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

FORM 8-K

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

April 7, 2014
Date of report (Date of earliest event reported)

IMAX Corporation
(Exact Name of Registrant as Specified in Its Charter)

Canada
(State or Other Jurisdiction
of Incorporation)

1-35066
(Commission
File Number)

98-0140269
(I.R.S. Employer
Identification Number)

**2525 Speakman Drive
Mississauga, Ontario, Canada L5K 1B1
(905) 403-6500**

**110 E. 59th Street, Suite 2100
New York, New York, USA 10022
(212) 821-0100**

(905) 403-6500
(Registrant's Telephone Number, Including Area Code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into Material Definitive Agreements.

On April 7, 2014, IMAX Corporation (the “Company”), IMAX (Barbados) Holding, Inc., a wholly-owned subsidiary of the Company (“IMAX Barbados”) and IMAX China Holding, Inc., a wholly-owned subsidiary of IMAX Barbados (“IMAX China”), entered into a subscription agreement and a shareholders’ agreement with China Movie Entertainment FV Limited (“FV”), an entity owned and controlled by FountainVest Partners, and CMCCP Dome Holdings Limited (“CMCCP”) and China Movie Entertainment CMC Limited (“CME”), both entities owned and controlled by China Media Capital (CME together with CMCCP, “CMC”, and CMC collectively with FV, the “Investors”).

Subscription Agreement

Pursuant to the subscription agreement, IMAX China agreed to, among other things, allot and issue to the Investors 337,500 Common C shares of par value US\$0.01 each in the authorized capital of IMAX China (“Class C Shares”) for an aggregate subscription price of US\$40,000,000 on April 8, 2014 (the “First Completion Date”), and subject to certain conditions (as further described below), IMAX China agreed to issue to the Investors another 337,500 Class C Shares for an aggregate subscription price of US\$40,000,000 on January 8, 2015 (the “Second Completion Date”). The second closing is subject to only the following conditions: (i) there being no bankruptcy or insolvency of the Company, IMAX Barbados or IMAX China; (ii) there being no general assignment for the benefit of creditors of the Company, IMAX Barbados or IMAX China; or (iii) there being no admission in writing of the inability of the Company, IMAX Barbados or IMAX China to pay its debts when they come due.

Shareholders’ Agreement

As described below, the shareholders’ agreement contains restrictions on the transfer of IMAX China’s common shares, certain provisions related to the composition of IMAX China’s board of directors and certain provisions relating to the redemption and share issuance in lieu of initial public offering of IMAX China’s shares (“IPO”) and put and call rights relating to change of control of the Company.

Restrictions on Transfer

Under the shareholders’ agreement, except under limited circumstances, holders of Class C Shares may not transfer any Class C Shares prior to the Second Completion Date. After the Second Completion Date, holders of Class C Shares may not transfer any Class C Shares except (i) to certain permitted transferees, (ii) pursuant to any sale of Class C Shares on the public market in connection with or following an IPO, and (iii) subject to the right of first offer of the holder of Class A Shares (as defined below). With respect to transfers of Common A shares of par value US\$0.01 each in the authorized capital of IMAX China (“Class A Shares”) prior to an IPO, the shareholders’ agreement also provides certain drag-along rights to the holder of Class A Shares and certain tag-along rights and put rights to holders of Class C Shares.

Board of Directors

The board of directors of IMAX China will initially consist of nine members. The shareholders’ agreement provides that each of FV and CMC has the right to nominate one member of IMAX China’s board of directors if it owns, (a) at any time prior to the Second Completion Date, at least 90% of the Class C Shares issued to such Person at the First Completion Date and (b) at any time following the Second Completion Date, at least 90% of the Class C Shares issued to such Person at both the First Completion Date and Second Completion Date. The holder of Class A Shares has the right to nominate seven members, among which one nominee shall be an independent director reasonably satisfactory to the holders of Class C Shares.

