Net earnings (loss)	**11,634**	(15,808)	7,709	**12,114**	15,121	(3,889)
Earnings (loss) per share						
Basic	**0.19**	(0.26)	0.13	**0.20**	0.25	(0.07)
Diluted	**0.19**	(0.26)	0.13	**0.19**	0.25	(0.07)
Weighted average number of common shares outstanding						
Basic	**60,776,649**	59,692,751	58,961,050	**60,825,745**	60,288,991	58,981,435
Diluted	**62,019,844**	59,692,751	60,156,176	**62,569,430**	61,584,732	58,981,435

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Consolidated Quarterly Statements of Earnings (Loss)

(In thousands of US dollars, except per share amounts)

(Unaudited)

	3rd Quarter			4th Quarter		
	2014	2013	2012	**2014**	2013	2012
	$	$	$	**$**	$	$
Revenue	**209,109**	199,853	198,476	**200,750**	191,490	189,291
Cost of sales	**168,447**	159,872	163,499	**164,527**	153,543	154,048
Gross profit	**40,662**	39,981	34,977	**36,223**	37,947	35,243
Gross margin	**19.4%**	20.0%	17.6%	**18.0%**	19.8%	18.6%
Selling, general and administrative expenses	**23,153**	20,547	19,260	**23,261**	18,968	20,849
Research expenses	**1,778**	1,701	1,530	**2,354**	2,008	1,528
	24,931	22,248	20,790	**25,615**	20,976	22,377
Operating profit before manufacturing facility closures, restructuring and other related charges	**15,731**	17,733	14,187	**10,608**	16,971	12,866
Manufacturing facility closures, restructuring and other related charges	**1,560**	934	387	**963**	1,647	3,172
Operating profit	**14,171**	16,799	13,800	**9,645**	15,324	9,694
Finance costs						
Interest	**867**	1,261	3,347	**2,069**	847	3,147
Other expense, net	**426**	190	(192)	**380**	159	355

	1,293	1,451	3,155	**2,449**	1,006	3,502
Earnings before income tax expense (benefit)	**12,878**	15,348	10,645	**7,196**	14,318	6,192
Income tax expense (benefit)						
Current	**2,914**	729	(888)	**(768)**	233	969
Deferred	**3,953**	200	659	**1,907**	(39,540)	(464)
	6,867	929	(229)	**1,139**	(39,307)	505
Net earnings	**6,011**	14,419	10,874	**6,057**	53,625	5,687
Earnings per share						
Basic	**0.10**	0.24	0.18	**0.10**	0.88	0.10
Diluted	**0.10**	0.23	0.18	**0.10**	0.86	0.09
Weighted average number of common shares outstanding						
Basic	**60,790,184**	60,731,173	59,028,088	**60,427,043**	60,776,649	59,316,858
Diluted	**62,457,931**	62,072,583	61,054,123	**62,307,696**	62,170,733	61,036,145

Overview

Intertape Polymer Group Inc. operates in the specialty packaging industry in North America. The Company develops, manufactures and sells a variety of paper and film based pressure sensitive and water activated tapes, polyethylene and specialized polyolefin packaging films, woven coated fabrics and complementary packaging systems for industrial and retail use.

The Company s products primarily consist of: carton sealing tapes, including pressure sensitive and water activated tapes; industrial and performance specialty tapes, including masking, duct, electrical and reinforced filament tapes; shrink film; stretch wrap; lumberwrap, structure fabrics, geomembrane fabrics; and non-manufactured flexible intermediate bulk containers.

The Company reported a 4.0% increase in revenue for 2014 as compared to 2013 primarily due to an increase in average selling price, including the impact of product mix and an increase in sales volume. Gross margin decreased to 20.1% in 2014 primarily due to duplicate overhead costs (South Carolina Duplicate Overhead Costs) incurred to support the previously announced relocation and modernization of the Columbia, South Carolina manufacturing operation to the new facility in Blythewood, South Carolina (South Carolina Project), an unfavourable product mix variance and a non-cash charge related to the settlement of the former Brantford, Ontario manufacturing facility pension plan (Brantford Pension Charge), partially offset by an increase in the spread between selling prices and higher raw material costs and net manufacturing cost reductions. Total capital expenditures for 2014 were $40.6 million, including $24.3 million related to the South Carolina Project. Net debt for 2014 was reduced by $12.4 million to $114.9 million at December 31, 2014. Free cash flows increased in 2014 by $11.0 million to an inflow of $46.3 million, primarily due to lower capital expenditures and an increase in gross profit.

Adjusted EBITDA increased $0.8 million from $103.1 million for 2013 to $103.9 million for 2014. The increase in adjusted EBITDA for 2014 compared to 2013 was primarily due to an increase in gross profit partially offset by (i) an increase in professional fees, (ii) an increase in research expenses, (iii) additional expenses associated with credit insurance coverage commencing for accounts receivable in the fourth quarter of 2013 and (iv) the non-recurrence of a bad debt recovery recorded in 2013.

Net earnings for 2014 decreased to $35.8 million ($0.59 basic earnings per share and $0.58 diluted earnings per share) from $67.4 million ($1.12 basic earnings per share and $1.09 diluted earnings per share) for 2013. The decrease was primarily due to the non-recurrence of the $43.0 million tax benefit recorded during 2013 to recognize the previously derecognized US deferred tax assets and the partial utilization of such deferred tax assets during 2014. The decrease was partially offset by higher manufacturing facility closures, restructuring and other related charges recorded in the first quarter of 2013 when the South Carolina Project was announced.

Adjusted net earnings for 2014 decreased to $52.4 million ($0.86 basic adjusted earnings per share and $0.84 diluted adjusted earnings per share) from $103.4 million ($1.71 basic adjusted earnings per share and $1.68 diluted adjusted earnings per share) for 2013. Adjusted net earnings decreased in 2014 primarily due to the non-recurrence of the $43.0 million tax benefit recorded during 2013 to recognize the previously derecognized US deferred tax assets and the partial utilization of such deferred tax assets during 2014.

On July 7, 2014, the Company announced a normal course issuer bid (NCIB) effective July 10, 2014. In connection with this NCIB, the Company is entitled to repurchase for cancellation up to 2,000,000 of the Company s common shares issued and outstanding. The NCIB will expire July 9, 2015. As of December 31, 2014, the Company has repurchased 597,500 common shares at an average price of CDN$14.35 per share, including commissions, for a total purchase price of $7.8 million.

On July 7, 2014, the Board of Directors amended the Company s quarterly dividend policy to increase the annualized dividend by 50% from $0.32 to $0.48 per share. The Board s decision to increase the dividend was based on the Company s strong financial position and positive outlook. The declaration and payment of future dividends, however, are discretionary and will be subject to determination by the Board of Directors each quarter following its review of, among other considerations, the Company s financial performance. Total dividends paid during 2014 were $24.3 million or $0.40 per share.

On October 30, 2014, the Company completed the final steps of a multi-step plan to reorganize the capital structure of several of its legal entities (Legal Entity Reorganization) in order to more efficiently manage its intercompany debt. The Company incurred $1.8 million of upfront income tax expense for the year ended December 31, 2014 in connection with the Legal Entity Reorganization plan. This reorganization is also expected to result in an ongoing annual income tax benefit of over $7 million beginning on October 30, 2014.

On November 14, 2014, the Company announced a new five-year $300 million revolving credit facility (Revolving Credit Facility). The Revolving Credit Facility replaced the Company s previous $200 million asset-based loan facility (ABL facility) and was used to fully prepay the outstanding balances of a real estate loan and mortgage debt originally obtained in connection with the South Carolina Project. The Revolving Credit Facility includes an incremental accordion feature of $150 million, which will enable the Company to increase the limit of this facility if needed, and bears a variable interest rate primarily based on LIBOR. The variable rate is lower than that of the previous ABL and mortgage debt.

On March 9, 2015, the Board of Directors declared a quarterly dividend of $0.12 per common share payable on March 31, 2015 to shareholders of record at the close of business March 19, 2015.

Outlook

The Company anticipates the first quarter of 2015 revenue to be lower than the first quarter of 2014 primarily due to the temporary impact on demand from the de-stocking of inventory by our customers, and a decline in average selling price mainly in film products, both due to the recent decline in resin and crude oil prices.

Gross margin and adjusted EBITDA in the first quarter of 2015 are also anticipated to be lower than the first quarter of 2014 due to the factors mentioned above, as well as the impact of the South Carolina Duplicate Overhead Costs as we continue our major transition of operations in the first half of 2015.

The Company anticipates approximately $2.3 million in South Carolina Duplicate Overhead Costs in the first quarter of 2015 of which approximately $0.7 million are non-cash charges and will not affect adjusted EBITDA. Duplicate Overhead Costs are expected to total approximately $3.7 million in the first half of the year.

Manufacturing cost reductions for 2015 are expected to be $15 to $18 million, which includes the cash savings from the South Carolina Project. Consistent with prior years, the Company anticipates that some of these cost savings will be offset by other manufacturing costs that are expected to increase.

Gross margin is expected to be between 22% and 24% upon completion of the South Carolina Project, which is still anticipated to be completed in the first half of 2015.

Total capital expenditures for 2015 are currently expected to be between $32 and $37 million excluding any additional high-return projects identified throughout the year.

Income taxes for 2015 are still expected to result in a 30% to 35% effective tax rate and full utilization of US net operating losses towards the end of 2015.

Results of Operations

Revenue

Revenue for the year ended December 31, 2014 totalled $812.7 million, a $31.2 million or 4.0% increase from $781.5 million for the year ended December 31, 2013. Average selling price, including the impact of product mix, increased approximately 3% which had an impact of approximately $23.3 million in 2014 compared to 2013 primarily due to (i) higher prices to manage the spread between selling prices and higher raw material costs, and (ii) a favourable product mix across the Company s major product categories. Sales volume for 2014 increased approximately 1% which had an impact of approximately $7.9 million compared to 2013 primarily due to increased demand in certain woven and tape products. The Company believes that the increase in woven product demand was primarily driven by an increased utilization of the Company s products within the agro-environmental market and growth within the building and construction market. The increase in the Company s tape product demand was primarily driven by net growth in demand across both the industrial tape and carton sealing tape product offerings.

Revenue for the year ended December 31, 2013 totalled $781.5 million, a $2.9 million or 0.4% decrease from $784.4 million for the year ended December 31, 2012. Selling prices, including the impact of product mix, increased approximately 2% and sales volume decreased approximately 3% in 2013 compared to 2012. The increase in selling

prices, including the impact of product mix, was primarily due to higher prices of equivalent units to pass through raw material cost increases which is reflective of a more favourable pricing environment as well as improved mix from reduction in sales of lower margin products. The sales volume decrease was primarily due to the reduction in sales of lower margin products resulting from the de-emphasis of the sale of such products.

Revenue for the fourth quarter of 2014 totalled $200.8 million, a $9.3 million or 4.8% increase from $191.5 million for the same period in 2013. The increase in revenue was primarily due to an increase in sales volume of approximately 5% which had an impact of approximately $9.7 million primarily driven by increased demand in certain tape and woven products. The

increase in the Company s tape product demand was primarily driven by a net increase in carton sealing tape demand. The Company believes that the increase in demand in the Company s woven products was primarily driven by increased demand within the agro-environmental and building and construction markets. Average selling price, including the impact of product mix, for the fourth quarter of 2014 was comparable to the fourth quarter of 2013 with a slight decrease of approximately $0.4 million.

Revenue for the fourth quarter of 2014 totalled $200.8 million, an $8.4 million or 4.0% decrease from $209.1 million for the third quarter of 2014. The decrease in revenue was primarily due to a decrease in average selling price, including the impact of product mix, of approximately 4% which had an impact of approximately $9.2 million. Average selling price, including the impact of product mix, decreased in the fourth quarter of 2014 compared to the third quarter of 2014 primarily due to a shift in the mix from the increase in sales of certain tape products. Sales volume for the fourth quarter of 2014 was comparable to the third quarter of 2014 with a slight increase of approximately $0.9 million.

Gross Profit and Gross Margin

Gross profit totalled $163.6 million for the year ended December 31, 2014, a $5.1 million or 3.2% increase from $158.5 million for the year ended December 31, 2013. Gross margin was 20.1% in 2014 and 20.3% in 2013. The increase in gross profit in 2014 compared to 2013 was primarily due to an increase in the spread between selling prices and higher raw material costs, net manufacturing cost reductions and an increase in sales volume. The increase was partially offset by approximately $3.5 million of South Carolina Duplicate Overhead Costs, of which $0.7 million are non-cash charges and did not affect adjusted EBITDA, a total of $1.6 million related to the non-cash Brantford Pension Charge and an unfavourable product mix variance. Gross margin decreased in 2014 compared to 2013 primarily due to the South Carolina Duplicate Overhead Costs, an unfavourable product mix variance and the non-cash Brantford Pension Charge, partially offset by an increase in the spread between selling prices and higher raw material costs and net manufacturing cost reductions.

Gross profit totalled $158.5 million for 2013, a $19.7 million or 14.2% increase from $138.7 million for 2012. Gross margin was 20.3% in 2013 and 17.7% in 2012. The increase in gross profit in 2013 compared to 2012 was primarily due to improved product mix from continued progress made toward reducing sales of lower margin products, an increase in the spread between selling prices and raw material costs and net manufacturing cost reductions partially offset by lower sales volume. The increase in gross margin in 2013 compared to 2012 was primarily due to an improved product mix from continued progress made toward reducing sales of lower margin products, net manufacturing cost reductions and an increase in the spread between selling prices and raw material costs.

Gross profit totalled $36.2 million for the fourth quarter of 2014, a $1.7 million or 4.5% decrease from $37.9 million for the fourth quarter of 2013. Gross margin was 18.0% in the fourth quarter of 2014 and 19.8% in the fourth quarter of 2013. As compared to the fourth quarter of 2013, gross profit decreased primarily due to an unfavourable product mix variance and approximately $1.6 million of South Carolina Duplicate Overhead Costs, of which $0.3 million are non-cash charges and did not affect adjusted EBITDA. The decrease was partially offset by an increase in sales volume, net manufacturing cost reductions, as manufacturing cost reduction programs exceeded temporary manufacturing issues encountered and higher employee medical costs, and an increase in the spread between selling prices and higher raw material costs. Gross margin decreased primarily due to an unfavourable product mix variance and the South Carolina Duplicate Overhead Costs, partially offset by net manufacturing cost reductions and an increase in the spread between selling prices and higher raw material costs. Included in gross profit in the fourth quarter of 2014 is $0.3 million related to the non-cash Brantford Pension Charge.

Gross profit for the fourth quarter of 2014 decreased $4.4 million or 10.9% from $40.7 million in the third quarter of 2014. Gross margin was 18.0% in the fourth quarter and 19.4% in the third quarter of 2014. As compared to the third quarter of 2014, gross profit decreased primarily due to an unfavourable product mix variance, a decrease in the spread between selling prices and higher raw material costs, approximately $0.5 million in incremental South Carolina Duplicate Overhead Costs, and net manufacturing cost increases, partially offset by a decrease of $1.1 million in the non-cash Brantford Pension Charge and an increase in sales volume. The increase in net manufacturing costs was primarily related to lower manufacturing cost reductions, temporary manufacturing issues encountered and higher employee medical costs. Gross margin decreased primarily due to an unfavourable product mix variance, a decrease in the spread between selling prices and higher raw material costs, incremental South Carolina Duplicate Overhead Costs and the above mentioned temporary net manufacturing cost increases, partially offset by the non-recurrence of a portion of the non-cash Brantford Pension Charge.

Selling, General and Administrative Expenses

Selling, general and administrative expenses (SG&A) for the year ended December 31, 2014 totalled $86.0 million, a $3.3 million or 4.0% increase from $82.7 million for the year ended December 31, 2013. As a percentage of revenue, SG&A was 10.6% for both 2014 and 2013. The increase in SG&A in 2014 compared to 2013 was primarily due to (i) an increase in stock compensation expense primarily due to new grants awarded during 2014, (ii) an increase in the expense associated with credit insurance coverage commencing for accounts receivable in the fourth quarter of 2013, (iii) the non-recurrence of a bad debt recovery recorded in 2013, and (iv) an increase in professional fees. The increase was partially offset by a decrease due to the non-recurrence of a provision with respect to the resolution of a contingent liability recorded in 2013.

SG&A for the year ended December 31, 2013 totalled $82.7 million, a $3.5 million or 4.5% increase from $79.1 million for the year ended December 31, 2012. As a percentage of revenue, SG&A was 10.6% and 10.1% for 2013 and 2012, respectively. The increase of $3.5 million in 2013 compared to 2012 was primarily due to increased stock-based compensation expense and a provision with respect to the resolution of a contingent liability, partially offset by the non-recurrence of professional fees related to managerial reporting enhancements during 2012. The increase in stock-based compensation expense primarily related to the impact of award vesting and an increase in the Company s Stock Appreciation Rights (SARs) expense due to an increase in the Company s share price.

SG&A totalled $23.3 million for the fourth quarter of 2014, a $4.3 million or 22.6% increase from $19.0 million in the fourth quarter of 2013. SG&A increased primarily due to (i) an increase in stock-based compensation expenses resulting primarily from the impact of an increase in the Company s share price on SARs expense in the fourth quarter of 2014, as opposed to a decrease in the stock price during the fourth quarter of 2013, (ii) an increase in professional fees, and (iii) an overall increase in variable compensation expenses resulting from higher revenue.

SG&A in the fourth quarter of 2014 increased by only $0.1 million or 0.5% from $23.2 million in the third quarter of 2014.

Research Expenses

The Company continues to focus its research efforts on potential new products, technology, manufacturing processes and formulations for existing products. Research expenses for the year ended December 31, 2014 totalled $7.9 million, a $1.0 million or 14.1% increase from $6.9 million for the year ended December 31, 2013, primarily due to ongoing efforts to support the South Carolina Project and other manufacturing cost reduction programs.

Research expenses for the year ended December 31, 2013 totalled $6.9 million, a $0.7 million or 10.8% increase from $6.2 million for the year ended December 31, 2012, primarily to support the South Carolina Project.

As a percentage of revenue, research expenses represented 1.0%, 0.9%, 0.8% for 2014, 2013 and 2012, respectively.

Research expenses for the fourth quarter of 2014 totalled $2.4 million, a $0.3 million or 17.2% increase from $2.0 million for the fourth quarter of 2013, and a $0.6 million or 32.4% increase from $1.8 million for the third quarter of 2014. The increase in both periods was primarily due to ongoing efforts to support the South Carolina Project and other manufacturing cost reduction programs.

Manufacturing Facility Closures, Restructuring and Other Related Charges

Manufacturing facility closures, restructuring and other related charges for the year ended December 31, 2014 totalled $4.9 million, a $25.8 million decrease from $30.7 million for the year ended December 31, 2013, primarily due to a $3.2 million charge recorded in 2014 as compared to a $27.9 million charge recorded in 2013, for the South Carolina Project. The charges recorded in 2014 primarily related to equipment relocation and workforce retention costs. The charges recorded in 2013 primarily related to the impairment of property, plant and equipment upon the announcement of the South Carolina Project, and related environmental remediation and accrued workforce retention costs.

Manufacturing facility closures, restructuring and other related charges for the year ended December 31, 2013 totalled $30.7 million, a $12.4 million increase from $18.3 million for the year ended December 31, 2012, primarily due to a $27.9 million charge recorded in 2013 for the South Carolina Project as compared to the $9.1 million charge for the Richmond, Kentucky manufacturing facility closure and $5.8 million charge for the consolidation of the shrink film production recorded in 2012.

Manufacturing facility closures, restructuring and other related charges for the fourth quarter of 2014 totalled $1.0 million, a $0.7 million decrease from $1.6 million for the fourth quarter of 2013. The decrease was primarily due to a $0.7 million charge recorded in the fourth quarter of 2014 for the South Carolina Project as compared to a $1.1 million charge recorded for the South Carolina Project and the non-recurrence of $0.2 million of charges for the consolidation of the shrink film production in the fourth quarter of 2013.

Manufacturing facility closures, restructuring and other related charges for the fourth quarter of 2014 decreased $0.6 million from $1.6 million for the third quarter 2014, primarily due to a a decrease in equipment relocation costs for the South Carolina Project in the fourth quarter of 2014 and the non-recurrence of an impairment charge recorded in the third quarter of 2014 relating to the Richmond, Kentucky manufacturing facility. The Company sold the Richmond, Kentucky property in the fourth quarter of 2014 for net proceeds of $2.3 million.