Redemption and Share Issuance in lieu of Initial Public Offering

The shareholders’ agreement also provides that IMAX China intends to conduct an IPO of its shares by the fifth anniversary of the First Completion Date. If a qualified IPO (as defined in the shareholders’ agreement) has not occurred by such date, each holder of Class C Shares may request that all of such holders’ Class C Shares be (i) redeemed by IMAX China at par value together with the issuance of a number of the Company shares fixed on the First Completion Date, (ii) redeemed by IMAX China at par value together with the payment by the Company in cash, or (iii) exchanged and/or redeemed by IMAX China in a combination of cash and the shares of the Company. The consideration for the foregoing transaction will be based upon either the original issuance price of the Class C Shares or the pro rata fair market value of IMAX China.

Put and Call Rights relating to the Change of Control of the Company

In the event that the Company reasonably believes that a transaction involving a change of control of the Company will occur, the Company will serve a notice on each holder of Class C Shares. Upon receipt of such notice, each holder of Class C Shares will have the right to cause the Company to purchase all of its Class C Shares, and the holder of Class A Shares will also have the right to purchase from each holder of Class C Shares all of its Class C Shares, each for consideration based upon the pro rata equity value of IMAX China.

Termination

The shareholders' agreement will terminate on the earliest to occur of (i) an IPO, (ii) a redemption or share exchange in lieu of an IPO after the fifth anniversary on the First Completion Date, (iii) completion of a put or call transaction pursuant to a change of control of the Company, and (iv) any date agreed upon in writing by all of the parties to the shareholders' agreement. The shareholders' agreement will also terminate with respect to any shareholder at such time as such shareholder no longer beneficially and legally holds any shares.

The foregoing summaries of the subscription agreement and the shareholders' agreement are qualified in their entirety by reference to the subscription agreement, which is filed herewith as Exhibit 10.1 and is incorporated herein by reference and the shareholders' agreement, which is filed herewith as Exhibit 4.1 and incorporated herein by reference.

Item 8.01. Other Events.

On April 8, 2014, the Company issued a press release announcing that the Company had sold a stake in its Greater China business to China Media Capital and FountainVest Partners pursuant to the agreements described in Item 1.01. A copy of the press release is attached as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
4.1	Shareholders' Agreement, dated as of April 7, 2014, by and among IMAX Corporation, IMAX (Barbados) Holding, Inc., IMAX China Holding, Inc., China Movie Entertainment FV Limited, CMCCP Dome Holdings Limited and China Movie Entertainment CMC Limited.
10.1	Subscription Agreement, dated as of April 7, 2014, by and among IMAX Corporation, IMAX (Barbados) Holding, Inc., IMAX China Holding, Inc., China Movie Entertainment FV Limited, CMCCP Dome Holdings Limited and China Movie Entertainment CMC Limited.
99.1	Press release of IMAX Corporation, dated April 8, 2014.

SIGNATURES

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

IMAX Corporation
(Registrant)

Date: April 8, 2014

By: /s/ Richard L. Gelfond
Name: Richard L. Gelfond
Title: Chief Executive Officer

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SHAREHOLDERS' AGREEMENT

among

IMAX CHINA HOLDING, INC.,

IMAX (BARBADOS) HOLDING, INC.,

IMAX CORPORATION,

CHINA MOVIE ENTERTAINMENT FV LIMITED

and

CMCCP DOME HOLDINGS LIMITED

CHINA MOVIE ENTERTAINMENT CMC LIMITED

Dated April 7, 2014

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EXHIBIT B	JOINDER
EXHIBIT C	EXAMPLES OF CALCULATION

AMONG:

- (1) **IMAX CHINA HOLDING, INC.**, an exempted company with limited liability incorporated and existing under the laws of the Cayman Islands whose registered address is at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands (the "Company");
- (2) **IMAX (BARBADOS) HOLDING, INC.**, an international business company incorporated in Barbados whose registered office is at The Phoenix Centre, George Street, Bellevue, St. Michael, Barbados ("IMAX Barbados");
- (3) **IMAX CORPORATION**, a corporation incorporated pursuant to the laws of Canada whose registered office is at 2525 Speakman Drive, Mississauga, Ontario, Canada L5K 1B1 ("IMAX Corp"), solely for purposes of Section 1.1, Section 2.1, Section 2.5, Section 2.6, Section 3.1, Section 3.5(f), Section 3.6, Section 5.1(c), Section 5.3, Section 7, Section 8, Sections 9.1, 9.4, 9.5, 9.8, Section 10, Section 11, Section 12, Section 13 and Section 14;
- (4) **CHINA MOVIE ENTERTAINMENT FV LIMITED**, an exempted company with limited liability incorporated and existing under the laws of the Cayman Islands whose registered office is at the office of Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands ("FV"); and
- (5) **CMCCP DOME HOLDINGS LIMITED** and **CHINA MOVIE ENTERTAINMENT CMC LIMITED**, exempted companies with limited liability incorporated and existing under the laws of the Cayman Islands whose registered office is at the office of Sertus Incorporations (Cayman) Limited, Sertus Chambers, P.O. Box 2547, 69 Dr. Roy's Drive, George Town, Grand Cayman KY1-1104 (together, "CMC").

RECITALS:

- (A) IMAX Corp owns, on the date hereof, all of the issued and outstanding shares of IMAX Barbados. On the date hereof, IMAX Barbados owns all of the issued and outstanding shares of the Company.
- (B) Pursuant to a subscription agreement entered into among FV, CMC, IMAX Corp, IMAX Barbados and the Company dated the date hereof (the "Subscription Agreement"), the Company will issue to FV and CMC, and FV and CMC will purchase from the Company, certain Class C Shares (as defined below).
- (C) The Parties wish to provide for certain matters relating to the transfer of shares of the Company and the management and operation of the Company upon the First Completion (as defined below).

**SECTION 1
INTERPRETATION**

1.1 Definitions. In this Agreement, unless the context otherwise requires the following words and expressions have the following meanings:

“Act” means the Companies Law (2013 Revision) of the Cayman Islands, as amended, modified or re-enacted from time to time.

“Affiliate” of a Person (the “Subject Person” for the purpose of this definition) means any other person that directly or indirectly Controls, is Controlled by, or is under direct or indirect common Control with, the Subject Person, which, for the avoidance of doubt, shall include in the case of a Class C Shareholder, any of such Person’s general partners and funds managed by such Person’s fund managers or general partners; provided that the Company and its Subsidiaries shall be deemed not to be Affiliates of any Shareholder.

“Assignment Agreement” means the assignment, delegation and services agreement entered into by and between IMAX Corp and HKCo on the date hereof and effective as of January 1, 2014.

“Basic Documents” means the Subscription Agreement, this Agreement, the Letter of Undertaking, the Indemnity Agreement, the Assignment Agreement and the Charter Documents.

“Board” means the board of Directors of the Company.

“Business Day” means any day other than Saturday, Sunday or other day on which commercial banks located in the Cayman Islands, the United States of America, Canada, the PRC or Hong Kong are authorized or required by law or executive order to be closed and on which no tropical cyclone warning no.8 or above and no “black” rainstorm warning signal is hoisted in Hong Kong at any time between 8:00 a.m. and 6:00 p.m. Hong Kong time.

“Cash” means, as of any date of determination, the aggregate of cash (whether in hand or credited to any account with any banking, financial, acceptance credit, lending or other similar institution or organization) and cash equivalents.