Finance Costs

Finance costs for the year ended December 31, 2014 totalled $6.2 million, a $0.5 million or 7.4% decrease from $6.7 million for the year ended December 31, 2013, primarily due to (i) lower interest expense as a result of a lower average cost of debt and a lower average amount of debt outstanding and (ii) an increase in capitalized interest. These changes were partially offset by an increase in debt issue cost expensed as a result of replacing the ABL facility with the Revolving Credit Facility and the prepayment of certain other debt in the fourth quarter of 2014, as well as an increase in foreign exchange losses.

Finance costs for the year ended December 31, 2013 totalled $6.7 million, a $7.9 million or 54.2% decrease from $14.5 million for the year ended December 31, 2012, primarily due to lower interest expense resulting from the 2013 redemption of outstanding Senior Subordinated Notes bearing interest at 8.5%.

Finance costs for the fourth quarter of 2014 totalled $2.5 million, a $1.4 million or 144% increase from $1.0 million for the fourth quarter of 2013 and a $1.2 million or 89.5% increase from $1.3 million for the third quarter of 2014. The increase in both periods was primarily due to an increase in debt issue cost expensed as a result of replacing the ABL facility with the Revolving Credit Facility and the prepayment of certain other debt in the fourth quarter of 2014.

Income Taxes

The Company is subject to income taxation in multiple tax jurisdictions around the world. Accordingly, the Company s effective tax rate fluctuates depending upon the geographic source of its earnings. The Company s effective tax rate is also impacted by tax planning strategies that the Company implements.

Below is a table reflecting the calculation of the Company s effective tax rate:

	Three months ended December 31,		Year ended December 31,		
	2014	2013	**2014**	2013	**2012**
	$	$	**$**	$	$
Income tax expense (benefit)	**1.1**	(39.3)	**22.9**	(35.8)	0.2
Earnings before income tax expense (benefit)	**7.2**	14.3	**58.7**	31.6	20.6
Effective tax rate	**15.8%**	-274.6%	**39.0%**	-113.5%	1.0%

The significant increase in the effective tax rate for 2014 compared to 2013 is primarily due to (i) the non-recurrence of the $43.0 million tax benefit recorded during the year ended December 31, 2013 to recognize the previously derecognized US deferred tax assets, (ii) the partial utilization of such deferred tax assets during the year ended December 31, 2014, and (iii) the tax expense incurred in connection with the Legal Entity Reorganization during the year ended December 31, 2014. The decrease in the effective tax rate in 2013 compared to 2012 was primarily due to the recognition by the Company of $47.8 million of its US deferred tax assets, all of which were previously derecognized as of December 31, 2010. Of this $47.8 million, $43.0 million impacted net earnings while the remaining impacted shareholders equity. This decrease in the effective tax rate was partially offset by the derecognition of $4.6 million of deferred tax assets in the Canadian jurisdiction during the year ended December 31, 2013.

As compared to the fourth quarter of 2013, the effective tax rate for the fourth quarter of 2014 increased primarily due to (i) the non-recurrence of the $43.0 million tax benefit recorded during the fourth quarter of December 31, 2013 to recognize the Company s previously derecognized US deferred tax assets and (ii) the partial utilization of such deferred tax assets during the fourth quarter of 2014. These increases were slightly offset by a tax benefit recorded in the fourth quarter of 2014 to reduce the upfront tax expense estimated and recorded in the third quarter of 2014 in connection with the Legal Entity Reorganization. The total upfront tax expense incurred in connection with the Legal Entity Reorganization for the year ended December 31, 2014 was $1.8 million. This reorganization is also expected to result in an ongoing annual income tax benefit of over $7 million beginning on October 30, 2014.

The effective tax rate of 15.8% for the fourth quarter of 2014 was lower than the forecasted 35% to 38% tax rate range discussed in the outlook section of the MD&A for the third quarter of 2014 due to (i) a reduction in the upfront tax expense incurred in connection with the Legal Entity Reorganization resulting from final calculations of income for tax purposes and (ii) a variation from the expected mix of earnings between tax jurisdictions.

Net Earnings

Net earnings for the year ended December 31, 2014 totalled $35.8 million, a $31.5 million decrease from $67.4 million for the year ended December 31, 2013, primarily due to the non-recurrence of the $43.0 million tax benefit recorded during the year ended December 31, 2013 to recognize the previously derecognized US deferred tax assets and the partial utilization of such deferred tax assets during the year ended December 31, 2014. The decrease was partially offset by higher manufacturing facility closures, restructuring and other related charges recorded in the first quarter of 2013 when the South Carolina Project was announced.

Net earnings for the year ended December 31, 2013 totalled $67.4 million, a $47.0 million increase from $20.4 million for the year ended December 31, 2012, primarily due to the recognition of previously derecognized deferred tax assets related to the US jurisdiction in the fourth quarter of 2013, an increase in gross profit and lower interest expense partially offset by an increase in manufacturing facility closures, restructuring and other related charges.

Net earnings for the fourth quarter of 2014 totalled $6.1 million, a $47.6 million decrease from $53.6 million for the fourth quarter of 2013, primarily due the non-recurrence of the $43.0 million tax benefit recorded during the fourth quarter of 2013 to recognize the previously derecognized US deferred tax assets and the partial utilization of such deferred tax assets during the fourth quarter of 2014.

Net earnings for the fourth quarter of 2014 increased $0.1 million from $6.0 million for the third quarter of 2014 primarily due to a decrease in income tax expense partially offset by a decrease in gross profit.

Non-GAAP Financial Measures

This MD&A contains certain non-GAAP financial measures as defined under applicable securities legislation, including EBITDA, adjusted EBITDA, adjusted net earnings (loss), adjusted earnings (loss) per share and free cash flows (please see the below Cash Flows section for a description and reconciliation of free cash flows). The Company believes such non-GAAP financial measures improve the period-to-period comparability of the Company s results by providing more insight into the performance of ongoing core business operations. As required by applicable securities legislation, the Company has provided reconciliations of those measures to the most directly comparable GAAP financial measures. Investors and other readers are encouraged to review the related GAAP financial measures and the reconciliation of non-GAAP financial measures to their most directly comparable GAAP financial measures set forth below and should consider non-GAAP financial measures only as a supplement to, and not as a substitute for or as a superior measure to, measures of financial performance prepared in accordance with GAAP.

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Adjusted Net Earnings (Loss)

A reconciliation of the Company s adjusted net earnings (loss), a non-GAAP financial measure, to net earnings (loss), the most directly comparable GAAP financial measure, is set out in the adjusted net earnings (loss) reconciliation table below. Adjusted net earnings (loss) should not be construed as net earnings (loss) as determined by GAAP. The Company defines adjusted net earnings (loss) as net earnings (loss) before (i) manufacturing facility closures, restructuring and other related charges; (ii) stock-based compensation expense (benefit); (iii) impairment of goodwill; (iv) impairment of long-lived assets and other assets; (v) write-down on assets classified as held-for-sale; (vi) (gain) loss on disposal of property, plant, and equipment; (vii) other discrete items as shown in the table below; and (viii) the income tax effect of these items. The term adjusted net earnings (loss) does not have any standardized meaning prescribed by GAAP and is therefore unlikely to be comparable to similar measures presented by other issuers. Adjusted net earnings (loss) is not a measurement of financial performance under GAAP and should not be considered as an alternative to net earnings (loss) as an indicator of the Company s operating performance or any other measures of performance derived in accordance with GAAP. The Company has included this non-GAAP financial measure because it believes that it permits investors to make a more meaningful comparison of the Company s performance between periods presented by excluding certain non-cash expenses and non-recurring expenses. In addition, adjusted net earnings (loss) is used by management in evaluating the Company s performance because it believes it provides an indicator of the Company s performance that is often more meaningful than GAAP financial measures for the reasons stated in the previous sentence.

Adjusted earnings (loss) per share is also presented in the following table and is a non-GAAP financial measure. Adjusted earnings (loss) per share should not be construed as earnings (loss) per share as determined by GAAP. The Company defines adjusted earnings (loss) per share as adjusted net earnings (loss) divided by the weighted average number of common shares outstanding, both basic and diluted. The term adjusted earnings (loss) per share does not have any standardized meaning prescribed by GAAP and is therefore unlikely to be comparable to similar measures presented by other issuers. Adjusted earnings (loss) per share is not a measurement of financial performance under GAAP and should not be considered as an alternative to earnings (loss) per share as an indicator of the Company s operating performance or any other measures of performance derived in accordance with GAAP. The Company has included this non-GAAP financial measure because it believes that it permits investors to make a more meaningful comparison of the Company s performance between periods presented by excluding certain non-cash expenses and non-recurring expenses. In addition, adjusted earnings (loss) per share is used by management in evaluating the Company s performance because it believes it provides an indicator of the Company s performance that is often more meaningful than GAAP financial measures for the reasons stated in the previous sentence.

Adjusted Net Earnings Reconciliation to Net Earnings

(In millions of US dollars, except per share amounts and share numbers)

(Unaudited)

	Three months ended December 31,		Year ended December 31,		
	2014	2013	**2014**	2013	2012
	$	$	**$**	$	$
Net earnings	**6.1**	53.6	**35.8**	67.4	20.4
Manufacturing facility closures, restructuring and other related charges	**1.0**	1.6	**4.9**	30.7	18.3
Stock-based compensation expense	**3.0**	0.1	**6.2**	4.9	1.8
Impairment of long-lived assets and other assets	**0.1**	0.0	**0.1**	0.2	
(Gain) loss on disposals of property, plant and equipment	**(0.0)**	(0.0)	**(0.1)**	0.1	0.5
Other Item: Provision related to the resolution of a contingent liability				1.3	
Other Item: Brantford pension charge	**0.3**		**1.6**		
Income tax effect of these items	**1.6**	(2.9)	**3.8**	(1.1)	(0.9)
Adjusted net earnings	**11.9**	52.4	**52.4**	103.4	40.1
Earnings per share					
Basic	**0.10**	0.88	**0.59**	1.12	0.35
Diluted	**0.10**	0.86	**0.58**	1.09	0.34
Adjusted earnings per share					
Basic	**0.20**	0.86	**0.86**	1.71	0.68
Diluted	**0.19**	0.84	**0.84**	1.68	0.66
Weighted average number of common shares outstanding					
Basic	**60,427,043**	60,776,649	**60,718,776**	60,379,533	59,072,407
Diluted	**62,307,696**	62,170,733	**62,060,923**	61,632,652	60,629,136

Adjusted net earnings totalled $52.4 million for the year ended December 31, 2014, a $51.0 million decrease from $103.4 million for the year ended December 31, 2013, primarily due to the non-recurrence of the $43.0 million tax benefit recorded during the year ended December 31, 2013 to recognize the previously derecognized US deferred tax assets and the partial utilization of such deferred tax assets during the year ended December 31, 2014.

Adjusted net earnings totalled $103.4 million for the year ended December 31, 2013, a $63.4 million increase from $40.1 million for the year ended December 31, 2012, primarily due to recognition of previously derecognized deferred tax assets related to the US jurisdiction in the fourth quarter of 2013 and an increase in gross profit.

Adjusted net earnings totalled $11.9 million for the fourth quarter of 2014, a $40.5 million decrease from $52.4 million for the fourth quarter of 2013, primarily due to the non-recurrence of the $43.0 million tax benefit recorded during the fourth quarter of 2013 to recognize the previously derecognized US deferred tax assets and the partial utilization of such deferred tax assets during the fourth quarter of 2014.

EBITDA and Adjusted EBITDA

A reconciliation of the Company s EBITDA, a non-GAAP financial measure, to net earnings (loss), the most directly comparable GAAP financial measure, is set out in the EBITDA reconciliation table below. EBITDA should not be construed as earnings (loss) before income taxes, net earnings (loss) or cash flows from operating activities as determined by GAAP. The Company defines EBITDA as net earnings (loss) before (i) interest and other finance costs; (ii) income tax expense (benefit); (iii) amortization of intangible assets; and (iv) depreciation of property, plant and equipment. Adjusted EBITDA is defined as EBITDA before (i) manufacturing facility closures, restructuring and other related charges; (ii) stock-based compensation expense (benefit); (iii) impairment of goodwill; (iv) impairment of long-lived assets and other assets; (v) write-down on assets classified as held-for-sale; (vi) (gain) loss on disposal of property, plant, and equipment and (vii) other discrete items as shown in the table below. The terms EBITDA and adjusted EBITDA do not have any standardized meanings prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. EBITDA and adjusted EBITDA are not measurements of financial performance under GAAP and should not be considered as alternatives to cash flows from operating activities or as alternatives to net earnings (loss) as indicators of the Company s operating performance or any other measures of performance derived in

accordance with GAAP. The Company has included these non-GAAP financial measures because it believes that they permit investors to make a more meaningful comparison of the Company s performance between periods presented by excluding certain non-operating expenses as well as certain non-cash expenses and non-recurring expenses. In addition, EBITDA and adjusted EBITDA are used by management and the Company s lenders in evaluating the Company s performance for the reasons stated in the previous sentence.

EBITDA and Adjusted EBITDA Reconciliation to Net Earnings

(In millions of US dollars)

(Unaudited)

	Three months ended December 31,		Year ended December 31,		
	2014	2013	**2014**	2013	2012
	$	$	**$**	$	$
Net earnings	**6.1**	53.6	**35.8**	67.4	20.4
Interest and other finance costs	**2.4**	1.0	**6.2**	6.6	14.1
Income tax expense (benefit)	**1.1**	(39.3)	**22.9**	(35.8)	0.2
Depreciation and amortization	**6.7**	6.9	**26.2**	27.7	30.4
EBITDA	**16.3**	22.3	**91.1**	65.9	65.1
Manufacturing facility closures, restructuring and other related charges	**1.0**	1.6	**4.9**	30.7	18.3
Stock-based compensation expense	**3.0**	0.1	**6.2**	4.9	1.8
Impairment of long-lived assets and other assets	**0.1**	0.0	**0.1**	0.2	
(Gain) loss on disposal of plant, property and equipment	**(0.0)**	(0.0)	**(0.1)**	0.1	0.5
Other Item: Provision related to the resolution of a contingent liability				1.3	
Other Item: Brantford pension charge	**0.3**		**1.6**		
Adjusted EBITDA	**20.6**	24.0	**103.9**	103.1	85.6

Adjusted EBITDA totalled $103.9 million for the year ended December 31, 2014, a $0.8 million or 0.8% increase from $103.1 million for the year ended December 31, 2013, primarily due to an increase in gross profit partially offset by (i) an increase in professional fees, (ii) an increase in research expenses, (iii) additional expenses associated with credit insurance coverage commencing for accounts receivable in the fourth quarter of 2013 and (iv) the non-recurrence of a bad debt recovery recorded in 2013.

Adjusted EBITDA totalled $103.1 million for the year ended December 31, 2013, a $17.4 million or 20.4% increase from $85.6 million for the year ended December 31, 2012, primarily due to increased gross profit.

Adjusted EBITDA totalled $20.6 million for the fourth quarter of 2014, a $3.4 million or 14.0% decrease from $24.0 million for the fourth quarter of 2013, primarily due to higher SG&A and lower gross profit.

Comprehensive Income

Comprehensive income is comprised of net earnings and other comprehensive income (loss). Comprehensive income totalled $23.5 million for the year ended December 31, 2014, a $56.1 million or 70.5% decrease from $79.6 million for the year ended December 31, 2013, primarily due to lower net earnings in 2014 and losses from the remeasurement of the defined benefit liability compared to actuarial gains in 2013.

Comprehensive income totalled $79.6 million for the year ended December 31, 2013, a $61.5 million or 340% increase from $18.1 million for the year end December 31, 2012, primarily due to higher net earnings in 2013 and gains from the remeasurement of the defined benefit liability compared to actuarial losses in 2012.

Off-Balance Sheet Arrangements

The Company had standby letters of credit issued and outstanding as of December 31, 2014 that could result in payments by the Company of up to an aggregate of $2.0 million upon the occurrence of certain events. All of the letters of credit have expiry dates in 2015.

The Company had commitments to suppliers to purchase machines and equipment totalling approximately $2.7 million as of December 31, 2014. It is expected that such amounts will be paid out in the next twelve months.

The Company obtains certain raw materials from suppliers under consignment agreements. The suppliers retain ownership of raw materials until consumed in production. The consignment agreements involve short-term commitments that typically mature within 30 to 60 days of inventory receipt and are typically renewed on an ongoing basis. At December 31, 2014, the Company had on hand $16.2 million of raw material owned by our suppliers.

The Company entered into agreements with various raw material suppliers to purchase minimum quantities of certain raw materials at fixed rates through December 2015 totalling approximately $5.0 million as of December 31, 2014. The Company is also required by the agreements to pay any storage costs incurred by the applicable supplier in the event the Company delays shipment in excess of 30 days. In the event the Company defaults under the terms of an agreement, an arbitrator will determine fees and penalties due to the applicable supplier. Neither party shall be liable for failure to perform for reasons of Force Majeure as defined within the agreements.

The Company entered into agreements with various utility suppliers to fix certain energy costs through October 2017 for minimum amounts of consumption at several of its manufacturing facilities. The Company estimates that utility billings will total approximately $5.5 million over the term of the contracts based on the contracted fixed terms and current market rate assumptions. The Company is also required by the agreements to pay any difference between the fixed price agreed to with the utility and the sales amount received by the utility for resale to a third party if the Company fails to meet the minimum consumption required by the agreements. In the event of early termination the Company is required to pay the utility suppliers the difference between the contracted amount and the current market value of the energy, adjusted for present value, of any future agreed upon minimum usage. Neither party shall be liable for failure to perform for reasons of Force Majeure as defined within the agreements.

The Company currently knows of no event, trend or uncertainty that may affect the availability or benefits of these arrangements. The Company maintains no other off-balance sheet arrangements.

Related Party Transactions

In June 2014, the Company engaged with a relocation management company to facilitate the purchase of the then-newly appointed Chief Financial Officer s home in Montreal, Québec, Canada to assist in the relocation to Sarasota, FL, U.S.A. The Company provided funding to the relocation management company to purchase the home for $0.9 million. Upon the sale of the home, the Company will be reimbursed for the purchase funding. As of December 31, 2014, the home is for sale.

The Company s key personnel are members of the Board of Directors and five members of senior management in 2014. Key personnel remuneration includes: short-term benefits including employee salaries and bonuses, director retainer and committee fees, post-employment benefits, stock-based compensation expense, and termination benefits. Total key personnel remuneration decreased $0.1 million to $8.8 million for the year ended December 31, 2014 from $8.9 million for the year ended December 31, 2013.

Working Capital

The Company experiences some business cyclicality that requires the management of working capital resources. Typically, a larger investment in working capital is required in quarters when accounts receivable increase due to higher sales and when inventory increases due to higher anticipated future sales. Furthermore, certain liabilities are accrued for throughout the year and are only paid during the first quarter of the following year.

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The Company uses Days Inventory to measure inventory performance. Days Inventory increased to 58 in the fourth quarter of 2014 from 57 in the fourth quarter of 2013. Inventories increased $2.5 million to $96.8 million as of December 31, 2014 from $94.3 million as of December 31, 2013 primarily due to lower woven coated product inventory in the fourth quarter of 2013, partially offset by a decrease in raw material purchases in the fourth quarter of 2014.

The Company uses Days Sales Outstanding (DSO) to measure trade receivables. DSO decreased by one day from 38 in the fourth quarter of 2013 to 37 in the fourth quarter of 2014. Trade receivables increased $2.7 million to $81.2 million as of December 31, 2014 from $78.5 million as of December 31, 2013 primarily due to an increase in the amount and timing of the revenue invoiced in 2014.

The calculations are shown in the following tables:

	Three months ended	
	Dec. 31, 2014	Dec. 31, 2013
Cost of sales [1]	**$ 164.5**	$ 153.5
Days in quarter	**92**	92
Cost of sales per day [1]	**$ 1.79**	$ 1.67
Average inventory [1]	**$ 102.8**	$ 94.4
Days inventory	**58**	57

Days inventory is calculated as follows:

Cost of sales ÷ Days in quarter = Cost of sales per day (Beginning inventory + Ending inventory) ÷ 2 = Average inventory

Average inventory ÷ Cost of goods sold per day = Days inventory

[1] In millions of US dollars

	Three months ended	
	Dec. 31, 2014	Dec. 31, 2013
Revenue [1]	**$ 200.8**	$ 191.5
Days in quarter	**92**	92
Revenue per day [1]	**$ 2.18**	$ 2.08
Trade receivables [1]	**$ 81.2**	$ 78.5
DSO	**37**	38

DSO is calculated as follows:

Revenue ÷ Days in quarter = Revenue per day

Ending trade receivables ÷ Revenue per day = DSO

Accounts payable and accrued liabilities increased $0.6 million to $77.0 million as of December 31, 2014 from $76.4 million as of December 31, 2013 primarily due to an increase in the SARs liability resulting from an increase in the Company s share price in 2014 partially offset by the timing of payments associated with capital expenditures for the South Carolina Project and other SG&A.

Liquidity

The Company has access to a $300 million Revolving Credit Facility through November 2019. As of December 31, 2014, the Company had drawn a total of $102.1 million, resulting in loan availability of $197.9 million. In addition, the Company had $8.3 million of cash, yielding total cash and loan availability of $206.2 million as of December 31, 2014.

The Company believes it has sufficient funds from cash flows from operating activities, funds available under the Revolving Credit Facility and cash on hand to meet its expected capital expenditures and working capital requirements for at least the next twelve months.

Long-Term Debt

The Company s $300 million Revolving Credit Facility is with a syndicate of financial institutions and replaced the Company s $200 million ABL facility. The Company relies upon cash flows from operations and funds available under the Revolving Credit Facility to meet working capital requirements as well as to fund capital expenditures, mergers and acquisitions, dividends, share repurchases, obligations under its other debt instruments, and other general corporate purposes. The Revolving Credit Facility also includes an incremental accordion feature of $150 million, which will enable the Company to increase the limit of this facility (subject to the credit agreement s terms) if needed.

As of December 31, 2014, the Company had drawn a total of $102.1 million against the Revolving Credit Facility, which consisted of $100.0 million of borrowings and $2.0 million of standby letters of credit.

The Company had total cash and loan availability of $206.2 million as of December 31, 2014, $60.3 million as of September 30, 2014, and $50.3 million as of December 31, 2013. The Company had cash and loan availability under the Revolving Credit Facility exceeding $190 million as of March 9, 2015.

The Revolving Credit Facility is priced primarily on the LIBOR rate plus a spread varying between 100 and 225 basis points (125 basis points as of December 31, 2014), which is less than the Company s previous ABL facility and mortgage debt. The spread depends on the consolidated total leverage ratio and increases as the consolidated total leverage ratio increases. The pricing grid for the loan margin ranges from 1.00% to 2.25% for LIBOR rate loans. The revolving credit loans denominated in US Dollars bear interest at the LIBOR rate applicable to dollar-denominated loans plus the applicable margin. Revolving credit loans denominated in an alternative currency bear interest at the LIBOR rate applicable to alternative currency-denominated loans plus the applicable margin and any mandatory costs. The Revolving Credit Facility has three financial covenants, a consolidated total leverage ratio not to be greater than 3.25 to 1.00, with an allowable temporary increase to 3.75 to 1.00 for the four quarters following an acquisition with a purchase price not less than $50 million, a consolidated debt service ratio not to be less than 1.50 to 1.00, and the aggregated amount of all capital expenditures in any fiscal year may not exceed $50 million. Any portion of the allowable $50 million not expended in the year may be carried over for expenditure in the following year but not carried over to any additional subsequent year thereafter. The Company was in compliance with the consolidated total leverage ratio, consolidated debt service ratio and capital expenditures limit, as defined by the agreement, which were 1.23, 2.10 and $40.6 million, respectively, as of December 31, 2014.

The ABL facility was priced at 30-day LIBOR plus a loan margin determined from a pricing grid. The loan margin declined as loan availability increased. The pricing grid for the loan margin ranged from 1.75% to 2.25%. The ABL facility had one financial covenant, a fixed charge ratio of 1.0 to 1.0. The ratio compares EBITDA (as defined in the ABL facility agreement) less capital expenditures not financed under the Equipment Finance Agreement, pension plan contributions in excess of pension plan expense, dividends, and cash taxes to the sum of debt service and the amortization of the value of the manufacturing equipment included in the borrowing base. The financial covenant became effective only when loan availability dropped below $25.0 million.

On August 14, 2012, the Company entered into the Equipment Finance Agreement with a lifetime and maximum funding amount of $24.0 million with the final funding to occur by March 31, 2014. The amount available under the facility was increased to $25.7 million as of March 26, 2014. The terms of the arrangement include multiple individual finance leases, each of which has a term of 60 months and a fixed interest rate of 2.74%, 2.90%, and 2.95% for leases scheduled prior to January 1, 2013, January 1, 2014, and March 31, 2014, respectively. The Company financed two schedules totalling $5.3 million in 2012, two schedules totalling $16.9 million in 2013, and one schedule for $3.5 million in the first quarter of 2014.

Cash Flows

Cash flows from operating activities increased in 2014 by $4.7 million to $86.9 million from $82.2 million in 2013, primarily due to higher gross profit.

Cash flows from operating activities decreased in 2013 by $2.3 million to $82.2 million from $84.5 million in 2012, primarily due to a one day increase in trade receivable DSO in 2013 compared to a five day decrease in 2012 relating to an increase in the amount of revenue invoiced and collected early in the fourth quarter of 2012 compared to the fourth quarter of 2013 and higher payments in 2013 related to variable compensation costs accrued for in 2012. The

decrease was partially offset by higher gross profit.

Cash flows from operating activities increased in the fourth quarter of 2014 by $10.9 million to $33.8 million from $22.9 million in the fourth quarter of 2013, primarily due to a larger decrease in inventory in the fourth quarter of 2014 due to higher sales in the fourth quarter of 2014 compared to 2013.

Cash flows used for investing activities decreased in 2014 by $8.1 million to $36.8 million from $44.9 million in 2013, primarily due to lower capital expenditures and higher proceeds from the sale of property, plant and equipment and other assets.

Cash flows used for investing activities increased in 2013 by $23.8 million to $44.9 million from $21.1 million in 2012, primarily due to higher capital expenditures related to the South Carolina Project.

Cash flows used for investing activities decreased in the fourth quarter of 2014 by $7.7 million to $4.7 million from $12.4 million in the fourth quarter of 2013, primarily due to lower capital expenditures and proceeds from the sale of the Richmond, Kentucky manufacturing facility in the fourth quarter of 2014.

Total expenditures in connection with property, plant and equipment were $40.6 million, $46.8 million and $21.6 million for the years ended December 31, 2014, 2013 and 2012, respectively and $7.0 million and $12.3 million for the fourth quarter of 2014 and 2013, respectively. Capital expenditures for the South Carolina Project since inception have totalled $48.9 million and were $24.3 million and $21.8 million for the years ended December 31, 2014 and 2013, respectively and $3.7 million and $5.5 million for the fourth quarter of 2014 and 2013, respectively.

Cash flows used in financing activities increased in 2014 by $3.3 million to $43.7 million from $40.5 million in 2013, primarily due to an increase in dividends paid, repurchases of common stock, lower proceeds from the exercise of stock options granted pursuant to the Company s Executive Stock Option Plan and an increase in the payment of debt issue costs related to entering the Revolving Credit Facility in the fourth quarter of 2014. The increase was partially offset by smaller net repayment of debt in 2014 and lower interest payments in 2014.

Cash flows used in financing activities decreased in 2013 by $21.6 million to $40.5 million from $62.0 million in 2012, primarily due to a smaller net repayment of debt as a result of lower free cash flows related to an increase in capital expenditures for the South Carolina Project and lower interest payments resulting from Note redemptions in 2012 and 2013. These decreases were partially offset by an increase in dividends paid in 2013.

Cash flows used in financing activities increased in the fourth quarter of 2014 by $13.8 million to $27.6 million from $13.8 million in the fourth quarter of 2013, primarily due to a larger net repayment of debt as a result of higher free cash flows, an increase in dividends paid and an increase in the payment of debt issue costs related to entering the Revolving Credit Facility in the fourth quarter of 2014.

The Company is reporting free cash flows, a non-GAAP financial measure, because it is used by management and investors in evaluating the Company s performance and liquidity. Free cash flows does not have any standardized meaning prescribed by GAAP and is therefore unlikely to be comparable to similar measures presented by other issuers. Free cash flows should not be interpreted to represent residual cash flow available for discretionary purposes, as it excludes other mandatory expenditures such as debt service.

Free cash flows, defined by the Company as cash flows from operating activities less purchases of property, plant and equipment, increased in 2014 by $11.0 million to an inflow of $46.3 million from an inflow of $35.3 million in 2013, primarily due to lower capital expenditures and an increase in gross profit.

Free cash flows decreased in 2013 by $27.6 million to an inflow of $35.3 million from an inflow of $62.9 million in 2012, primarily due to increased capital expenditures related to the South Carolina Project.

Free cash flows increased in the fourth quarter of 2014 by $16.2 million to an inflow of $26.8 million from an inflow of $10.6 million in the fourth quarter of 2013, primarily due to a decrease in inventory and lower capital expenditures.

A reconciliation of free cash flows to cash flows from operating activities, the most directly comparable GAAP measure, is set forth below.

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Free Cash Flows Reconciliation

(In millions of US dollars)

(Unaudited)

	Three months ended December 31,		Year ended December 31,		
	2014	2013	**2014**	2013	2012
	$	$	**$**	$	$
Cash flows from operating activities	**33.8**	22.9	**86.9**	82.2	84.5
Less purchases of property, plant and equipment	**(7.0)**	(12.3)	**(40.6)**	(46.8)	(21.6)
Free cash flows	**26.8**	10.6	**46.3**	35.3	62.9

Capital Resources

The Company had commitments to suppliers to purchase machines and equipment totalling approximately $2.7 million as of December 31, 2014. It is expected that such amounts will be paid out in the next twelve months and will be funded by the Revolving Credit Facility as discussed above.

Contractual Obligations

The Company s principal contractual obligations and commercial commitments relate to its outstanding debt and its operating lease obligations. The following table summarizes these obligations as of December 31, 2014:

	Payments Due by Period [1]				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
	$	$	$	$	$
Debt principal obligations	100.2		0.1	100.1	
Finance lease obligations	25.2	5.7	11.5	5.6	2.4
Pensions and other post-retirement benefits - defined benefit plans [2]	2.4	2.4			
Pensions and other post-retirement benefits - defined contribution plans [3]	3.0	3.0			
Operating lease obligations	11.9	2.2	4.0	2.6	3.1
Standby letters of credit	2.0	2.0			
Equipment purchase commitments	2.7	2.7			
Utilities contract obligations [4]	34.7	5.7	8.2	6.3	14.4
Raw material purchase commitments [5]	21.2	21.2			
Other provisions	6.3	2.8	1.5	0.1	2.0
Total	209.6	47.7	25.3	114.7	21.9

(1) Less than 1 year represents those payments due in 2015, 1-3 years represents those payments due in 2016 and 2017, 3-5 years represents those payments due in 2018 and 2019, while After 5 years includes those payments due in later periods.

(2) Defined benefit plan contributions represent the amount the Company expects to contribute in 2015. Defined benefit plan contributions beyond 2015 are not determinable since the amount of any contributions is heavily dependent on the future economic environment and investment returns on pension plan assets. Volatility in the global financial markets could have an unfavourable impact on the Company s future pension and other post-retirement benefits funding obligations as well as net periodic benefit cost.

(3) Defined contribution plan contributions represent the obligation recorded at December 31, 2014 to be paid in 2015. Certain defined contribution plan contributions beyond 2015 are not determinable since contribution to the plan is at the discretion of the Company.

(4) Utilities contract obligations include a ten-year electricity service contract at a manufacturing facility. Beginning in the second quarter of 2014, the Company committed to monthly minimum usage requirements over the term of the contract. The figures included in the table above are estimates of electricity utilization and do not include penalties of up to $17.0 million for early contract termination. The Company does not expect to cancel the contract prior to the end of its term.

Utilities contract obligations also include agreements with various utility suppliers to fix certain energy costs for minimum amounts of consumption at several of its manufacturing facilities, as discussed in the section titled Off-Balance Sheet Arrangements above. The figures included in the table above are estimates of utility billings over the term of the contracts based on the contracted fixed terms and current market rate assumptions. The Company currently knows of no event, trend or uncertainty that may affect the availability or benefits of the agreements.

(5) Raw material purchase commitments include certain raw materials from suppliers under consignment agreements. The suppliers retain ownership of raw materials until consumed in production. The consignment agreements involve short-term commitments that typically mature within 30 to 60 days of inventory receipt and are typically renewed on an ongoing basis. The figures included in the table above represent raw material inventory on hand or in transit, owned by our suppliers, that the Company expects to consume.

Raw material purchase commitments also include agreements with various raw material suppliers to purchase minimum quantities of certain raw materials at fixed rates, as discussed in the section titled Off-Balance Sheet Arrangements above. The figures included in the table above do not include estimates for storage costs, fees or penalties. The Company currently knows of no event, trend or uncertainty that may affect the availability or benefits of these agreements.

Purchase orders outside the scope of the raw material purchase commitments as defined in this section are not included in the table above. The Company is not able to determine the aggregate amount of such purchase orders that represent contractual obligations, as these purchase orders typically represent authorizations to purchase rather than binding agreements. For the purposes of this table, contractual obligations for purchase of goods or services are defined as agreements that are enforceable and legally binding on the Company and that specify all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. The Company s purchase orders are based on current demand expectations and are fulfilled by our vendors within short time horizons. The Company does not have significant non-cancellable agreements for the purchase of inventory or other goods specifying minimum quantities or set prices that exceed expected requirements. The Company also enters into contracts for outsourced services; however, the obligations under these contracts were not significant and the contracts generally contain clauses allowing for cancellation without significant penalty.

Stock Appreciation Rights

On June 20, 2012, the Board of Directors of the Company adopted the 2012 Stock Appreciation Rights Plan (SAR Plan) in lieu of granting stock options in 2012. The purpose of the SAR Plan is to (a) promote a proprietary interest in the Company among its executives and directors; (b) encourage the Company s executives and directors to further the Company s development; and (c) attract and retain key employees necessary for the Company s long-term success. The SAR Plan is administered by the Compensation Committee of the Board of Directors of the Company and authorizes the Company to award SARs to eligible persons. A SAR, as defined by the Company s plan, is a right to receive a cash payment equal to the difference between the base price of the SAR and the market value of a common share of the Company on the date of exercise. These SARs can only be settled in cash and expire no later than 10 years after the date of the grant. The award agreements provide that these SARs granted to employees and executives will vest and may be exercisable 25% per year over four years. The SARs granted to directors, who are not officers of the Company, will vest and may be exercisable 25% on the grant date, and a further 25% will vest and may be exercisable 25% per year over three years.

Over the life of the awards, the total amount of expense recognized will be equal to the amount of the cash outflow, if any, as a result of exercises. At the end of each reporting period, the lifetime amount of expense recognized will equal the current period value of the SARs using the Black-Scholes pricing model, multiplied by the percentage vested. As a result, the amount of expense recognized can vary due to changes in the model variables from period to period until the SARs are exercised, expire, or are otherwise cancelled.

A SAR is granted at a price determined and approved by the Board of Directors, which is the closing price of the common shares on the TSX on the trading day immediately preceding the day on which a SAR is granted.

On June 28, 2012, 1,240,905 SARs were granted at an exercise price of CDN$7.56 with contractual lives ranging from six to ten years.

The amount and timing of a potential cash payment to settle a SAR is not determinable since the decision to exercise is not within the Company s control after the award vests. At December 31, 2014, the aggregate intrinsic value of outstanding vested awards was $1.4 million. At December 31, 2014, $3.0 million was accrued to settle SAR awards exercised but not yet paid.

Capital Stock and Dividends

As of December 31, 2014, there were 60,435,826 common shares of the Company outstanding.

During the year ended December 31, 2014, 492,500 stock options were granted at a weighted average exercise price of CDN$12.51 and a weighted average fair value of $3.12 and 256,677 stock options were exercised resulting in proceeds of $0.8 million. There were 140,000 stock options forfeited during the year ended December 31, 2014.

During the year ended December 31, 2013, 830,000 stock options were granted at a weighted average exercise price of CDN$12.19 and a weighted average fair value of $3.69 and 1,151,610 stock options were exercised resulting in proceeds of $3.8 million. There were 71,250 stock options forfeited during the year ended December 31, 2013.

During the year ended December 31, 2012, no stock options were granted or forfeited and 663,989 stock options were exercised resulting in proceeds of $2.0 million.

During the fourth quarter of 2014, no stock options were granted or forfeited and 21,250 stock options were exercised, resulting in proceeds of $0.1 million.

The Company paid a dividend of $0.08, $0.08, $0.12 and $0.12 per common share on March 31, June 30, September 30 and December 31, 2014 to shareholders of record at the close of business on March 19, June 17, September 15 and December 15, 2014, respectively.

On July 7, 2014, the Board of Directors amended the Company s quarterly dividend policy to increase the annualized dividend by 50% from $0.32 to $0.48 per common share.

On March 9, 2015, the Board of Directors declared a quarterly dividend of $0.12 per common share payable on March 31, 2015 to shareholders of record at the close of business March 19, 2015.

The dividends paid and payable by the Company in 2014 are eligible dividends as defined in subsection 89(1) of the *Income Tax Act* (Canada).

On July 7, 2014, the Board of Directors and the Toronto Stock Exchange (TSX) approved the Company s application to make a NCIB. Under the NCIB, the Company is entitled to repurchase for cancellation up to 2,000,000 common shares, representing 3.28% of the Company s then issued and outstanding shares, over a twelve-month period starting on July 10, 2014 and ending on July 9, 2015. The purchases by the Company are effected through the facilities of the TSX and are made at the market price of the shares at the time of the purchase. As of December 31, 2014, the Company has repurchased 597,500 common shares at an average price of CDN$14.35 per share, including commissions, for a total purchase price of $7.8 million.

In the second quarter of 2014, the Board of Directors adopted the Performance Share Unit (PSU) Plan. The purpose of the PSU Plan is to provide participants with a proprietary interest in the Company to (a) increase the incentives of those participants who share primary responsibility for the management, growth and protection of the business of the Company, (b) furnish an incentive to such participants to continue their services for the Company and (c) provide a means through which the Company may attract potential employees. The PSU Plan is administered by the Compensation Committee of the Board of Directors of the Company and authorizes the Company to award PSUs to eligible persons. A PSU, as defined by the Company s PSU Plan, represents the right of a participant, once such PSU is earned and has vested in accordance with the PSU Plan, to receive the number of common shares of the Company underlying the PSU. Furthermore, a participant will receive a cash payment from the Company upon PSU settlement

that is equivalent to the number of shares issued or delivered to the participant multiplied by the amount of cash dividends per share declared by the Company between the date of grant and the third anniversary of the grant date. PSUs are net-settled to satisfy minimum statutory tax withholding requirements.

On June 11, 2014, 152,500 PSUs were granted with a fair value of $11.38. The PSUs are earned over a three year period with vesting at the third anniversary of the grant date. The number of shares earned can range from 0% to 150% of the grant amount based on entity performance criteria, specifically the total shareholder return ranking versus a specified peer group of companies. During the fourth quarter of 2014, there were no PSUs granted.

In the second quarter of 2014, the Board of Directors adopted the Deferred Share Unit (DSU) Plan. The purpose of the DSU Plan is to provide participants with a form of compensation which promotes greater alignment of the interests of the participants and the shareholders of the Company in creating long-term shareholder value. The DSU Plan is administered by the Compensation Committee of the Board of Directors of the Company and authorizes the Company to award DSUs to any member of the Board of Directors of the Company that is not an executive officer or employee of the Company. A DSU, as defined by the Company s DSU Plan, represents the right of a participant to receive a common share of the Company. Under the DSU Plan, each director is entitled to receive DSUs as a result of a grant and/or in lieu of cash for semi-annual directors fees. DSUs are settled when the director ceases to be a member of the Board of Directors of the Company. DSUs are net-settled to satisfy minimum statutory tax withholding requirements.

During the year ended December 31, 2014, there were 36,901 DSUs granted at a weighted average fair value of $12.04.

During the fourth quarter of 2014, there were no DSUs granted.