“Change of Control” of a Person (the “Subject Person” for the purpose of this definition) means, whether in one or a series of related transactions, (a) any consolidation, amalgamation, merger, scheme of arrangement or similar business combination transaction or reorganization of the Subject Person with or into any other Person after which the members or shareholders of such Subject Person immediately prior to such transaction (i) own in the aggregate 50% or less of such Subject Person’s voting power, (ii) no longer have the right to appoint a majority of the members of the board or similar governing body of such Subject Person, or (iii) otherwise lose the right to direct the

management of such Subject Person, in each case immediately after such transaction, (b) the acquisition of Equity Securities in the Subject Person by any other Person or “group” (as such term is defined in the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder) of more than 50% of the outstanding Equity Securities of the Subject Person, or (c) a Transfer or lease of all or substantially all of the assets of the Subject Person.

“Charter Documents” means the Memorandum and Articles of Association of the Company (as amended from time to time).

“Class A Shareholders” means the holders of Class A Shares.

“Class A Shares” means Common A shares of par value US\$0.01 each in the authorized capital of the Company.

“Class B Shares” means Common B shares of par value US\$0.01 each in the authorized capital of the Company.

“Class C Shareholders” means the holders of Class C Shares.

“Class C Shares” means Common C shares of par value US\$0.01 each in the authorized capital of the Company.

“Company LTM EBITDA” means, in respect of the relevant LTM, an amount equal to the consolidated Net Income or net loss before interest, taxes, depreciation and amortization. The term “consolidated net income or net loss”, for purposes of this Agreement, shall not include any income (or loss) proportionately relating to the Minority Interest in Subsidiaries of the Company (e.g., assuming the Company owns 80% equity interest in a Person, any income (or loss) proportionately relating to the remaining 20% equity interest in such Person owned by a third party shall be excluded), and include any income (or loss) generated by the Unconsolidated Investment of the Company (e.g., assuming the Company owns 20% equity interest in a Person, any income (or loss) proportionately relating to such 20% equity interest in such Person shall be included).

“Company LTM Unlevered Net Income” means, for the relevant LTM, Net Income of the Company plus the Net Interest Expense of the Company multiplied by the difference resulting from one minus the Effective Tax Rate applicable to the Company (*refer to Exhibit C-4 for sample calculation*).

“Competitor” means any Person that engages in, undertakes or conducts, whether directly or indirectly, the activities set forth in Sections 9.2(i) and 9.2(ii) in Greater China, and such activities in Greater China generate more than 10% of such Person’s revenue per year.

“Control” of a Person means (a) ownership of more than 50% of the shares in issue or other equity interests or registered share capital of such Person or (b) the power to direct the management or policies of such Person, whether

through the ownership of more than 50% of the voting power of such Person, through the power to appoint a majority of the members of the board of directors or similar governing body of such Person, through contractual arrangements or otherwise.

“Director” means a director of the Company (including any duly appointed alternate director).

“DMR Services Agreements” means the DMR services agreement between IMAX Corp and IMAX China (Hong Kong) Limited and the DMR services agreement between IMAX Corp and IMAX (Shanghai) Multimedia Co., Ltd., each dated October 28, 2011.

“Effective Tax Rate” means in respect of any applicable financial period, the percentage resulting from dividing the total amount of accrued tax by the relevant income before tax, such income before tax determined in accordance with the applicable GAAP consistently applied for such financial period.

“Encumbrance” means: (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including, without limitation, the mortgage created by the Mortgages over Shares or any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable law, (b) any lease, sublease, occupancy agreement, easement or covenant granting a right of use or occupancy to any person; (c) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any person; and (d) any adverse claim as to title, possession or use.

“Equipment Supply Agreements” means collectively, the equipment supply agreement and the equipment supply contract, each between IMAX Corp and IMAX (Shanghai) Multimedia Technology Co., Ltd. and each dated October 28, 2011, and the equipment supply agreement between IMAX Corp and IMAX China (Hong Kong) Limited dated October 28, 2011.