Pension and Other Post-Retirement Benefit Plans

The Company s pension and other post-retirement benefit plans currently have an unfunded deficit of $31.7 million as of December 31, 2014 as compared to $18.9 million as of December 31, 2013. The increase in the current year is primarily due to a decrease in weighted average discount rate from 4.63% and 4.80% for US and Canadian plans, respectively, as of December 31, 2013 to 3.73% and 4.15% for US and Canadian plans, respectively, as of December 31, 2014. These changes resulted in an increase in net present value of the liability and are partially offset by return on plan assets and annual contribution paid by the Company. For 2014, the Company contributed $2.3 million as compared to $4.3 million in 2013, to its funded pension plans and to beneficiaries for its unfunded other benefit plans. Adverse market conditions could require the Company to make additional cash payments to fund the plans which could reduce cash available for other business needs; however, the Company expects to meet its minimum required pension benefit plan funding obligations for 2015. None of the defined benefit plan assets were invested in any of the Company s own equity or financial instruments or in any property or other assets used by the Company.

Effective September 30, 2011, the defined benefit plan associated with the former Brantford, Ontario manufacturing facility sponsored by the Company was wound-up. Pursuant to applicable legislation, benefits for this plan must be settled within the five-year period following the wind-up effective date. During the year ended December 31, 2014, the Company purchased group annuity buy out policies to settle its obligation to plan participants resulting in non-cash settlement losses of $1.6 million representing the difference between the accounting liability and the cost to settle the obligations. The settlement losses were included in the statement of consolidated earnings under the caption cost of sales.

Financial Risk, Objectives and Policies

The Company is exposed to various financial risks including: foreign exchange rate risk, interest rate risk, credit risk, liquidity risk and price risk resulting from its operations and business activities. The Company s management is responsible for setting acceptable levels of risks and reviewing management activities as necessary.

The Company does not enter into financial instrument agreements, including derivative financial instruments, for speculative purposes.

For the years ended December 31, 2014, 2013 and 2012, the Company did not execute any financial risk management contracts. For a complete discussion of the Company s financial risks, management policies and procedures and objectives, please refer to Note 21 to the Consolidated Financial Statements as of and for the year ended December 31, 2014.

Litigation

On July 3, 2014, the Company s former Chief Financial Officer filed a complaint with the Occupational Safety and Health Administration of the US Department of Labor (OSHA) alleging certain violations by the Company related to the terms of his employment and his termination. The Company has filed with OSHA its response to the complaint. The Company believes that these allegations and claims are without merit and intends to vigorously defend them. Because the proceeding is currently in its initial stages, the Company is not currently able to predict the probability of a favourable or unfavourable outcome, or the amount of any possible loss in the event of an unfavourable outcome. Consequently, no material provision or liability has been recorded for these allegations and claims as of December 31, 2014.

In February 2012, Multilayer Stretch Cling Film Holdings, Inc. (Multilayer) filed a complaint against the Company in the US District Court for Western Tennessee, alleging that the Company had infringed a patent issued to Multilayer that covers certain aspects of the manufacture of stretch film. In May 2013, the Company agreed to a settlement of the outstanding litigation. Under the confidential settlement agreement, the Company paid Multilayer an undisclosed amount in full settlement of all outstanding issues. The terms of the agreement do not restrict the sale of any of the Company s products, as the Company s current products do not utilize Multilayer s patented invention. The Company does not expect that the settlement will have any material effect on the Company s continuing operations. The settlement has not had, and is not anticipated to have, any material effect on the Company s continuing operations.

The Company is also engaged from time-to-time in various legal proceedings and claims that have arisen in the ordinary course of business. The outcome of all of the proceedings and claims against the Company is subject to future resolution, including the uncertainties of litigation. Based on information currently known to the Company and after consultation with outside legal counsel, management believes that the probable ultimate resolution of any such proceedings and claims, individually or in the aggregate, will not have a material adverse effect on the financial condition of the Company, taken as a whole, and accordingly, no amounts have been recorded as of December 31, 2014.

Critical Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Significant changes in the underlying assumptions could result in significant changes to these estimates. Consequently, management reviews these estimates on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about these significant judgments, assumptions and estimates that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are summarized below:

Significant Management Judgment

Deferred income taxes

Deferred tax assets are recognized for unused tax losses and tax credits to the extent that it is probable that future taxable income will be available against which the losses can be utilized. These estimates are reviewed at every reporting date. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of the reversal of existing timing differences, future taxable income and future tax planning strategies. Please refer to Note 5 of the Company s audited consolidated financial statements as of and for the year ended December 31, 2014 for more information regarding income taxes.

Estimation Uncertainty

Impairments

At the end of each reporting period the Company performs a test of impairment if there are indicators of impairment. An impairment loss is recognized when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which in turn is the higher of its fair value less costs to sell and its value in use. The value in use is based on discounted estimated future cash flows. The cash flows are derived from the budget or forecasts for the estimated remaining useful lives of the CGUs and

do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the asset or CGU being tested. The value in use will vary depending on the discount rate applied to the discounted cash flows, the estimated future cash inflows, and the growth rate used for extrapolation purposes. Please refer to Note 12 of the Company s audited consolidated financial statements as of and for the year ended December 31, 2014 for more information regarding impairment testing of long-term assets.

Pension and other post-retirement benefits

The cost of defined benefit pension plans and other post-retirement benefit plans and the present value of the related obligations are determined using actuarial valuations. The determination of benefits expense and related obligations requires assumptions such as the discount rate to measure obligations, expected mortality and the expected healthcare cost trend. Actual results will differ from estimated results which are based on assumptions. Please refer to Note 17 of the Company s audited consolidated financial statements as of and for the year ended December 31, 2014 for more information regarding the assumptions related to the pension and other post-retirement benefit plans.

Uncertain tax positions

The Company is subject to taxation in numerous jurisdictions. There are many transactions and calculations during the course of business for which the ultimate tax determination is uncertain. The Company maintains provisions for uncertain tax positions that it believes appropriately reflect its risk. These provisions are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date, liabilities in excess of the Company s provisions could result from audits by, or litigation with, the relevant taxing authorities. Please refer to Note 5 of the Company s audited consolidated financial statements as of and for the year ended December 31, 2014 for more information regarding income taxes.

Useful lives of depreciable assets

Management reviews the useful lives, depreciation methods and residual values of depreciable assets at each reporting date. As of the reporting date, management assesses the useful lives which represent the expected utility of the assets to the Company. Actual results, however, may vary due to technical or commercial obsolescence, particularly with respect to information technology and manufacturing equipment.

Net realizable value of inventories and parts and supplies

Inventories and parts and supplies are measured at the lower of cost or net realizable value. In estimating net realizable values of inventories and parts and supplies, management takes into account the most reliable evidence available at the time the estimate is made.

Allowance for doubtful accounts and revenue adjustments

During each reporting period, the Company makes an assessment of whether trade accounts receivable are collectible from customers. Accordingly, management establishes an allowance for estimated losses arising from non-payment and other revenue adjustments, taking into consideration customer creditworthiness, current economic trends and past experience. The Company also records reductions to revenue for estimated returns, claims, customer rebates, and other incentives that are estimated based on historical experience and current economic trends. If future collections and trends differ from estimates, future earnings will be affected. Please refer to Note 21 of the Company s audited consolidated financial statements as of and for the year ended December 31, 2014 for more information regarding the

allowance for doubtful accounts and the related credit risks.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, when the effect of the time value of money is material.

Provisions of the Company include environmental and restoration obligations, resolution of a contingent liability and severance and other provisions. Please refer to Note 14 of the Company s audited consolidated financial statements as of and for the year ended December 31, 2014 for more information regarding provisions.

Stock-based payments

The estimation of stock-based payment fair value and expense requires the selection of an appropriate pricing model.

The model used by the Company for the Executive Stock Option Plan (ESOP) and SAR Plan is the Black-Scholes pricing model. Inputs to the Black-Scholes pricing model include data and consideration as to the volatility of the Company s own stock, the probable life of awards granted and the time of exercise of those awards.

The model used by the Company for the PSU Plan is the Monte Carlo simulation model. Inputs to the Monte Carlo pricing model include data and consideration as to the volatility of the Company s own stock as well as a peer group, the performance measurement period, and the risk-free rate commensurate with the term of the award.

Please refer to Note 15 of the Company s audited consolidated financial statements as of and for the year ended December 31, 2014 for more information regarding stock-based payments.

New Standards and Interpretations Issued But Not Yet Effective

Certain new standards, amendments and interpretations, and improvements to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Company. Management anticipates that all of the relevant pronouncements will be adopted in the first reporting period following the date of application. Information on new standards, amendments and interpretations, and improvements to existing standards, which could potentially impact the Company s consolidated financial statements, are detailed as follows:

IFRS 15 *Revenue from Contracts with Customers:* IFRS 15 replaces IAS 18 *Revenue*, IAS 11 *Construction Contracts* and some revenue related interpretations. IFRS 15 establishes a new control-based revenue recognition model, changes the basis for deciding when revenue is recognized at a point in time or over time, provides new and more detailed guidance on specific topics and expands and improves disclosures about revenue. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2017. Management has yet to assess the impact of this new standard on the Company s consolidated financial statements.

IFRS 9 (2014) *Financial Instruments*: IFRS 9 (2014) replaces IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 (2014) addresses accounting for financial assets and financial liabilities, classification and measurement, recognition and derecognition, hedge accounting and impairment. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018. Management has yet to assess the impact of this new standard on the Company s consolidated financial statements.

Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company s financial statements.

Internal Control Over Financial Reporting

In accordance with the Canadian Securities Administrators National Instrument 52-109, Certification of Disclosure in Issuers Annual and Interim Filings (NI 52-109), the Company has filed interim certificates signed by the Chief Executive Officer and the Chief Financial Officer that, among other things, report on the design of disclosure controls and procedures and design of internal control over financial reporting. With regards to the annual certification requirements of NI 52-109, the Company relies on the statutory exemption contained in section 8.2 of NI 52-109, which allows it to file with the Canadian securities regulatory authorities the certificates required under the Sarbanes-Oxley Act of 2002 at the same time such certificates are required to be filed in the United States of America.

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Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of the Company s financial reporting and its compliance with GAAP (as derived in accordance with IFRS) in its consolidated financial statements. The Chief Executive Officer and Chief Financial Officer of the Company have evaluated whether there were changes to the Company s internal control over financial reporting during the Company s most recent interim period that have materially affected, or are reasonably likely to materially affect, the Company s internal control over financial reporting. The Chief Executive Officer and the Chief Financial Officer have concluded that the Company s internal control over financial reporting as of December 31, 2014 was effective.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of its inherent limitation, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Additional Information

Additional information relating to the Company, including its Form 20-F filed in lieu of an Annual Information Form for 2014, is available on the Company s website (www.itape.com) as well as under the Company s profile on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

Item 6: Directors, Senior Management and Employees

A. DIRECTORS AND SENIOR MANAGEMENT

Directors

The following table sets forth the name, residence, position, and principal occupations for the last five (5) years of each Director of the Company as of the date hereof, as well as the date upon which each Director was first elected. Each Director is elected for a term of one year and may be nominated for re-election at the Company s following annual shareholders meeting. The next annual shareholders meeting is scheduled to be held on June 4, 2015, at which time the current term of each Director will expire.

Name and City of Residence	Position and Occupation	First Year as Director
Eric E. Baker(1)	Director Chairman of the Board	
Long Sault, Ontario, Canada	Managing Partner, Miralta Capital L.P.	1989-2000
	President, Altacap Investors Inc. (private equity manager)	2007
Robert M. Beil	Director	2007
Phoenix, Arizona	September 2006 Retired	

	Sales, Marketing, Business and Executive Management, the Dow Chemical Company, 1975 to September 2006	
George J. Bunze, CPA Ile Bizard, Quebec, Canada	Director Vice-Chairman and Director, Kruger Inc. (manufacturer of paper, tissue, wood products, energy (hydro/wind) and wine and spirits products)	2007
Robert J. Foster Toronto, Ontario, Canada	Director Chief Executive Officer and President, Capital Canada Limited (investment banking firm)	2010
James Pantelidis Toronto, Ontario, Canada	Director Director and Chairman of the Board of Parkland Fuel Corporation Director and Chairman of the Board of EnerCare Inc.	2012
Jorge N. Quintas Porto, Portugal	Director President, Nelson Quintas SGPS, SA (manufacturer of electrical and telecommunication cables)	2009

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Name and City of Residence	Position and Occupation	First Year as Director
Frank Di Tomaso, FCPA, CFA, ICD.D Montreal, Quebec, Canada	Director Director, Birks Group Inc., National Bank Trust, National Bank Life Insurance Company, Yorbeau Resources Inc. and Laurentian Pilotage Authority Director, Redline Communications Group Inc., 2010 to 2013 Partner until December 2012 and Member of Board of Directors and Management Committee, 2000 to 2009, of Raymond Chabot Grant Thornton	2014
Gregory A.C. Yull Sarasota, Florida	Director CEO and President of the Company since June 2010, President Tapes and Films Division of the Company, 2008 through 2010; prior to that served as Executive Vice President, Industrial Business Unit for Tapes and Films since November 2004	2010
Melbourne F. Yull Sarasota, Florida	Director Executive Director through June 8, 2010 June, 2006 June, 2007 Retired Prior thereto he was Chairman of the Board and Chief Executive Officer of the Company Father of Gregory A.C. Yull	1989-2006 2007

(1) Mr. Baker does not currently intend to stand for re-election as a director at the June 4, 2015 annual shareholders meeting.

Senior Management

The following table sets forth the name, residence and position of each member of senior management of the Company as of the date hereof, as well as the date upon which each was first elected:

Name and City of Residence	Position and Occupation	First Elected To Office
Gregory A.C. Yull Sarasota, Florida	Chief Executive Officer & President	2010

Jeffrey Crystal, CPA, CA Sarasota, Florida	Chief Financial Officer	2014
Shawn Nelson [1] Bradenton, Florida	Senior Vice President Sales	2010
Douglas Nalette [1] Longboat Key, Florida	Senior Vice President, Operations	2006
Joseph Tocci [1] Bradenton, Florida	Senior Vice President, Supply Chain, Marketing, Research & Development	2013

[1] Officer of Intertape Polymer Corp., a wholly owned subsidiary of the Company

The principal occupation of each member of senior management for the last five (5) years is as follows:

Gregory A.C. Yull was appointed Chief Executive Officer and President on June 8, 2010. He was President, Tapes & Films, from 2008 to June 2010. Gregory A.C. Yull is a son of Melbourne F. Yull.

Jeffrey Crystal was appointed Chief Financial Officer on May 9, 2014. Prior to that he served as Vice President of Finance of Primo International since December 2013. Prior to that he served as Chief Financial Officer of American Iron & Metal from June 2008 to February 2013.

Shawn Nelson was appointed Senior Vice President Sales in 2010. Prior to that he served as Senior Vice President Industrial Channel since 2006.

Douglas Nalette was appointed Senior Vice President Operations in 2006.

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Joseph Tocci was appointed Senior Vice President of Logistics and Supply Chain in 2013. Prior to that he served as Senior Vice President of Corporate Marketing, Research & Development, and Supply Chain since 2012. Prior to that he served as Senior Vice President of Corporate Marketing and Supply Chain since 2011. Prior to that he served as Senior Vice President of Consumer and Supply Chain since 2009.

The following changes in senior management occurred during the year ended December 31, 2014 or shortly thereafter:

Bernard J. Pitz served as Chief Financial Officer from November 12, 2009 to January 30, 2014.

Michael C. Jay, Corporate Controller since 2011, assumed the duties of Interim Chief Financial Officer from January 30, 2014 to May 9, 2014.

Jeffrey Crystal was appointed Chief Financial Officer effective May 9, 2014.

B. COMPENSATION

The following table sets forth the compensation paid, and benefits in kind granted, to the Company s Directors and senior management for the last fiscal year for services in all capacities to the Company, including contingent and deferred compensation.

2014	Annual Compensation				Long-Term Compensation	Performance Share Unit Plan	Deferred Share Unit Plan
Name and principal position	**Salary $ (1)**	**Bonus $**	**Other $**	**Director/ Committee Fees $**	**Options granted**	**Awards granted**	**Awards granted**
Eric E. Baker Director, Chairman				104,500			7,215
Robert M. Beil Director				47,000			3,974
George J. Bunze Director				53,000			5,067
Robert J. Foster Director				55,500			5,266
James Pantelidis Director				46,000			3,000
Jorge N. Quintas				38,500			4,630

Director							
Frank Di Tomaso Director				19,000			3,000
Melbourne F. Yull Director			260,935(2)	43,500			4,749
Gregory A.C. Yull Director, Chief Executive Officer & President	525,000	436,882	26,462(3)		160,000	40,000	
Bernard J. Pitz Former Chief Financial Officer(4)	56,807						
Michael C. Jay Former Interim Chief Financial Officer (5)	200,449	79,154			10,000	2,650	
Jeffrey Crystal Chief Financial Officer	222,272	230,635	104,126(6)		32,500	17,000	
Shawn Nelson Senior Vice-President Sales	323,574	150,763			32,500	10,000	

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2014		Annual Compensation			Long-Term Compensation	Performance Share Unit Plan	Deferred Share Unit Plan
Name and principal position	Salary $ (1)	Bonus $	Other $	Director/ Committee Fees $	Options granted	Awards granted	Awards granted
Douglas Nalette Senior Vice-President Operations	339,500	158,370			32,500	10,000	
Joseph Tocci Senior Vice-President Logistics & Supply Chain	302,357	140,877			20,000	7,600	

(1) Represents amounts included in each executive s W-2, rather than the base salary amount.
(2) Mr. Yull receives a pension from Intertape (see Pension and Other Post-Retirement Benefit Plans subsection below).
(3) Represents a Company leased vehicle and tax gross up paid by Intertape to Mr. Yull pursuant to the terms of Mr. Yull s employment agreement.
(4) As disclosed above, Mr. Pitz served as Intertape s Chief Financial Officer through January 30, 2014.
(5) As disclosed above, Mr. Jay served as the Company s Interim Chief Financial Officer from January 30, 2014 to May 9, 2014.
(6) Represents amounts paid with respect to relocation.

2014 Senior Management Bonus Plan

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

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

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

(ii) Cash flows from operating activities

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

The target amount for Adjusted EBITDA for 2014 was set at $109,300,000 (the Adjusted EBITDA Target) and the target amount for cash flows from operating activities was $83,600,000 (the Cash Flows Target). The Company s Adjusted EBITDA for 2014 used for the purposes of determining bonuses was $103,537,411 which was 94.7% of the Adjusted EBITDA Target. The Company s Adjusted EBITDA for 2014 used in determining bonuses was adjusted to exclude the favourable impact of a reduction in discretionary Company contribution to the US Plan, defined below. The impact of this adjustment was to reduce the bonus paid. The Company s cash flows from operating activities for 2014 was $86,910,179 which was 104.0% of the Cash Flows Target.

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

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

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

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

Annual Eligible Base salary	X	Bonus percentage (as determined based on the performance relative to the applicable objective s target and as capped by the applicable maximum)	X	Weight of financial indicator

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

The members of senior management were also eligible for an additional bonus calculated using an Adjusted EBITDA target amount of $117,300,000 (the Reach Adjusted EBITDA Target). This additional bonus is calculated using the following formula (note that the fraction below is capped by the applicable maximum):

Actual Adjusted EBITDA Adjusted EBITDA Target	X	Maximum bonus amount- Target bonus amount	X Weight of financial indicator
Reach Adjusted EBITDA Target Adjusted EBITDA Target			

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The members of senior management, with the exception of Mr. Jay, were also eligible for an additional bonus calculated using a Cash Flows target amount of $91,900,000 (the Reach Cash Flows Target). This additional bonus is calculated using the following formula (note that the fraction below is capped by the applicable maximum):

Actual Cash flows from operations X Maximum bonus amount- X Weight of financial indicator

activities - Cash Flows Target Target bonus amount

Reach Cash Flows Target Cash Flows Target

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

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

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

The following table presents, for each target objective, the bonus amount earned by each member of senior management for 2014.

	Gregory A.C. Yull	Bernard J. Pitz (1)	Jeffrey Crystal	Michael C. Jay	Shawn Nelson	Douglas Nalette	Joseph Tocci
Adjusted EBITDA	$ 122,037	$ 0	$ 57,532	$ 18,773	$ 37,608	$ 39,505	$ 35,142
Cash Flows from Operating Activities	$ 262,500	$ 0	$ 123,750	$ 0	$ 80,894	$ 84,975	$ 75,589
Reach Adjusted EBITDA	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Reach Cash Flows	$ 52,345	$ 0	$ 49,354	$ 0	$ 32,262	$ 33,889	$ 30,146
Personal Performance Metrics	$ 0	$ 0	$ 0	$ 40,381	$ 0	$ 0	$ 0
Discretionary	$ 0	$ 0	$ 0	$ 20,000(2)	$ 0	$ 0	$ 0

Total	$ 436,882	$ 0	$ 230,635	$ 79,154	$ 150,763	$ 158,370	$ 140,877

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

(2) Management approved a discretionary bonus to Mr. Jay, paid in February 2014 upon his assumption of the duties of Interim Chief Financial Officer.

Defined Contribution Pension Plans

The Company maintains defined contribution pension plans in the United States and Canada. Each member of senior management participates in the US Plan . The US Plan is a defined contribution pension plan and qualifies as a deferred salary arrangement under section 401(k) of the United States Internal Revenue Code. Under the US Plan, employees who have been employed for at least 90 days may defer a portion of their pre-tax earnings subject to statutory limitations. The Company may make discretionary contributions for the benefit of eligible employees. The US Plan permits eligible employees to choose how their account balances are invested on their behalf within a range of investment options provided by third-party fund managers. The following table sets out the Company s contributions to the pension plan payable for 2014 for each member of senior management.

Name	Company Contributions $
Gregory A.C. Yull	$ 14,300
Bernard J. Pitz	$ 0
Michael C. Jay	$ 14,300
Jeffrey Crystal	$ 7,362
Shawn Nelson	$ 14,300
Douglas Nalette	$ 14,300
Joseph Tocci	$ 14,300

Total Cash Payments

Total cash payments for employee future benefits for 2014, consisting of cash contributed by the Company to its funded pension plans, cash payments directly to beneficiaries for its unfunded other benefit plans, cash contributed to its defined contribution plans and cash contributed to its multi-employer defined benefit plans, were $5.9 million ($7.9 million in 2013).

Executive Employment Contracts and Change of Control Agreements

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

The Company entered into change of control agreements as of January 2001 with Shawn Nelson (Sr. Vice-President Sales), as of October 28, 2004 with Douglas Nalette (Sr. Vice-President Operations), as of September 8, 2006 with Joseph Tocci (Sr. Vice-President Logistics & Supply Chain) and as of November 17, 2009 with Bernard J. Pitz (then-Chief Financial Officer). These agreements provide that if, within a period of six months after a change of control of the Company: (a) the executive voluntarily terminates his employment with the Company; or (b) the Company terminates the executive s employment without cause, such executive will be entitled to, subject to the restrictions of Section 409A of the Internal Revenue Code of 1986, in deferred compensation, a lump sum in the case of his resignation or an indemnity in lieu of notice in a lump sum in the case of his termination, equal to either 12 or 24 months of such executive s base remuneration at the effective date of such resignation or termination as follows: Shawn Nelson, 12 months, Douglas Nalette, 12 months, Joseph Tocci, 12 months, and Bernard Pitz, 24 months, and continued insurance coverage then in effect if permitted by its carrier during such period.

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

On August 2, 2010, the Company entered into an Executive Employment Agreement with Gregory A.C. Yull. Pursuant to the terms of the Agreement, Mr. Yull shall receive an annual base salary of $450,000, increased to $475,000 commencing June 1, 2011, $500,000 commencing on June 1, 2012. Annual base salary adjustment shall be determined by the Board as of June 1, 2013 and thereafter. Mr. Yull shall also be entitled to a performance bonus for each fiscal year ranging from zero to 150% of his then current annual base salary based on the achievement of specific goals that are mutually agreed to between Mr. Yull and the Board. For 2014, Mr. Yull s bonus was based on the Company achieving certain target amounts for Adjusted EBITDA Targets and Cash Flow Targets, as further described

above in the Section entitled 2014 Senior Management Bonus Plan . During the first three years of Mr. Yull s employment, commencing June 8, 2010, Mr. Yull was to have been granted 350,000 stock options annually in accordance with the Company s Executive Stock Option Plan (ESOP) and thereafter at the discretion of the Board of Directors. In 2012, instead of receiving an award of 350,000 stock options in accordance with his employment agreement, Mr. Yull agreed to receive 500,905 stock appreciation rights under the Company s 2012 Stock Appreciation Rights Plan described below. The options to be granted during each of the first three years shall become

exercisable in annual increments of 25% on each of the first four anniversaries of the grant date. Such options shall expire on the tenth anniversary of the grant date, subject to the early expiry provisions of the ESOP. The exercise price of such options shall be equal to the closing market price on the last trading day prior to the date of such grant. Fifty percent (50%) of the shares acquired by Mr. Yull pursuant to the exercise of the options granted under the Executive Employment Agreement must be retained by Mr. Yull and not sold or disposed of for a period of three years following the date when the option was exercised.

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

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

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

In the event that Mr. Yull s employment is terminated by the Company without cause or for Good Reason within two years of a Change of Control, as defined in the Agreement, then he shall be entitled to receive: (i) accrued and unpaid base salary earned up to the date of termination; (ii) a pro-rated performance bonus that he would have received in respect of the fiscal year in which the termination occurred, based upon the average performance bonus paid to Mr. Yull in the last two fiscal years; (iii) vacation pay earned up to the date of termination; and (iv) severance pay in an amount equal to three times the sum of his base salary and the average performance bonus paid in the last two fiscal years immediately preceding the date of termination. In addition, all unvested stock options held by Mr. Yull shall immediately vest and remain exercisable for a period of 36 months following the date of termination, and the retirement benefits set forth above shall vest. Mr. Yull shall also be entitled to participate, at his cost, in the benefits under the Company s medical and dental benefit program until such time as he reaches the age of eligibility for coverage under Medicare. Lastly, disability and life insurance benefits shall be provided for the benefit of Mr. Yull pursuant to any benefit plans and programs then provided by the Company generally to its executives and continue for a period of 36 months following the date of termination.

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

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

resign within six months of change of control, or the Company were to terminate Mr. Crystal after six months of change of control, he will be entitled to severance pay in an amount equal to twelve months base annual salary. Mr. Crystal shall also be entitled to continue insurance coverage then in effect if permitted by its carrier during such period.

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

On November 17, 2009, the Company entered into a second letter agreement with Mr. Pitz. Pursuant to the terms of the letter agreement, in the event the Company terminated Mr. Pitz s employment for any reason other than Cause as defined in the letter agreement, or Mr. Pitz terminated his employment for Good Reason as defined in the letter agreement, Mr. Pitz was to have been entitled to severance pay in an amount equal to 12 times his highest total base monthly salary received in any one month during the twelve months prior to Mr. Pitz s last day of employment, provided that if Mr. Pitz s termination of employment occurred within twelve months of the appointment of a Chief Executive Officer of the Company other than Gregory A.C. Yull, then the severance payment due to Mr. Pitz would have been equal to 24 times Mr. Pitz highest monthly salary. Subject to the restrictions of Section 409A of the Internal Revenue Code of 1986 (Section 409A), such amount would have been paid in either 12 or 24 equal monthly instalments as applicable (Severance Period). In the event there had been a Section 409A Change in Control within 6 months prior to Mr. Pitz s termination of employment or during the Severance Period, the remainder of the unpaid severance payments was to have been accelerated and paid in a single lump sum within 10 days after the 409A Change in Control occurs, subject to Section 409A. In the event of an occurrence of Good Reason and Mr. Pitz had not terminated his employment within 60 days of the occurrence, he would have been deemed to have waived such Good Reason. If Mr. Pitz s employment had terminated for Cause, or he had resigned without Good Reason, or retired, then Mr. Pitz would not have been eligible for severance pay. Mr. Pitz also was entitled to participate in the benefits under the Company s medical, dental, vision, life insurance and accidental death and dismemberment coverage during the Severance Period, subject to the then current cost sharing features of the plans. In the event Mr. Pitz obtains other employment during the first twelve months of severance payments, the Company s obligation to pay such severance shall cease. In the event Mr. Pitz obtains employment after twelve months but during the remainder of the Severance Period, the severance payments shall be reduced by the amount of compensation paid to Mr. Pitz by his subsequent employer.

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

Please see Item 8 below for a discussion of the complaint filed by Mr. Pitz with the Occupational Safety and Health Administration of the U.S. Department of Labor (OSHA).

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

Executive Stock Option Plan

In 1992, the Company adopted the Executive Stock Option Plan (the ESOP). Since its adoption, the ESOP has been amended on several occasions. The ESOP provides that the total number of common shares reserved for issuance thereunder is equal to 10% of the issued and outstanding common shares of the Company from time to time. The ESOP is considered to be an evergreen plan, because the number of common shares covered by options which have been exercised will be available for

subsequent grants under the ESOP and the number of options available for grants increases as the number of issued and outstanding common shares of the Company increases. As such, under the rules of the Toronto Stock Exchange, a security-based arrangement such as the ESOP must, when initially put in place, receive shareholder approval at a duly-called meeting of shareholders and the unallocated options are subject to ratification by shareholders every three years thereafter. All unallocated options under the ESOP were ratified, confirmed and approved by shareholders at a special meeting of shareholders of the Company held on September 6, 2012.

The purpose of the ESOP is to promote a proprietary interest in the Company among the executives, key employees and directors of the Company and its subsidiaries, in order to both encourage such persons to further the development of the Company and assist the Company in attracting and retaining key personnel necessary for the Company s long-term success. The Board of Directors designates from time-to-time those persons to whom options are to be granted and determines the number of common shares subject to such options. Generally, participation in the ESOP is limited to persons holding positions that can have an impact on the Company s long-term results.

The number of common shares to which the options relate is determined by taking into account, *inter alia*, the market value of the common shares and each optionee s base salary.

The following is a description of certain features of the ESOP (for further details regarding the ESOP, please see Exhibit 4.1 to this Form 20-F):

(a) options expire not later than ten years after the date of grant and, unless otherwise determined by the Board of Directors, all vested options under a particular grant expire 24 months after the vesting date of the last tranche of such grant;

(b) options that are granted to directors who are not executives officers of the Corporation vest 25% on the date of grant, with another 25% vesting on each of the first three anniversaries of the date of the grant. All other options granted vest as to one-third on each of the first, second and third anniversaries of the date of grant;

(c) the exercise price of the options is determined by the Board of Directors, but cannot be less than the Market Value of the common shares of the Company, defined in the ESOP as the closing price of the common shares on the Toronto Stock Exchange for the day immediately preceding the effective date of the grant; and

(d) certain limitations exist on the number of options, common shares reserved for issuance, number of common shares issuable and the number of common shares issued to certain individuals over certain time periods.

As of December 31, 2014, there were options outstanding under the ESOP to purchase an aggregate of 2,360,000 common shares, representing 3.9% of the issued and outstanding common shares of the Company, and a total of 1,655,000 options exercisable. During 2014, 492,500 options were granted.

Option Grants During the Most Recently Completed Fiscal Year

The following table sets out the details of all grants of options to the Directors and members of senior management during the fiscal year ended December 31, 2014.

Name	Options granted	% of total options granted in fiscal year	Exercise price CDN$	Market value on date of grant CDN$	Expiration date
Eric E. Baker					
Robert M. Beil					
George J. Bunze					
Robert J. Foster					
James Pantelidis					
Jorge N. Quintas					
Frank Di Tomaso					
Gregory A.C. Yull	160,000	32%	12.55	12.55	3/17/2024
Melbourne F. Yull					
Bernard J. Pitz					
Michael C. Jay	10,000	2%	12.55	12.55	3/17/2020
Jeffrey Crystal	32,500	7%	12.14	12.14	5/13/2020
Joseph Tocci	20,000	4%	12.55	12.55	3/17/2020
Shawn Nelson	32,500	7%	12.55	12.55	3/17/2020
Douglas Nalette	32,500	7%	12.55	12.55	3/17/2020

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Year-End Unexercised Options and Option Values

The following table sets out for each of the Directors and members of senior management the total number of unexercised options held as of December 31, 2014 and the value of such unexercised options at that date.

Name	Number of unexercised options at fiscal year-end Exercisable / Unexercisable			Value of unexercised in the money options at fiscal year-end Exercisable / Unexercisable CDN$ [(1)]		
Eric E. Baker	77,500	/	2,500	1,211,475	/	16,425
Robert M. Beil	20,000	/	2,500	260,925	/	16,425
George J. Bunze	12,500	/	2,500	134,575	/	16,425
Robert J. Foster	25,000	/	2,500	343,025	/	16,425
James Pantelidis	7,500	/	2,500	49,275	/	16,425
Jorge N. Quintas	15,000	/	2,500	175,625	/	6,425
Frank Di Tomaso		/			/	
Gregory A.C. Yull	872,500	/	252,500	12,932,425	/	1,597,725
Melbourne F. Yull	30,000	/	2,500	425,125	/	16,425
Bernard J. Pitz		/			/	
Michael C. Jay	7,500	/	17,500	48,000	/	11,150
Jeffrey Crystal	8,125	/	24,375	52,569	/	157,706
Joseph Tocci	85,000	/	40,000	1,112,275	/	255,150
Shawn Nelson	118,125	/	49,375	1,628,688	/	311,963
Douglas Nalette	118,125	/	49,375	1,628,688	/	311,963

(1) The value of unexercised in-the-money options is calculated using the closing price of the common shares of Intertape on the Toronto Stock Exchange on December 31, 2014 (CDN$18.61 less the respective exercise prices of the options).

2012 Stock Appreciation Rights Plan

The Board of Directors of the Company adopted the 2012 Stock Appreciation Rights Plan on June 20, 2012 in lieu of granting stock options in 2012. The purpose of the 2012 Stock Appreciation Rights Plan is to: (a) promote a proprietary interest in the Company among its executives and directors; (b) encourage the Company s executives and directors to further the Company s development; and (c) attract and retain the key employees necessary for the Company s long-term success. The 2012 Stock Appreciation Rights Plan is administered by the Compensation Committee of the Board of Directors of the Company and authorizes the Company to award stock appreciation rights (SARs) to eligible persons. A SAR, as defined by the Company s plan, is a right to receive a cash payment equal to the difference between the base price of the SAR and the market value of a common share of the Company on the date of exercise. These SARs can only be settled in cash and expire no later than 10 years after the date of the grant. The award agreements provide that these SARs granted to employees and executives will vest and may be exercisable 25% per year over four years. The SARs granted to directors, who are not officers of the Company, will vest and may be exercisable 25% on the grant date, and a further 25% will vest and may be exercisable per year over three years. No SARs were granted in 2014.

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The following table sets out for each of the Directors and members of senior management the total number of SARs held as of December 31, 2014 and the value of such unexercised SARs at that date.

Name	Number of unexercised SARs at fiscal year-end Exercisable / Unexercisable			Value of unexercised SARs at fiscal year-end Exercisable / Unexercisable CDN$ (1)		
Eric E. Baker	7,500	/	2,500	82,875	/	27,625
Robert M. Beil	7,500	/	2,500	82,875	/	27,625
George J. Bunze	7,500	/	2,500	82,875	/	27,625
Robert J. Foster	7,500	/	2,500	82,875	/	27,625
James Pantelidis	22,500	/	7,500	248,625	/	82,875
Jorge N. Quintas	7,500	/	2,500	82,875	/	27,625
Frank Di Tomaso		/			/	
Gregory A.C. Yull		/	250,453		/	2,767,500
Melbourne F. Yull	7,500	/	2,500	82,875	/	27,625
Bernard J. Pitz		/			/	
Michael C. Jay		/	12,500		/	138,125
Jeffrey Crystal		/			/	
Joseph Tocci	40,000	/	40,000	442,000	/	442,000
Shawn Nelson		/	40,000		/	442,000
Douglas Nalette		/	40,000		/	442,000

(1) The value of unexercised SARs is calculated using the closing price of the common shares of Intertape on the Toronto Stock Exchange on December 31, 2014 (CDN$18.61 less the base price of the SARs).

Performance Share Unit Plan

In the second quarter of 2014, the Board of Directors of the Company adopted the PSU Plan. The purpose of the PSU Plan is to provide participants with a proprietary interest in the Company to (a) increase the incentives of those participants who share primary responsibility for the management, growth and protection of the business of the Company, (b) furnish an incentive to such participants to continue their services for the Company and (c) provide a means through which the Company may attract potential employees. The PSU Plan is administered by the Compensation Committee of the Board of Directors of the Company and authorizes the Company to award PSUs to eligible persons. A PSU, as defined by the Company s PSU Plan, represents the right of a participant, once such PSU is earned and has vested in accordance with the PSU Plan, to receive the number of common shares of the Company underlying the PSU. Furthermore, a participant will receive a cash payment from the Company upon PSU settlement that is equivalent to the number of shares issued or delivered to the participant multiplied by the amount of cash dividends per share declared by the Company between the date of grant and the third anniversary of the grant date. PSUs are net-settled to satisfy minimum statutory tax withholding requirements.

PSUs are expensed straight-line over their vesting period. The fair value of the PSU is based on the close price for the common shares of the Company on the Toronto Stock Exchange on the date of the grant adjusted for market-based performance conditions. The PSUs are earned over a three year period with vesting at the third anniversary of the grant date. The number of shares earned can range from 0 to 150% of the grant amount based on entity performance criteria, specifically the total shareholder return ranking versus a specified peer group of companies.

PSU Grants During the Most Recently Completed Fiscal Year

The following table sets out the details of all PSU grants to the Directors and members of senior management during the fiscal year ended December 31, 2014.

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Name	PSU Awards granted	% of total PSU awards granted in financial year	Market value on date of grant CDN$	Expiration date
Gregory A.C. Yull	40,000	26%	$ 12.43	12/30/2017
Bernard J. Pitz				
Michael C. Jay	2,650	2%	$ 12.43	12/30/2017
Jeffrey Crystal	17,000	11%	$ 12.43	12/30/2017
Joseph Tocci	7,600	5%	$ 12.43	12/30/2017
Shawn Nelson	10,000	7%	$ 12.43	12/30/2017
Douglas Nalette	10,000	7%	$ 12.43	12/30/2017

Year-End Unvested PSU Shares and Values

The following table sets out for each of the Directors and members of senior management the total number of unvested PSU shares held as of December 31, 2014 and the value of such unvested shares at that date.

Name	Number of unvested PSU at fiscal year-end	Equivalent number of common stock shares at fiscal year-end[1]	Value of unvested shares CDN$ [2]
Gregory A.C. Yull	40,000	60,000	1,116,600
Bernard J. Pitz			
Michael C. Jay	2,650	3,975	73,975
Jeffrey Crystal	17,000	25,500	474,555
Joseph Tocci	7,600	11,400	212,154
Shawn Nelson	10,000	15,000	279,150
Douglas Nalette	10,000	15,000	279,150

(1) The equivalent number of common stock shares earned is based on the Corporation s level of attainment of the performance objective measured at December 31, 2014. Based on the first quartile TSR ranking, equivalent common stock shares are 150% of PSU s granted.

(2) The value of unvested shares is calculated using the closing price of the common shares of Intertape on the Toronto Stock Exchange on December 31, 2014 (CDN$18.61).

Deferred Share Unit Plan

In the second quarter of 2014, the Board of Directors of the Company adopted the DSU Plan. The purpose of the DSU Plan is to provide participants with a form of compensation which promotes greater alignment of the interests of the participants and the shareholders of the Company in creating long-term shareholder value. The DSU Plan is administered by the Compensation Committee of the Board of Directors of the Company and authorizes the Company to award DSUs to any member of the Board of Directors of the Company that is not an executive officer or employee of the Company. A DSU, as defined by the Company s DSU Plan, represents the right of a participant to receive a common share of the Company. Under the DSU Plan, each director is entitled to receive DSUs as a result of a grant and/or in lieu of cash for semi-annual directors fees. DSUs are settled when the director ceases to be a member of the Board of Directors of the Company. DSUs are net-settled to satisfy minimum statutory tax withholding requirements.

DSUs received as a result of a grant are expensed immediately. The fair value of DSUs is based on the close price for the common shares of the Company on the Toronto Stock Exchange on the date of the grant. DSUs received in lieu of cash for directors fees are expensed as earned over the service period.

DSU Grants During the Most Recently Completed Fiscal Year

The following table sets out the details of all DSU grants to the Directors and members of senior management during the fiscal year ended December 31, 2014.