“Equity Securities” means, with respect to any Person, such Person’s capital stock, membership interests, partnership interests, registered share capital, joint venture or other ownership interests (including, without limitation, in the case of the Company, Shares) or any options, warrants or other securities that are directly or indirectly convertible into, or exercisable or exchangeable for, such capital stock, membership interests, partnership interests, registered share capital, joint venture or other ownership interests (whether or not such derivative securities are issued by such Person).

“Exchange Share Price” means, US\$28.12, being the closing price of each IMAX Corp Share on the trading day immediately preceding the date of the Subscription Agreement.

“Financial Indebtedness” means borrowings and indebtedness in the nature of borrowing (including by way of acceptance credits, discounting or similar facilities, loan stocks, bonds, debentures, notes, overdrafts or any other similar arrangements the purpose of which is to raise money) owed to any banking, financial, acceptance credit, lending or other similar institution or organization.

“First Completion” has the meaning ascribed to it in the Subscription Agreement.

“First Completion Date” has the meaning ascribed to it in the Subscription Agreement.

“Form 10-Q” or “Form 10-K” means such form under the Securities Act as in effect on the date hereof (including Form 10-Q or Form 10-K, as appropriate) or any substituting form under the Securities Act subsequently adopted by the SEC pursuant to which the financial performance of IMAX Corp shall be reported periodically.

“Governmental Authority” means any government or subdivision thereof; any department, agency or instrumentality of any government or subdivision thereof including tax authorities; and the governing body of any securities exchange.

“Greater China” means the PRC, Taiwan, Hong Kong and Macau.

“Group” means collectively the Company and its Subsidiaries, and “Group Company” means any of them.

“IMAX Corp LTM EBITDA” means, for the relevant LTM, an amount equal to the consolidated net income or net loss before interest, taxes, depreciation and amortization, except that the term “consolidated net income or net loss” in such definition shall, for purposes of this Agreement, (a) not include any income (or loss) proportionately relating to the Minority Interest in Subsidiaries of IMAX Corp (e.g., assuming IMAX Corp owns 80% equity interest in a Person, any income (or loss) proportionately relating to the remaining 20% equity interest in such Person owned by a third party shall be excluded), provided, that any income (or loss) from the Company (including income (or loss) attributable to the Minority Interest owned by the Investors) shall be included for purposes of this calculation, and (b) include any income (or loss) generated by the Unconsolidated Investment of IMAX Corp (e.g., assuming IMAX Corp owns 20% equity interest in a Person, any income (or loss) proportionately relating to such 20% equity interest in such Person shall be included) (refer to Exhibit C-3 for sample calculation).

“IMAX Corp LTM Unlevered Net Income” means, for the relevant LTM, Net Income of IMAX Corp plus the Net Interest Expense of IMAX Corp multiplied by the difference resulting from one minus the Effective Tax Rate applicable to IMAX Corp (refer to Exhibit C-4 for sample calculation).

“IMAX Corp Shares” means the shares of common stock in IMAX Corp.

“IMAX Corp Transaction-Based TEV” means the total enterprise value of IMAX Corp as valued in any Change of Control transaction, which is the aggregate of the price payable for each IMAX Corp Share on a fully-diluted basis in respect of such Change of Control transaction, whether such price is paid in the form of cash, securities, debt or any combination thereof, plus the Financial Indebtedness of IMAX Corp, as at the end of the Last Reported Quarter and less the Cash of IMAX Corp as at the end of the Last Reported Quarter.

“Indemnity Agreement” means the indemnity agreement between IMAX Corp and the Company dated the date hereof.

“IPO” means any initial public offering of Shares (or other Equity Securities of the Company).

“IPO Floor” means, in respect of each Class C Share, US\$266.67 (being the Original Class C Share Price multiplied by 2.25), but subject to Section 1.3(j).

“Last Reported Quarter” means, as of any date of determination, the most recent three-month period the financial performance of which has been reported by IMAX Corp in its public filings with the SEC through either Form 10-Q or Form 10-K and which has been filed with the SEC.