Name	DSU Awards granted (1)	% of total DSU awards granted in financial year	Market value on date of grant CDN$(1)		Expiration date
Eric E. Baker	3,000	8%	$	12.72	**n/a**
	4,215	11%	$	13.74	**n/a**
Robert M. Beil	3,000	8%	$	12.72	**n/a**
	974	3%	$	13.74	**n/a**
George J. Bunze	3,000	8%	$	12.72	**n/a**
	2,067	6%	$	13.74	**n/a**
Robert J. Foster	3,000	8%	$	12.72	**n/a**
	2,266	6%	$	13.74	**n/a**
James Pantelidis	3,000	8%	$	12.72	**n/a**
Jorge N. Quintas	3,000	8%	$	12.72	**n/a**
	1,630	4%	$	13.74	**n/a**
Frank Di Tomaso	3,000	8%	$	13.58	**n/a**
Melbourne F. Yull	3,000	8%	$	12.72	**n/a**
	1,749	5%	$	13.74	**n/a**

(1) Amounts presented do not include DSUs elected in lieu of cash for semi-annual directors fees earned that were not yet granted as of December 31, 2014.

Year-End Unsettled DSU Shares and Values

The following table sets out for each of the Directors and members of senior management the total number of unsettled DSU shares held as of December 31, 2014 and the value of such unsettled shares at that date.

Name	Number of unsettled shares at fiscal year-end(1)	Value of unsettled shares CDN$ (1)(2)
Eric E. Baker	7,215	134,271
Robert M. Beil	3,974	73,956
George J. Bunze	5,067	94,297
Robert J. Foster	5,266	98,000
James Pantelidis	3,000	55,830
Jorge N. Quintas	4,630	86,164
Frank Di Tomaso	3,000	55,830
Melbourne F. Yull	4,749	88,379

(1) Amounts presented do not include DSUs elected in lieu of cash for semi-annual directors fees earned that were not yet granted as of December 31, 2014.

(2) The value of unvested shares is calculated using the closing price of the common shares of Intertape on the Toronto Stock Exchange on December 31, 2014 (CDN$18.61).

The following table sets out for each of the Directors and members of senior management the total number of DSUs elected in lieu of cash for semi-annual directors fees earned that were not yet granted as of December 31, 2014.

Name	**Number of DSUs not yet granted at 12/31/14 (1)**	**Fees Earned for which DSUs were elected in lieu of cash CDN$**
Eric E. Baker	3,187	59,745
Robert M. Beil	696	13,051
George J. Bunze	1,671	31,323
Robert J. Foster	1,671	31,323
James Pantelidis		
Jorge N. Quintas	1,114	20,882
Frank Di Tomaso		
Melbourne F. Yull	1,330	24,942

(1) Estimated DSUs to be granted in lieu of cash for semi-annual directors fee earned based on five day volume weighted average of the closing price of the common shares of Intertape on the Toronto Stock Exchange on December 31, 2014 (CDN$18.74).

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Pension and Other Post Retirement Benefit Plans

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

C. BOARD PRACTICES

Term

The Company has nine Directors. Each Director is elected for a term of one year and may be nominated for re-election at the Company s following annual shareholders meeting. The next annual shareholders meeting is scheduled to be held on June 4, 2015, at which time the current term of each Director will expire.

Human Resources and Compensation Committee

The Human Resources and Compensation Committee is appointed by the Board and is currently composed of three directors, Robert M. Beil (Chairman), Robert J. Foster, and Jorge N. Quintas, none of whom is or has been at any previous time an employee of the Company or any of its subsidiaries. Each of the Human Resources and Compensation Committee members are independent as that term is defined by the Toronto Stock Exchange and Sarbanes-Oxley Act.

Mr. Beil joined the Dow Chemical Company in 1975 after graduating from Youngstown State University with a BA Degree in Industrial Marketing. During a thirty-two year career with Dow, Mr. Beil held numerous sales and marketing executive positions, where he had responsibility for the implementation of company compensation schemes for large organizations. In addition, he spent a portion of his career working in Dow s Human Resources function, which was responsible for compensation design for Dow, a Fortune 500 company.

Mr. Foster graduated from Queen s University with an MA in Economics, earning his CFA, managed the research department and worked in corporate finance at one of the major investment dealers in Canada. He founded and serves as President and Chief Executive Officer of Capital Canada Limited, a boutique investment banking firm. He serves on a number of not-for-profit boards and was on the board and audit committee of CHC Helicopters Corporation and Golf Town Income Trust.

Mr. Quintas graduated in Management at INP-Lisbon and initialized his professional career in ALCAN (England). Later he became a Board Member in several industrial companies from power and telecommunication cable production to Optic Fibers. He was a Board Member at Portgás, city gas distribution in Portugal. Presently Mr. Quintas is the Chairman of Nelson Quintas Group, in Portugal and Board Member of: ECODEAL- dangerous waste recycling plant, NQT- Telecommunication Network in Rio de Janeiro (Brasil) and Audit Committee of Serralves Foundation.

The mandate of the Human Resources and Compensation Committee consists of ensuring the direction and implementation of the Company s wage and compensation plans, policies, and programs, and in ensuring that a

succession plan is put in place to deal with the Company s future needs regarding human resources, with respect to the Chief Executive Officer and other key executives.

The Human Resources and Compensation Committee Charter is included as Exhibit 15.2 to this Form 20-F.

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Audit Committee

The Audit Committee is appointed by the Board and is currently composed of four Directors, George J. Bunze, Robert J. Foster, James Pantelidis, and Frank Di Tomaso. Each of the Audit Committee members are independent and financially literate as such terms are defined by Canadian Multilateral Instrument 52-110-*Audit Committees*.

Mr. Bunze graduated from the commerce certification CMA program at McGill University, Montreal, Quebec, and is a Chartered Professional Accountant. Mr. Bunze is the Vice-Chairman and Director and a member of the Executive Committee of Kruger Inc., one of the largest private pulp and paper companies in North America. He also served as the Chief Financial Officer of Kruger Inc. and its various subsidiaries from 1982 to 2003. Mr. Bunze is a Director of Stella-Jones Inc. and Chairman of its Audit Committee. He was previously a Director of B2B Trust Inc. and Chairman of its Audit Committee. Mr. Bunze is also a member of the Advisory Board of FM Global Insurance Group.

Mr. Foster graduated from Queen s University with an MA in Economics, earning his CFA, managed the research department and worked in corporate finance at one of the major investment dealers in Canada. He founded and serves as President and Chief Executive Officer of Capital Canada Limited, a boutique investment banking firm. He serves on a number of not-for-profit boards and was on the board and audit committee of CHC Helicopters Corporation and Golf Town Income Trust.

Mr. Pantelidis graduated from McGill University with a Bachelor of Science degree and a Master of Business Administration. Mr. Pantelidis has over 30 years of experience in the petroleum industry. Mr. Pantelidis is Chairman of the Board of Parkland Fuel Corporation and has served as a director of Parkland Fuel Corporation since 1999. Mr. Pantelidis is Chairman and Director of EnerCare Inc. since 2002. He also serves on the Board of each of RONA Inc. (Chairman of the Human Resources and Compensation Committee and member of the Development Committee); Industrial Alliance Insurance and Financial Services Inc. (Chairman of the Investment Committee and member of Human Resources and Compensation Committee). From 2002 to 2006, Mr. Pantelidis was on the board of FisherCast Global Corporation and served as Chairman and Chief Executive Officer from 2004 to 2006. From 2002 to 2004, Mr. Pantelidis was President of J.P. & Associates, a strategic consulting group. Between 1999 and 2001, Mr. Pantelidis served as Chairman and Chief Executive Officer for the Bata International Organization.

Mr. Di Tomaso graduated from Concordia University with a Bachelors of Commerce in Accounting and is a Chartered Professional Accountant, a Fellow CPA, CA and an ICD.D. Mr. Di Tomaso has over 45 years of experience in accounting and has served on numerous Boards of Directors and Audit Committees. Mr. Di Tomaso was a Partner and Advisory Partner from 1981 until 2012 and served as Director and Member of the Management Committee from 2000 to 2009, of Raymond Chabot Grant Thornton. Mr. Di Tomaso currently serves as Director and Chair of the Audit Committee of Yorbeau Resources Inc. and Director and Member of the Audit Committee of National Bank Life Insurance Company. From 2010 to 2013, he served as Director, Chair of the Audit Committee, and Member of the Governance and Nominating Committee of Redline Communications Group Inc.

The Audit Committee fulfills applicable public corporation obligations required of audit committees and assists the Board in fulfilling its oversight responsibilities. The Audit Committee examines the financial reporting processes, internal controls, financial risk management and the audit process and procedures applied by the Company and makes recommendations to the Board in connection with the nomination of the external auditor.

The Audit Committee s Charter is included as Exhibit 15.2 to this Form 20-F**.**

D. EMPLOYEES

As of December 31, 2014, the Company had 1,896 total employees; 369 in Canada, 1,446 in the US, 67 in Portugal, and 14 in Mexico and Europe. As of December 31, 2014, 387 held either sales-related, administrative, information technology or research and development positions and 1,509 were employed in operations. Approximately 134 hourly employees at the Company s Marysville plant are unionized and subject to a collective bargaining agreement which expires on April 30, 2015. Approximately 184 hourly employees at the Company s Menasha plant are unionized and subject to a collective bargaining agreement which expires on July 31, 2015. Approximately 93 hourly employees at the Company s Carbondale plant are unionized and subject to a collective bargaining agreement which expires on March 4, 2017. Approximately 18 hourly employees at the Company s Delta, British Columbia plant are unionized and subject to a collective bargaining agreement which was scheduled to expire on March 31, 2014 but was amended as of August 22, 2013 for a new effective term from April 1, 2014

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to March 31, 2019. Other than the strike at its Brantford, Ontario plant, which was closed in the second quarter of 2011, the Company has never experienced a work stoppage and it considers its employee relations to be satisfactory. The Company does not employ a significant number of temporary employees.

As of December 31, 2013, the Company had 1,869 total employees, 349 in Canada, 1,442 in the US, 67 in Portugal, and 11 in Mexico and Europe. As of December 31, 2013, 373 held either sales-related, administrative, information technology or research and development positions and 1,496 were employed in operations.

As of December 31, 2012, the Company had 1,800 total employees, 387 in Canada, 1,346 in the US, 52 in Portugal, and 15 in Mexico and Europe. As of December 31, 2012, 360 held either sales-related, administrative, information technology or research and development positions and 1,440 were employed in operations.

E. SHARE OWNERSHIP

The following table sets out for each of the Directors and members of senior management as of March 25, 2015, the number of shares of the Company owned or controlled by each.

Name	Number of Shares Owned	% of Shares Outstanding
Eric E. Baker	2,882,039	4.79%
Robert M. Beil	52,196	0.09%
George J. Bunze	50,371	0.08%
Robert J. Foster	47,500	0.08%
James Pantedilis	10,000	0.02%
Jorge N. Quintas	39,357	0.07%
Frank Di Tomaso	10,000	0.02%
Gregory A.C. Yull	409,450	0.68%
Melbourne F. Yull	2,032,604	3.38%
Michael C. Jay	2,850	0.00%
Jeffrey Crystal	2,378	0.00%
Joseph Tocci	58,697	0.10%
Shawn Nelson	130,796	0.22%
Douglas Nalette	106,273	0.18%

As of March 25, 2015, the Directors and senior management owned an aggregate of 5,834,511 common shares of the Company, being 9.70% of the issued and outstanding common shares of the Company. The common shares held by the Directors and senior management do not have different voting rights from those held by the other shareholders of the Company.

Please see the heading Executive Stock Option above in this section for a description of the Company s Amended Executive Stock Option Plan.

The following table sets forth all vested and unvested outstanding options granted to the Company s Directors and senior management through December 31, 2014:

Name	Number of options outstanding	Exercise price of options CDN$	Expiration date of options
Eric E. Baker	50,000	2.19	6/10/2016
	20,000	1.55	6/7/2017
	10,000	12.04	6/5/2019
Robert M. Beil	2,500	2.19	6/10/2016
	10,000	1.55	6/7/2017
	10,000	12.04	6/5/2019
George J. Bunze	5,000	1.55	6/7/2017
	10,000	12.04	6/5/2019
Robert J. Foster	7,500	2.19	6/10/2016
	10,000	1.55	6/7/2017
	10,000	12.04	6/5/2019

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Name	Number of options outstanding	Exercise price of options CDN$	Expiration date of options
James Pantelidis	10,000	12.04	6/5/2019
Jorge N. Quintas	2,500	2.19	6/10/2016
	5,000	1.55	6/7/2017
	10,000	12.04	6/5/2019
Frank Di Tomaso			
Melbourne F. Yull	12,500	2.19	6/10/2016
	10,000	1.55	6/7/2017
	10,000	12.04	6/5/2019
Gregory A.C. Yull	350,000	1.90	8/5/2020
	350,000	1.55	6/7/2021
	265,000	12.04	6/5/2023
	160,000	12.55	3/17/2024
Bernard J. Pitz			
Michael C. Jay	15,000	12.04	6/5/2019
	10,000	12.55	3/17/2020
Jeffrey Crystal	32,500	12.14	5/13/2020
Joseph Tocci	17,500	2.19	6/10/2016
	37,500	1.80	6/27/2017
	50,000	12.04	6/5/2019
	20,000	12.55	3/17/2020
Shawn Nelson	35,000	2.19	6/10/2016
	50,000	1.80	6/27/2017
	50,000	12.04	6/5/2019
	32,500	12.55	3/17/2020
Douglas Nalette	35,000	2.19	6/10/2016
	50,000	1.80	6/27/2017
	50,000	12.04	6/5/2019
	32,500	12.55	3/17/2020

Item 7: Major Shareholders and Related Party Transactions

A. MAJOR SHAREHOLDERS

As of December 31, 2014, to the knowledge of the Company, the following are the only persons who beneficially own, or exercise control or direction over, more than 5% of the issued and outstanding common shares of the Company (Major Shareholders). Also provided below is a three-year history of their stock ownership:

Name and place of residence	# / % 12/31/2014	# / % 12/31/2013	# / % 12/31/2012
Fidelity Management & Research Co. (1) Boston, Massachusetts	6,675,400 / 11.05	7,744,300 / 12.74	0 / 0.00

Letko, Brosseau & Associates Inc.[2] Montreal, Québec	3,779,901 / 6.25	4,961,618 / 8.16	10,084,641 / 16.91

(1) Based on report dated February 13, 2015 filed by FMR LLC with the United States Securities and Exchange Commission.

(2) Based on report dated February 5, 2015 filed by Letko, Brosseau & Associates Inc. with the United States Securities and Exchange Commission.

The Major Shareholders of the Company do not have any voting rights that differ from the other shareholders of the Company.

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As of December 31, 2014, of the 60,435,826 common shares issued and outstanding, 30,646,036 are held in the United States, 27,188,761 are held in Canada and 2,601,029 are held elsewhere, equaling 51%, 45% and 4%, respectively. Also as of December 31, 2014, the number of record holders in Canada, the United States and elsewhere are 8,870, 794 and 168, respectively.

The Company is not directly or indirectly owned or controlled by another corporation, by any foreign government or by any natural or legal person. There are no arrangements known to the Company that could result at a subsequent date in a change of control of the Company.

B. RELATED PARTY TRANSACTIONS

To the knowledge of the Company, none of its directors or officers or any person who beneficially owns or exercises control or direction over shares carrying more than ten percent of the voting rights attached to the Company s shares, or any associate or affiliate of any such person, has any material interest in any transaction since the beginning of the last completed financial year or in any proposed transactions that has materially affected or will materially affect the Company or any of its affiliates, other than as set forth below.

In June 2014, the Company engaged with a relocation management company to facilitate the purchase of Mr. Crystal s home in Montreal, Quebec, Canada to assist in the relocation to Sarasota, FL, U.S.A. The Company provided funding to the relocation management company to purchase the home for $0.9 million. Upon the sale of the home, the Company will be reimbursed for the purchase funding. As of December 31, 2014 the home is for sale and included in the consolidated balance sheet under the caption other current assets.

C. INTERESTS OF EXPERTS AND COUNSEL

Not Applicable.

Item 8: Financial Information

Intertape s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. Until December 31, 2010, the Company s consolidated financial statements were prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP).

A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

The Consolidated Financial Statements of Intertape for the years ended December 31, 2014, 2013 and 2012 include the following:

Management s Responsibility for Financial Statements

Management s Report on Internal Control over Financial Reporting

Independent Auditor s Report of Registered Public Accounting Firm

Independent Auditor s Report of Registered Public Accounting Firm on Internal Control over Financial Reporting

Consolidated Financial Statements

Consolidated Earnings

Consolidated Comprehensive Income

Consolidated Changes in Shareholders Equity

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Consolidated Cash Flows

Consolidated Balance Sheets

Notes to Consolidated Financial Statements

Legal or Arbitration Proceedings

On July 3, 2014, Mr. Pitz filed a complaint with OSHA alleging certain violations by the Company related to the terms of his employment and his termination. The Company has filed its response to the complaint with OSHA. The Company believes that these allegations and claims are without merit and intends to vigorously defend them. Because the proceeding is currently in its initial stages, the Company is not currently able to predict the probability of a favorable or unfavorable outcome, or the amount of any possible loss in the event of an unfavorable outcome. Consequently, no material provision or liability has been recorded for these allegations and claims as of December 31, 2014. Approximately $0.4 million of the additional provision recorded in the first quarter of 2014 in severance and other provisions is for an estimated amount relating to the prior Chief Financial Officer based on the employment letter agreements entered into on October 30, 2009 and November 17, 2009.

Dividends

The Board of Directors of the Company adopted a Dividend Policy on August 14, 2012 providing for semi-annual dividend payments. On August 14, 2013, the Board of Directors modified the Company s dividend policy to provide for quarterly dividend payments. On July 7, 2014, the Board of Directors further modified the Company s dividend policy to increase the annualized dividend by 50% from $0.32 to $0.48 per common share. So long as the payments do not result in a violation of the Company s covenants with its lenders, there are no other restrictions that would prevent the Company from paying dividends. The following table sets forth the dividends paid as of December 31, 2014:

	Date Declared	Record Date	Date Paid	Amount per Share	
Dividends per Share					
	8/14/2012	9/21/2012	10/10/2012	CDN $	0.08
	3/6/2013	3/25/2013	4/10/2013	USD $	0.08
	8/14/2013	9/16/2013	9/30/2013	USD $	0.08
	11/12/2013	12/16/2013	12/30/2013	USD $	0.08
	2/6/2014	3/19/2014	3/31/2014	USD $	0.08
	5/7/2014	6/17/2014	6/30/2014	USD $	0.08
	8/5/2014	9/15/2014	9/30/2014	USD $	0.12
	11/4/2014	12/15/2014	12/31/2014	USD $	0.12

The Company has determined it is appropriate to pay its dividend in US dollars because most of its cash flows are in US dollars. The Company has paid no other dividend in the past three years other than as set forth above. For details regarding the Company s covenants with its lenders please refer to the Credit Facility Agreement filed as Exhibit 4.8 to this Form 20-F.

B. SIGNIFICANT CHANGES

No significant changes have occurred since the date of the annual financial statements.

Item 9: The Offer and Listing

A. OFFER AND LISTING DETAILS

The following table sets forth the reporting of the high and low prices for Intertape shares on the Toronto Stock Exchange for the periods indicated. Also set forth below are the high and low prices for Intertape shares on the New York Stock Exchange through December 2009 and the OTC Pink Marketplace from 2010 through 2012. The Company voluntarily delisted its shares of common stock from the New York Stock Exchange effective December 3, 2009.

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Year	Period	Toronto Stock Exchange (CDN$) High	Toronto Stock Exchange (CDN$) Low	New York Stock Exchange (US$)* OTC Pink Marketplace High	New York Stock Exchange (US$)* OTC Pink Marketplace Low
2009	Annual	3.07	0.39	2.90*	0.26*
2010	Annual	3.60	0.92	3.43	0.93
2011	Annual	3.39	1.02	3.30	1.04
2012	Annual	9.07	3.12	9.17	3.08
2013	Annual	15.62	7.96	15.20	8.09
2014	Annual	19.95	11.12	17.36	10.10
2012	First Quarter	4.77	3.12	4.73	3.08
	Second Quarter	7.91	4.69	7.73	4.72
	Third Quarter	9.07	5.91	9.17	6.08
	Fourth Quarter	8.31	5.62	8.41	6.03
2013	First Quarter	11.07	7.96	10.86	8.09
	Second Quarter	13.28	10.63	12.62	10.40
	Third Quarter	15.62	11.37	15.20	11.16
	Fourth Quarter	15.50	12.36	14.89	11.95
2014	First Quarter	14.05	11.12	13.23	10.10
	Second Quarter	13.21	11.50	11.96	10.73
	Third Quarter	16.37	11.84	14.82	11.24
	Fourth Quarter	19.95	14.53	17.36	12.89
2015	January	20.45	16.74	16.21	13.54
	February	20.51	18.26	16.41	14.49

Intertape has authorized an unlimited number of voting common shares without par value. The Company also has authorized an unlimited number of non-voting Class A preferred shares issuable in a series, ranking in priority to the common shares with respect to dividends and return of capital on dissolution. The Board of Directors is authorized to fix, before issuance, the designation, rights, privileges, restrictions and conditions attached to the shares of each series of Class A preferred shares. As of December 31, 2014, there were 60,435,826 issued and outstanding common shares and no issued and outstanding preferred shares of the Company.