“Letter of Undertaking” means the letter of undertaking among IMAX Corp, IMAX China (Hong Kong) Limited and IMAX (Shanghai) Multimedia Technology Co., Ltd., dated the date hereof.

“LTM” means, as of any date of determination, a period of the twelve months immediately preceding such date, which consists of the last four quarters the financial performance of each of which has been reported by IMAX Corp to the SEC as reflected in the Form 10-Q or Form 10-K and which has been filed with the SEC for each such quarter.

“Minimum Ownership Requirement” means, with respect FV or CMC, as applicable, (a) at any time prior to the Second Completion, at least 90% of the Class C Shares issued to such Person at the First Completion and (b) at any time following the Second Completion, at least 90% of the Class C Shares issued to such Person at both the First Completion and Second Completion; provided, that for purposes of Section 5.3 only, “Minimum Ownership Requirement” shall be defined as provided in Section 5.3.

“Minority Interest” means a less than 50% ownership interest in any Subsidiary of the Company or any Subsidiary of IMAX Corp, as the case may be, owned by a Person that is not the Company or IMAX Corp (or any of the Affiliates of the Company or IMAX Corp), the value of which shall be the value as at the end of the Last Reported Quarter.

“Mortgages over Shares” means each of the Cayman Islands law governed Equitable Share Mortgages relating to shares in the Company made between IMAX (Barbados) Holding, Inc. as mortgagor and Wells Fargo Bank, National

Association as mortgagee dated 7 February 2013 and on or around the date of these Articles respectively.

“Net Cash” means, as of any date of determination, the amount of the Cash of the relevant Person minus the Financial Indebtedness of such Person as of such date.

“Net Income” means, in respect of any applicable financial period, an amount equal to the consolidated net income (or net loss) of a Person and income generated by the Unconsolidated Investment of such Person consistently applied:

- (a) adding back, to the extent deducted in the calculation of such net income, (i) after tax extraordinary or non-recurring expenses and (ii) stock-based compensation, and
- (b) subtracting, to the extent included in the calculation of such net income, (i) any income (or loss) proportionately relating to the Minority Interest and (ii) any extraordinary or non-recurring income;

provided, that any income (or loss) from the Company (including income (or loss) attributable to the Minority Interest owned by the Investors) shall be included for purposes of calculating the Net Income of IMAX Corp.

“Net Interest Expense” means in respect of any applicable financial period, the total amount of interest paid or payable less the amount of interest received or receivable, each before tax and each on a consolidated basis for such financial period.

“Original Class C Share Price” means US\$118.52 per share.

“Outstanding Shares” means the IMAX Corp Shares on a fully-diluted basis as at the end of the Last Reported Quarter reported in either Form 10-Q or Form 10-K, for the avoidance of doubt, excluding those IMAX Corp Shares that are issued for exchanging Class C Shares pursuant to Section 7.2.

“Party” or “Parties” means any signatory or the signatories to this Agreement and any Person or Persons who subsequently becomes a party to this Agreement as provided herein.

“Person” means any natural person, firm, company, governmental authority, joint venture, partnership, association or other entity (whether or not having separate legal personality).

“PRC” means the People’s Republic of China, and for purposes of this Agreement, excluding Hong Kong and Macau Special Administrative Regions of the PRC and Taiwan.

“Pro Rata Share” means, with respect to any Shareholder, the proportion that the number of Shares held by such Shareholder bears to the aggregate number

of Shares held by all Shareholders, each calculated on an as-converted but otherwise non-diluted basis, which, for the avoidance of doubt, excludes Equity Reserved for Management unless Shares have actually been issued pursuant to the relevant terms.

“Qualified IPO” means an initial public offering and listing of the Shares (or other Equity Securities of the Company) on a Qualified Stock Exchange, or if agreed among the Parties, any other international stock exchange as determined by the Board, with respect to not less than 10% of the then total issued and outstanding Shares and yielding upon consummation of such initial public offering, in respect of each Class C Share, a per Share value that is no less than the IPO Floor.