B. PLAN OF DISTRIBUTION

Not Applicable.

C. MARKETS

The Company s common shares are traded on the Toronto Stock Exchange under the symbol ITP. The Company s common shares were traded on the New York Stock Exchange under the symbol ITP until December 3, 2009, the effective date of the Company s voluntary delisting. The Company s common shares are traded in the US on the OTC Pink Marketplace.

D. SELLING SHAREHOLDERS

Not Applicable.

E. DILUTION

Not Applicable.

F. EXPENSES OF THE ISSUE

Not Applicable.

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Item 10: Additional Information

A. SHARE CAPITAL

Not Applicable.

B. MEMORANDUM AND ARTICLES OF ASSOCIATION

1. The business of Intertape was established when Intertape Systems Inc., a predecessor of the Company, established a pressure-sensitive tape manufacturing facility in Montreal. The Company was incorporated under the Canada Business Corporations Act (the Act) on December 22, 1989 under the name 171695 Canada Inc. On October 8, 1991, the Company filed a Certificate of Amendment changing its name to Intertape Polymer Group Inc. A Certificate of Amalgamation was filed by the Company on August 31, 1993, at which time the Company was amalgamated with EBAC Holdings Inc. The Shareholders, at the Company s June 11, 2003 annual and special meeting, voted on the replacement of the Company s By-Law No. 1 with a new General By-Law 2003-1. The intent of the replacement by-law was to conform the Company s general by-laws with amendments that were made to the Act since the adoption of the general by-laws and to simplify certain aspects of the governance of the Company. On August 6, 2006, the Company filed a Certificate of Amendment to permit the Board of Directors of the Company to appoint one or more additional Directors to hold office for a term expiring not later than the close of the next annual meeting of the Company s Shareholders, so long as the total number of Directors so appointed does not exceed one-third of the number of Directors elected at the previous annual meeting of the Shareholders of the Company.

2. The Directors of the Company may, when deemed expedient:

(a) borrow money upon the credit of the Company;

(b) issue debentures or other securities of the Company, and pledge or sell the same for such sums and at such prices as may be deemed expedient;

(c) notwithstanding the provisions of the Civil Code, hypothecate, mortgage or pledge the moveable or immoveable property, present or future, of the Company, to secure any such debentures, or other securities, or give part only of such guarantee for such purposes; and constitute the hypothec, mortgage or pledge above mentioned, by trust deed, or on any other manner; and

(d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any moveable or personal, immoveable or real or other property of the Company, owned or subsequently acquired, to secure any obligation of the Company.

Non-executive directors are required to own a minimum of 10,000 Common Shares in order to remain eligible for future DSU grants.

3. Description of Share Capital

The authorized capital of the Company consists of an unlimited number of common shares and non-voting Class A preferred shares, issuable in series. The following is a summary of the material provisions which attach to the common shares and Class A preferred shares, and is qualified by reference to the full text of the rights, privileges, restrictions and conditions of such shares.

Common Shares

Voting Rights Each common share entitles the holder thereof to one vote at all meetings of the shareholders of the Company.

Payment of Dividends The holders of the Company s common shares are entitled to receive during each year, as and when declared by the Board of Directors, dividends payable in money, property or by issue of fully-paid shares of the capital of the Company.

Distribution of Assets Upon Winding-Up In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or other distribution of assets of the Company among shareholders for the purpose of winding-up its affairs, the holders of the Company s common shares are entitled to receive the remaining property of the Company.

Class A Preferred Shares

The Board of Directors may at any time and from time to time issue non-voting Class A preferred shares in one or more series, each series to consist of such number of shares as may, before the issuance thereof, be determined by the Board of Directors. The Class A preferred shares are entitled to preference over the common shares with respect to the payment of dividends. In the event of the liquidation, dissolution or winding-up of the Company or other distribution of assets of the Company among shareholders for the purpose of winding-up its affairs, the holders of the Class A preferred shares will, before any amount is paid to, or any property or assets of the Company distributed among, the holders of the common shares, be entitled to receive: (i) an amount equal to the amount paid-up on such shares together with, in the case of cumulative Class A preferred shares, all unpaid cumulative dividends and, in the case of non-cumulative Class A preferred shares, all declared and unpaid non-cumulative dividends; and (ii) if such liquidation, dissolution, winding-up or distribution is voluntary, an additional amount equal to the premium, if any, which would have been payable on the redemption of the Class A preferred shares if they had been called for redemption by the Company on the date of distribution.

4. The rights of the holders of the Class A preferred shares may be amended only with the prior approval of two-thirds of the holders of the Class A preferred shares in addition to any other approvals required by the Act.

There are no preferred shares currently issued and outstanding.

5. Subject to compliance with the Act, the annual shareholders meeting shall be convened on such day each year and at such time as the Board of Directors may by resolution determine. Special meetings of the shareholders may be convened by order of the Chairman of the Board, the President or a Vice President who is a director or by the Board of Directors to be held at such time and place as may be specified in such order. Special meetings of the shareholders may also be called by written request to the Board of Directors signed by shareholders holding between them not less than five percent (5%) of the outstanding shares of the Company entitled to vote at such meeting. Such request shall state the business to be transacted at the meeting and sent to the registered office of the Company. In the event the Board of Directors does not call the meeting within twenty-one (21) days after receiving the request, then any shareholder who signed the request may call the meeting.

6. The Articles of Amalgamation of Intertape do not contain limitations on the rights of non-resident or foreign shareholders to hold or exercise voting rights on the Company s shares.

7. The Articles of Amalgamation and the Bylaws contain no provision that would have an effect of delaying, deferring or preventing a change in control of the Company and that would operate only with respect to a merger, acquisition or corporate restructuring involving the Company or any of its subsidiaries.

C. MATERIAL CONTRACTS

The following is a description of the material contracts Intertape was a party to during the last two fiscal years ended December 31, 2014, regardless of when they were initially entered into by Intertape, either directly or through one of its subsidiaries, and that are not in the ordinary course of Intertape s business:

an **Amended Executive Stock Option Plan.** For a summary of this Plan, please see Item 6.B in this 20-F. For a copy of the Executive Stock Option Plan, see Exhibit 4.1 to this Form 20-F.

a **Stock Appreciation Rights Plan.** For a summary of this Plan, please see Item 6.B in this 20-F. For a copy of the Stock Appreciation Rights Plan, see Exhibit 4.2 to this Form 20-F.

a **Performance Share Unit Plan.** For a summary of this Plan, please see Item 6.B in this 20-F. For a copy of the Performance Shared Unit Plan, see Exhibit 4.3 to this Form 20-F.

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a **Deferred Share Unit Plan.** For a summary of this Plan, please see Item 6.B in this 20-F. For a copy of the Deferred Shared Unit Plan, see Exhibit 4.4 to this Form 20-F.

a **Purchase Agreement, Registration Rights Agreement and Indenture** each dated as of July 28, 2004, in connection with the issuance by Intertape Polymer US Inc., a finance subsidiary of Intertape Polymer Group, of the aggregate principal amount of US$125.0 million of 8.5% Senior Subordinated Notes due 2014. The Notes were offered to institutional investors and were guaranteed on a senior subordinated basis by the Company and substantially all of its subsidiaries. Interest accrued and was payable on the Notes semi-annually in arrears on February 1 and August 1. On August 13, 2013, the Company redeemed the remaining balance of the outstanding Notes fully discharging and satisfying the Notes and Indenture. For a copy of the Purchase Agreement, Registration Rights Agreement, and Indenture, as well as details of the terms of the Senior Subordinated Notes, see Exhibit 4.5 to this Form 20-F.

a **Loan and Security Agreement** dated March 28, 2008 (and since amended on June 18, 2008, March 23, 2011, February 1, 2012, and November 25, 2013 and since paid off and satisfied on November 18, 2014), among certain subsidiaries of the Company, the Lenders referred to therein, and Bank of America, N.A., as Agent, for a $200.0 million asset based loan (ABL). The amount of borrowings available to the Company under the ABL was determined by its applicable borrowing base from time to time. The borrowing base was determined by calculating a percentage of eligible trade accounts receivable, inventories and property, plant, and equipment. The ABL was priced at 30-day LIBOR plus a loan margin determined from a pricing grid. The loan margin declined as unused availability increased. The loan margin pricing grid ranged from 1.75% to 2.25%. Unencumbered real estate was subject to a negative pledge in favor of the ABL lenders. However, the Company retained the ability to secure financing on all or a portion of its owned real estate up to $35 million of real estate mortgage financing and have the negative pledge in favor of the ABL lenders terminated. The Company had the ability to secure financing up to $45 million in connection with the purchase of fixed assets under a permitted purchase money debt facility. The ABL had one financial covenant, a fixed charge ratio of 1.0 to 1.0. The ratio compared EBITDA (as defined in the ABL) less capital expenditures and pension plan payments in excess of pension plan expense to the sum of debt service and the amortization of the value of equipment in the borrowing base. The financial covenant became effective only when unused availability dropped below $25.0 million. While the ABL was to mature in February 2017, Intertape paid off and satisfied the ABL on November 18, 2014 and replaced it with the Revolving Credit Facility. For a copy of the Loan and Security Agreement, see Exhibit 4.6 to this Form 20-F.

an **Equipment Finance Agreement** dated August 14, 2012 in the amount of up to $24.0 million (which was later increased to $25.7 million as of March 26, 2014) for qualifying US capital expenditures during the period May 2012 through March 31, 2014. The Equipment Finance Agreement allowed for periodic scheduling of amounts with each schedule having a term of sixty months and a fixed interest rate for leases scheduled prior to March 31, 2014. For a copy of the Equipment Finance Agreement, see Exhibit 4.7 to this Form 20-F. The Company has entered into the five schedules as listed below.

Date Entered	Amount	Interest Rate	Payments	Last Payment due
September 27, 2012	$ 2.7 million	2.74%	$ 48,577	October 1, 2017
December 28, 2012	$ 2.6 million	2.74%	$ 46,258	January 1, 2018
June 28, 2013	$ 2.2 million	2.90%	$ 39,329	July 1, 2018
December 31, 2013	$ 14.7 million	2.90%	$ 263,450	January 1, 2019
April 1, 2014	$ 3.5 million	2.95%	$ 62,263	April 1, 2019

a **Revolving Credit Facility Agreement** dated November 18, 2014, among Intertape and certain of its subsidiaries, the Lenders referred to therein, Wells Fargo Bank, National Association as Administrative Agent, Swingline Lender and Issuing Lender, Bank of America, N.A. as Syndication Agent, and Wells Fargo Securities, LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated as Joint Lead Arrangers and Joint Bookrunners. The Revolving Credit Facility Agreement provides for a five-year US$300 million Revolving Credit Facility. The

Revolving Credit Facility replaced the ABL. The Revolving Credit Facility Agreement includes an incremental accordion feature of US$150 million, which will enable the Company to increase the limit of this facility (subject to the Revolving Credit Facility Agreement s terms) if needed. The Revolving Credit Facility matures on November 18, 2019 and bears an interest rate based primarily on the LIBOR rate plus a spread varying between 100 and 225 basis points depending on the consolidated total leverage ratio (125 basis points as of December 31, 2014). The Revolving Credit Facility Agreement includes certain financial covenant obligations. The amount of capital expenditures in any fiscal year is limited to US$50 million. The consolidated total leverage ratio may not exceed 3.25 to 1.00 (subject to increase to 3.75 to 1.00 for the first four quarters following an acquisition with a price not less than $50 million), and the consolidated debt service coverage ratio may not be less than 1.50 to 1.00. The consolidated total leverage ratio compares consolidated total indebtedness to consolidated EBITDA (as defined in the Revolving Credit Facility Agreement). The consolidated debt service coverage ratio compares consolidated EBITDA (less certain taxes and dividends), to the sum of consolidated interest expense plus scheduled principal payments. The Revolving Credit Facility Agreement also includes certain other affirmative and negative covenants, subject to certain exceptions and limitations, including restrictions on indebtedness, liens, investments, and distributions. Reference is made to the Revolving Credit Facility Agreement for more detailed information regarding specific covenants, defined terms and conditions. For a copy of the Revolving Credit Facility Agreement, see Exhibit 4.8 to this Form 20-F.

A copy of all of the foregoing contracts, except as otherwise noted, are available as Exhibits to this Form 20-F.

D. EXCHANGE CONTROLS

As of the date hereof, there are no governmental laws, decrees or regulations in Canada on the export or import of capital, or which impose foreign exchange controls or affect the remittance of interest, dividends or other payments to non-resident holders of Intertape s common stock, except as described under Item 10E Taxation below.

Except as provided in the Investment Canada Act (Canada), the Competition Act (Canada), and/or the Canada Transportation Act (Canada) which have provisions that may potentially restrict the holding of voting shares by non-Canadians, there are no limitations specific to the rights of non-Canadians to hold or vote the Company s common shares under the laws of Canada or in its charter documents. The following summarizes the principal features of the Investment Canada Act, the Competition Act and the Canada Transportation Act for non-Canadian residents proposing to acquire the Company s common shares.

This summary is of a general nature only and is not intended to be, and should not be construed to be, legal advice to any holder or prospective holder of the Company s common shares, and no opinion or representation to any holder or prospective holder of the Company s common shares is hereby made. Accordingly, holders and prospective holders of the Company s common shares should consult with their own legal advisors with respect to the consequences of purchasing and owning the Company s common shares.

1. Investment Canada Act

The Investment Canada Act governs acquisitions of control of Canadian businesses by non-Canadians. Under the Investment Canada Act, non-Canadian individuals or entities acquiring control (as defined in the Investment Canada Act) of a corporation carrying on business in Canada are required to either notify, or file an application for review with, Industry Canada (or in the case of cultural businesses , Heritage Canada), subject to certain statutory exemptions.

The relevant Minister may review any transaction which constitutes an acquisition of control of a Canadian business, where the book value of the assets acquired exceeds certain thresholds (which are higher for investors from members of the World Trade Organization, including United States residents, or World Trade Organization member-controlled companies) or where the activity of the business is a cultural business (as defined in the legislation and its regulations), or where the investment could be injurious to Canada s national security. For acquisitions of control of businesses which do not involve a cultural business or present national security issues, no change of voting control will be deemed to have occurred, for purposes of the Investment Canada Act, if less than one-third of the voting control of a Canadian corporation is acquired by an investor. Different rules apply to acquisitions of control of businesses related to Canada s cultural heritage or national identity, or present national security concerns.

If an investment is reviewable under the Investment Canada Act, an application for review in the form prescribed is normally required to be filed with Industry Canada or Heritage Canada prior to implementation of the investment. An investment

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subject to review may not be implemented until the review has been completed and the Minister responsible is satisfied that the investment is likely to be of net benefit to Canada. If the Minister is not satisfied that the investment is likely to be of net benefit to Canada, the non-Canadian cannot implement the investment, or if the investment has been implemented, may be required to divest itself of control of the Canadian business that is the subject of the investment. Different rules apply if the Minister determines that the investment may be injurious to Canada s national security.

Certain transactions relating to Intertape s common stock would be exempt from the Investment Canada Act, unless they are found to be potentially injurious to Canada s national security by the Minister responsible, including:

(a) the acquisition of the Company s common stock by a person in the ordinary course of that person s business as a trader or dealer in securities;

(b) the acquisition of control of the Company in connection with the realization of security granted for a loan or other financial assistance and not for a purpose related to the provisions of the Investment Canada Act; and

(c) the acquisition of control of the Company by reason of an amalgamation, merger, consolidation or corporate reorganization following which the ultimate direct or indirect control in fact of the Company, through ownership of our common stock, remains unchanged.

These exemptions do not apply to an acquisition of control of a Canadian business that is deemed to be potentially injurious to Canada s national security.

2. Competition Act

The Competition Act requires notification to the Commissioner of Competition of specified merger transactions that exceed certain monetary and share thresholds prior to their completion.

If a proposed merger is subject to pre-merger notification, each party to the proposed merger must file a notification with the Commissioner of Competition.

Proposed mergers that are subject to pre-merger notification under the Competition Act are prohibited from being completed before the end of 30 days following the receipt of a complete notification by the Commissioner of Competition, unless a waiver of the waiting period is obtained from the Commissioner of Competition. The waiting period may be extended by the issuance of a supplementary information request by the Commissioner of Competition within the initial 30 day waiting period. In the event that a supplementary information request is issued by the Commissioner of Competition, the parties may not complete the proposed merger until the end of a further 30 day waiting period that commences on the date on which the information requested pursuant to the supplementary information request has been provided to the Commissioner of Competition.

Whether or not a merger is subject to pre-merger notification to the Commissioner of Competition, the Commissioner of Competition may commence an application for relief in the Competition Tribunal on the basis that the merger prevents or lessens, or is likely to prevent or lessen competition substantially in a relevant market. Such applications for relief are subject to a one-year limitation period from the merger s substantial completion.

3. Canada Transportation Act

If a proposed transaction involves a transportation undertaking, and is subject to pre-merger notification to the Commissioner of Competition pursuant to the Competition Act, the parties to the proposed transaction must also provide pre-closing notification to the Minister of Transportation under the Canada Transportation Act. Such transactions require a 42 day waiting period which may be extended.

The parties to a proposed transaction subject to pre-merger notification to the Minister of Transportation may not complete the proposed transaction unless the Minister of Transportation issues a notice of his opinion that the proposed transaction does not raise issues with respect to the public interest as it relates to national transportation, or unless the transaction is approved by the Governor in Council.

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E. TAXATION

Material Canadian Federal Income Tax Consequences

The following general summary describes the principal Canadian federal income tax consequences applicable to a holder of the Company s common stock who is a resident of the United States, who is not, will not be and will not be deemed to be a resident of Canada for purposes of the Income Tax Act (Canada) (the Income Tax Act) and any applicable tax treaty and who does not use or hold, and is not deemed to use or hold, his common stock in the capital of the Company in connection with carrying on a business in Canada (a non-resident holder). This summary applies only to non-resident holders who hold their Intertape common stock as capital property. This summary does not apply to non-resident holders who are financial institutions (within the meaning of the Income Tax Act) or insurers.

This summary is based upon the current provisions of the Income Tax Act, the regulations thereunder (the Regulations), the current publicly announced administrative and assessing policies of the Canada Revenue Agency and the Canada-United States Tax Convention (1980), as amended (the Treaty). This summary also takes into account the amendments to the Income Tax Act and the Regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof (the Tax Proposals) and assumes that all such Tax Proposals will be enacted in their present form. However, no assurances can be given that the Tax Proposals will be enacted in the form proposed, or at all. This summary is not exhaustive of all possible Canadian federal income tax consequences applicable to a non-resident holder of the Company s common stock and, except for the foregoing, this summary does not take into account or anticipate any changes in law, whether by legislative, administrative or judicial decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the Canadian federal income tax consequences described herein.

This summary is of a general nature only and is not intended to be, and should not be construed to be, legal, business or tax advice to any particular holder or prospective holder of Intertape s common stock, and no opinion or representation with respect to the tax consequences to any holder or prospective holder of the Company s common stock is made. Accordingly, holders and prospective holders of the Company s common stock should consult their own tax advisors with respect to the income tax consequences of purchasing, owning and disposing of Intertape s common stock in their particular circumstances.

Dividends

Dividends paid on the Company s common stock to a non-resident holder will be subject under the Income Tax Act to withholding tax which tax is deducted at source by the Company. The withholding tax rate for dividends prescribed by the Income Tax Act is 25% but this rate may be reduced under the provisions of an applicable tax treaty. Under the Treaty, the withholding tax rate is reduced to 15% on dividends paid by the Company to a resident of the United States who is the beneficial owner of such dividend and is eligible to benefits under the Treaty. The rate is further reduced to 5% where the beneficial owner of the dividend is a corporation resident in the United States that is eligible for benefits under the Treaty and that owns at least 10% of the voting stock of the Company.

Capital Gains

A non-resident holder is not subject to tax under the Income Tax Act in respect of a capital gain realized upon the disposition of a common share of the Company unless such share is (or is deemed to be) taxable Canadian property (as defined in the Income Tax Act) of the non-resident holder. As long as they are listed on a designated stock exchange (which includes the TSX) at the time they are disposed of, Intertape s common stock generally will not be considered taxable Canadian property of a non-resident holder unless at any time during the 60-month period immediately preceding the disposition of the stock: (i) the non-resident holder, persons with whom the non-resident

holder does not deal at arm s length or the non-resident holder together with such non-arm s length persons owned, or had an interest in an option in respect of, 25% or more of the issued stock of any class or series of the Company s capital stock; and (ii) more than 50% of the fair market value of the shares of the Company was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, Canadian resource properties (as defined in the Income Tax Act), timber resource properties (as defined in the Income Tax Act), or an option, an interest or right in such property.

United States Federal Income Tax Consequences

The following is a general discussion of the material United States federal income tax consequences, under current law, generally applicable to a US Holder (as hereinafter defined) of common shares of the Company. This discussion does not address individual consequences to persons subject to special provisions of federal income tax law, such as those described below as excluded from the definition of a US Holder. In addition, this discussion does not cover any state, local or foreign tax consequences. (See Canadian Federal Tax Consequences).

The following discussion is based upon the sections of the Internal Revenue Code of 1986, as amended (the Code), Treasury Regulations, published Internal Revenue Service (IRS) rulings, published administrative positions of the IRS and court decisions that are currently applicable, any or all of which could be materially and adversely changed, possibly on a retroactive basis, at any time. This discussion does not consider the potential effects, both adverse and beneficial, of any recently proposed legislation which, if enacted, could be applied, possibly on a retroactive basis, at any time. This discussion is for general information only and it is not intended to be, nor should it be construed to be, legal or tax advice to any holder or prospective holder of common shares of the Company and no opinion or representation with respect to the United States federal income tax consequences to any such holder or prospective holder is made. Accordingly, holders and prospective holders of common shares of the Company are urged to consult their own tax advisors about the federal, state, local, and foreign tax consequences of purchasing, owning and disposing of common shares of the Company.

US Holders

As used herein, a US Holder means a holder of common shares of the Company who is a citizen or individual resident of the United States, a corporation or partnership created or organized in or under the laws of the United States or of any political subdivision thereof or a trust whose income is taxable in the United States irrespective of source.

This summary does not address the tax consequences to, and US Holder does not include, persons subject to specific provisions of federal income tax law, such as tax-exempt organizations, qualified retirement plans, individual retirement accounts and other tax-deferred accounts, financial institutions, insurance companies, real estate investment trusts, regulated investment companies, broker-dealers, non-resident alien individuals, persons or entities that have a functional currency other than the US dollar, shareholders who hold common shares as part of a straddle, hedging or a conversion transaction, and shareholders who acquired their common shares through the exercise of employee stock options or otherwise as compensation for services. This summary is limited to US Holders who own common shares as capital assets. This summary does not address the consequences to a person or entity holding an interest in a shareholder or the consequences to a person of the ownership, exercise or disposition of any options, warrants or other rights to acquire common shares.

Distribution on Common Shares of the Company

US Holders receiving dividend distributions (including constructive dividends) with respect to common shares of the Company are required to include in gross income for United States federal income tax purposes the gross amount of such distributions equal to the US dollar value of such dividends on the date of receipt (based on the exchange rate on such date) to the extent that the Company has current or accumulated earnings and profits, without reduction for any Canadian income tax withheld from such distributions. Such Canadian tax withheld may be credited, subject to certain limitations, against the US Holder s federal income tax liability or, alternatively, may be deducted in computing the US Holder s federal taxable income by those who itemize deductions. (See more detailed discussion at Foreign Tax Credit below). To the extent that distributions exceed current or accumulated earnings and profits of the Company, they will be treated first as a return of capital up to the US Holder s adjusted basis in the common shares and thereafter as gain

from the sale or exchange of the common shares. Preferential tax rates for long-term capital gains are applicable to a US Holder which is an individual, estate or trust. There are currently no preferential tax rates for long-term capital gains for a US Holder which is a corporation. The Health Care and Education Reconciliation Act of 2010 added Section 1411 to the Internal Revenue Code to impose a 3.8% Medicare surtax on net investment income of certain individuals, estates and trusts beginning in 2013. In general, income with respect to Company distributions will be considered investment income for purposes of the surtax.

Foreign Tax Credit

A US Holder who pays (or has withheld from distributions) Canadian income tax with respect to the ownership of common shares of the Company may be entitled, at the option of the US Holder, to either receive a deduction or a tax credit for

such foreign tax paid or withheld. Generally, it will be more advantageous to claim a credit because a credit reduces United States federal income taxes on a dollar-for-dollar basis, while a deduction merely reduces the taxpayer s income subject to tax. This election is made on a year-by-year basis and applies to all foreign taxes paid by (or withheld from) the US Holder during that year. There are significant and complex limitations which apply to the credit, among which is the general limitation that the credit cannot exceed the proportionate share of the US Holder s United States income tax liability that the US Holder s foreign sources income bears to his or its worldwide taxable income. In the determination of the application of this limitation, the various items of income and deduction must be classified into foreign and domestic sources. Complex rules govern this classification process. In addition, this limitation is calculated separately with respect to specific classes of income such as passive income, high withholding tax interest, financial services income, shipping income, and certain other classifications of income. Dividends distributed by the Company will generally constitute passive income or, in the case of certain US Holders, financial services income for these purposes. The availability of the foreign tax credit and the application of the limitations on the credit are fact specific, and US Holders of common shares of the Company should consult their own tax advisors regarding their individual circumstances.

Disposition of Common Shares of the Company

A US Holder will recognize gain or loss upon the sale of common shares of the Company equal to the difference, if any, between: (i) the amount of cash plus the fair market value of any property received; and (ii) the shareholder s tax basis in the common shares of the Company. Preferential tax rates apply to long-term capital gains of US Holders who are individuals, estates or trusts. This gain or loss will be capital gain or loss if the common shares are a capital asset in the hands of the US Holder, which will be long-term capital gain or loss if the common shares of the Company are held for more than one year. The Health Care and Education Reconciliation Act of 2010 added Section 1411 to the Internal Revenue Code to impose a 3.8% Medicare surtax on net investment income of certain individuals, estates and trusts beginning in 2013. In general, capital gain or loss recognized upon the sale of common shares of the Company will be considered investment income for purposes of the surtax.

Other Considerations

In the following circumstances, the above sections of this discussion may not describe the United States federal income tax consequences resulting from the holding and disposition of common shares:

Passive Foreign Investment Company

Certain United States income tax legislation contains rules governing passive foreign investment companies (PFIC) which can have significant tax effects on US Holders of foreign corporations. These rules do not apply to non-US Holders.

Section 1297 of the Code defines a PFIC as a corporation that is not formed in the United States and, for any taxable year, either (i) 75% or more of its gross income is passive income , which includes interest, dividends and certain rents and royalties or (ii) the average percentage, by fair market value (or, if the Company is a controlled foreign corporation or makes an election, adjusted tax basis) of its assets that produce or are held for the production of passive income is 50% or more. The Company does not believe that it is a PFIC. Each US Holder of the Company is urged to consult a tax advisor with respect to how the PFIC rules affect their tax situation and whether any related reporting is required.

A US Holder who holds stock in a foreign corporation during any year in which such corporation qualifies as a PFIC is subject to United States federal income taxation under one of three alternative tax regimes. The following is a

discussion of such three alternative tax regimes applied to such US Holders of the Company. In addition, special rules apply if a foreign corporation qualifies as both a PFIC and a controlled foreign corporation (as defined below) and a US Holder owns, directly or indirectly, ten percent (10%) or more of the total combined voting power of classes of shares of such foreign corporation (See more detailed discussion at Controlled Foreign Company below).

A US Holder who makes a valid election to treat the Company as a Qualified Electing Fund (QEF) will be subject, under Section 1293 of the Code, to current federal income tax for any taxable year in which the Company qualifies as a PFIC on his pro rata share of the Company s (i) net capital gain (the excess of net long-term capital gain over net short-term capital loss), which will be taxed as long-term capital gain to the US Holder and (ii) ordinary earnings (the excess of earnings and profits over net capital gain), which will be taxed as ordinary income to the US Holder, in each case, for the shareholder s taxable year in which (or with which) the Company s taxable year ends, regardless of whether such amounts are actually distributed.

The effective QEF election allows a US Holder to: (i) generally treat any gain realized on the disposition of their common shares of the Company (or deemed to be realized on the pledge of their shares) as capital gain; (ii) treat his share of the Company s net capital gain, if any, as long-term capital gain instead of ordinary income; and (iii) either avoid interest charges resulting from PFIC status altogether, or make an annual election, subject to certain limitations, to defer payment of current taxes on his share of the Company s annual realized net capital gain and ordinary earnings subject, however, to an interest charge. If the US Holder is not a corporation, such an interest charge would be treated as personal interest that is not deductible. US Holders should be aware that there can be no assurance that the Company will satisfy the recordkeeping requirements that apply to a QEF, or that the Company will supply US Holders with the information that such US Holders require to report under the QEF rules, in the event that the Company is a PFIC and a US Holder wishes to make a QEF election.

A US Holder who makes a valid mark-to-market election is required to include, under Section 1296 of the Code, in ordinary income for any taxable year in which the Company qualifies as a PFIC, an amount equal to the excess, if any, of the fair market value of the Company s stock held by the US Holder at year-end over the US Holder s tax basis in such stock. Any amount by which the US Holder s stock basis exceeds the fair market value of stock held at year-end will be allowed as an ordinary loss deduction to the extent of the unreversed inclusions with respect to such stock. Gain on a sale or other disposition of the stock will be subject to ordinary income tax rates, and a loss on a disposition is deductible as an ordinary loss to the extent it does not exceed the unreversed inclusions attributable to the stock. An effective mark-to-market election allows a US Holder to avoid interest charges resulting from PFIC status where a QEF election may not be available.

If a US Holder does not make a valid QEF election or a mark-to-market election during a year in which it holds (or is deemed to have held) the shares in question and the Company is a PFIC (a Non-electing US Holder), then special taxation rules under Section 1291 of the Code will apply to: (i) gains realized on the disposition (or deemed to be realized by reasons of a pledge) of his common shares of the Company; and (ii) certain excess distributions , as specifically defined, by the Company.

A Non-electing US Holder generally would be required to pro rate all gains realized on the disposition of his common shares of the Company and all excess distribution of his common shares and all excess distributions over the entire holding period for the Company.

All gains or excess distributions allocated to prior years of the US Holder (other than years prior to the first taxable year of the Company during such US Holder s holding period and beginning after January 1, 1987 for which it was a PFIC) would be taxed at the highest tax rate for each such prior year applicable to ordinary income. The Non-electing US Holder also would be liable for interest on the foregoing tax liability for each such prior year calculated as if such liability had been due with respect to each such prior year. A Non-electing US Holder that is not a corporation must treat this interest charge as personal interest which, as discussed above, is wholly non-deductible. The balance of the gain of the excess distribution will be treated as ordinary income in the year of the disposition or distribution, and no interest charge will be incurred with respect to such balance.

If the Company is a PFIC for any taxable year during which a Non-electing US Holder holds common shares of the Company, then the Company will continue to be treated as a PFIC with respect to such common shares, even if it is no longer definitionally a PFIC. A Non-electing US Holder may terminate this deemed PFIC status by electing to recognize a gain (which will be taxed under the rules discussed above for Non-electing US Holders) as if such common shares had been sold on the last day of the last taxable year for which it was a PFIC.

Under Section 1291(f) of the Code, the IRS has issued proposed regulations that, subject to certain exceptions, would treat as taxable certain transfers of PFIC stock by Non-Electing US Holders that are generally not otherwise taxed,

such as gifts, exchanges pursuant to corporate reorganizations, and transfers at death. Generally, in such cases the basis of the Company common shares in the hands of the transferee and the basis of any property received in the exchange for those common shares would be increased by the amount of gain recognized. A US Holder that makes a valid QEF or a mark-to-market election (an Electing US Holder) would not be taxed on certain transfers of PFIC stock, such as gifts, exchanges pursuant to corporate reorganizations, and transfers at death. The transferee s basis in this case will depend on the manner of the transfer. In a transfer at death, for example, the transferee s basis is equal to (i) the fair market value of the Electing US Holder s common shares, less (ii) the excess of the fair market value of the Electing US Holder s common shares reduced by the US Holder s adjusted basis in these common shares at death. The specific tax effect to the US Holder and the transferee may vary based on the manner in which the common shares are transferred. Each US Holder of the Company is urged to consult a tax advisor with respect to how the PFIC rules affect their tax situation and what elections may or may not be available.

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Certain special, generally adverse, rules will apply with respect to common shares of the Company while the Company is a PFIC whether or not it is treated as a QEF or a mark-to-market election is made. For example under Section 1297(b)(6) of the Code, a US Holder who uses PFIC stock as security for a loan (including a margin loan) will, except as may be provided in regulations, be treated as having made a taxable disposition of such shares.

Controlled Foreign Company

If more than 50% of the voting power of all classes of shares or the total value of the shares of the Company is owned, directly or indirectly, by citizens or residents of the United States, United States domestic partnerships and corporations or estates or trusts other than foreign estates or trusts, each of whom own 10% or more of the total combined voting power of all classes of shares of the Company (United States shareholder), the Company could be treated as a controlled foreign corporation under Subpart F of the Code. This classification would affect many complex results one of which is the inclusion of certain income of a CFC which is subject to current US tax. The United States generally taxes a United States shareholder of a CFC currently on their pro rata shares of the Subpart F income of the CFC. Such US shareholders are generally treated as having received a current distribution out of the CFC s Subpart F income and are also subject to current US tax on their pro rata shares of the CFC s earnings invested in US property. The foreign tax credit described above may reduce the US tax on these amounts. In addition, under Section 1248 of the Code, gain from the sale or exchange of shares by a US Holder of common shares of the Company who is or was a United States shareholder at any time during the five-year period ending with the sale or exchange is treated as ordinary income to the extent of earnings and profits of the Company attributable to the shares sold or exchanged. If a foreign corporation is both a PFIC and a CFC, the foreign corporation generally will not be treated as a PFIC with respect to United States shareholders of the CFC. This rule generally will be effective for taxable years of United States shareholders beginning after 1997 and for taxable years of foreign corporations ending with or within such taxable years of United States shareholders. Special rules apply to United States shareholders who are subject to the special taxation rules under Section 1291 discussed above with respect to a PFIC. Because of the complexity of Subpart F, and because it is not clear that Subpart F would apply to US Holders of common shares of the Company, a more detailed review of these rules is outside of the scope of this discussion.

F. DIVIDENDS AND PAYING AGENTS

Not Applicable.

G. STATEMENT BY EXPERTS

Not Applicable.

H. DOCUMENTS ON DISPLAY

The documents referred to in this Form 20-F may be viewed at the Company s office located at 100 Paramount Drive, Suite 300, Sarasota, Florida 34232.

I. SUBSIDIARY INFORMATION

Not Applicable.

Item 11: Quantitative and Qualitative Disclosures About Market Risk

Information for this Item is set forth in Note 21 to the 2014 audited Consolidated Financial Statements under Item 18 hereof.

Item 12: Description of Securities Other than Equity Securities

Not Applicable.

PART II

Item 13: Defaults, Dividend Arrearages and Delinquencies

Not Applicable.

Item 14: Material Modifications to the Rights of Security Holders and Use of Proceeds

Not Applicable.

Item 15: Controls and Procedures

(a) Disclosure Controls and Procedures. Intertape Polymer Group Inc. (Intertape Polymer Group or the Company) maintains disclosure controls and procedures designed to ensure not only that information required to be disclosed in its reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission s rules and forms, but also that information required to be disclosed by the Company is accumulated and communicated to management, including its principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure. The Chief Executive Officer and Chief Financial Officer of the Company conducted an evaluation of the effectiveness of the Company s disclosure controls and procedures and internal control over financial reporting as of December 31, 2014. They concluded based on such evaluation that the Company s disclosure controls and procedures were effective.

(b) Management s Annual Report on Internal Control Over Financial Reporting. Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of the Company s financial reporting as well as the preparation of financial statements for external reporting purposes in accordance with International Financial Reporting Standards.

Internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company s assets that could have a material effect on the Company s consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements, and even when determined to be effective, can only provide reasonable assurance with respect to financial statements preparation and presentation. 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 policies or procedures may deteriorate.

Management conducted an assessment of the effectiveness of the Company s internal control over financial reporting as of December 31, 2014 based on the criteria established in 2013 Internal Control Integrated Framework issued by

the Committee of Sponsoring Organizations of the Treadway Commission. Management has concluded that the Company s internal control over financial reporting was effective as of December 31, 2014 based on those criteria.

(c) Attestation Report of Raymond Chabot Grant Thornton LLP

The Company s independent auditors, Raymond Chabot Grant Thornton LLP, audited the annual consolidated financial statements included in this annual report and audited the Company s internal control over financial reporting as of December 31, 2014 and included in the Consolidated Financial Statements referenced in Item 18 of this Form 20-F its report on the Company s internal control over financial reporting.

(d) Changes in Internal Control Over Financial Reporting. There have been no changes in the Company s internal control over financial reporting that occurred during 2014 that has materially affected, or is reasonably likely to materially affect, the Company s internal control over financial reporting.

Item 16: [RESERVED]

Item 16A: Audit Committee Financial Expert

The Board of Directors of Intertape has determined that it has at least one audit committee financial expert serving on its audit committee. Mr. George J. Bunze, having been the Chief Financial Officer of Kruger Inc., and having the attributes set forth in Paragraph 16A(b) of the General Instructions to Form 20-F, has been determined to be an audit committee financial expert. Further, Mr. Bunze is independent as that term is defined by the Toronto Stock Exchange and Sarbanes-Oxley Act.

Item 16B: Code of Ethics

Intertape has adopted a code of ethics entitled Intertape Polymer Group Inc. Code of Business Conduct and Ethics , which is applicable to all of its employees, including its principal executive officer, principal financial officer, principal accounting officer or controller, and all persons performing similar functions. A copy of the Company s Code of Business Conduct and Ethics has been posted on the Company s website at *http://www.itape.com* under Investor Relations , Corporate Governance , Governance Documents . Any amendments to, or waiver from, any provision of the Code of Business Conduct and Ethics will be posted on our website at the above address.

Item 16C: Principal Accountant Fees and Services

The following table sets forth the fees billed (in Canadian dollars) for professional services rendered by Raymond Chabot Grant Thornton LLP, Chartered Accountants, Intertape s independent auditors, for the fiscal years ended December 31, 2014 and December 31, 2013:

	Year ended December 31,	
	2014	**2013**
	$	**$**
Audit Fees	953,000	840,000
Audit-Related Fees	5,850	9,250
Tax Fees	114,275	78,225
All Other Fees		
Total Fees	**1,073,125**	**927,475**

(a) *Audit Fees*. Audit fees were for professional services rendered for the integrated audit of Intertape s consolidated financial statements and internal control over financial reporting, assisting its Audit Committee in discharging its responsibilities for the review of the Company s interim unaudited consolidated financial statements and services that

generally only the independent auditor can reasonably provide, such as consent letters and assistance and review of documents filed with the Securities and Exchange Commission and Canadian securities regulatory authorities.

(b) *Audit-Related Fees*. Audit-related fees were for assurance and related services that are reasonably related to the performance of the audit or review of Intertape s consolidated interim unaudited financial statements and are not reported under the caption Audit Fees above. These services included consultations concerning financial accounting and reporting standards, as well as the Company s transition to International Financial Reporting Standards.

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

(d) *All Other Fees*. All other fees is defined as services provided other than the audit fees, audit-related fees and tax fees described above. No such fees have been billed in the last two years.

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Intertape s Audit Committee charter provides for the required pre-approvals of services to be rendered by the external auditors. The pre-approval process takes place annually and is presented by the Company s internal accountants and the external auditors for planned activity including audit, tax and non-audit services and includes reasonable detail with respect to the services covered. The pre-approval of all non-audit services allows the Committee to consider the effect of such services on the independence of the external auditor. Any such services that may arise in addition to the pre-approved plan must be presented separately to the Committee for pre-approval. The charter states that this responsibility cannot be delegated to management of the Corporation in any way whatsoever.

Item 16D: Exemptions from the Listing Standards for Audit Committee

Not Applicable.

Item 16E: Purchase of Equity Securities by the Issuer and Affiliated Purchasers