“Qualified Stock Exchange” means the New York Stock Exchange, NASDAQ, the Main Board of The Stock Exchange of Hong Kong Limited, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Toronto Stock Exchange and the London Stock Exchange.

“Regulatory Approvals” means all approvals, permissions, authorizations, consents and notifications from any governmental, regulatory or departmental authority.

“SEC” means the United States Securities and Exchange Commission.

“Second Completion” has the meaning ascribed to it in the Subscription Agreement.

“Securities Act” means the United States Securities Act of 1933, as amended, and related rules and regulations promulgated thereunder.

“Services Agreements” means the services agreement between IMAX Corp and IMAX (Shanghai) Multimedia Technology Co., Ltd. and the services agreement between IMAX Corp and IMAX (Hong Kong) Holding, Limited, each effective as of January 1, 2014.

“Shares” means Class A Shares, Class B Shares and Class C Shares.

“Shareholders” means (i) IMAX Barbados, FV and CMC and (ii) any other Person who becomes a shareholder of the Company in accordance with the terms of this Agreement and executes a Joinder substantially in the form attached hereto as Exhibit B, in each case for so long as such Person remains a shareholder of the Company.

“Subsidiary” means any other Person in which the Company directly or indirectly holds a majority of the ownership interests, or a majority of the voting power, represented by Equity Securities of such Person.

“Technology Cost” means the direct and third party costs to be incurred by IMAX Corp or its Affiliates (other than the Group) with respect to the development of the new, enhanced or improved technology and systems for

the custom built home theatres, including costs of materials, equipment and facilities, costs relating to personnel, and third party licensing fees; provided, that (a) all such costs arise directly from the development of such new, enhanced or improved technology or systems, and (b) to the extent any asset (including materials, equipment, facilities and licenses) and/or personnel used in the development of such new, enhanced or improved technology or systems is shared with any other business or activity of IMAX Corp, IMAX Corp shall include only the proportionate amount of such cost that is directly attributable to the development of such new, enhanced or improved technology and/or systems, and excluding, for the avoidance of doubt, (x) indirect costs incurred by IMAX Corp or its Affiliates leading up to the commencement of the new project, such as costs incurred by IMAX Corp or its Affiliates as part of its business development activities prior to the commencement of the new project, and (y) any profit or fee thereon.

“Theatres” has the meaning ascribed to it in the Equipment Supply Agreements.

“Total Investment Amount” means the aggregate amount invested in the Company by CMC and FV pursuant to Section 2 of the Subscription Agreement, which amount shall be US\$40,000,000 with respect to each of CMC and FV if the Second Completion occurs and shall be US\$20,000,000 with respect to each of CMC and FV if the First Completion occurs and the Second Completion has not occurred.

“Unconsolidated Investment” means any ownership interest of a Person, according to the applicable GAAP consistently applied, the financial results of which shall not be consolidated into the financial results of the Person that owns such ownership interest.

“Unrelated Business” means, as of any date, any specific business that does not constitute the Business, as such term is defined in Section 2.1 of this Agreement, as of such date.

“Unrelated Business Agreement” means the unrelated business agreement among IMAX Corp, the Company, IMAX (Hong Kong) Holding, Limited and IMAX (Shanghai) Multimedia Technology Co., Ltd. dated October 28, 2011.

“US\$” means United States Dollars, the lawful currency of the United States of America.

1.2 Terms Defined Elsewhere in this Agreement. The following terms are defined in this Agreement as follows:

“ <u>Agreement</u> ”	Preamble
“ <u>Appraiser</u> ”	Section 7.1(c)
“ <u>Arbitration Notice</u> ”	Section 14.2(a)
“ <u>Breaching Class C Shareholder</u> ”	Section 2.3(a)
“ <u>Business</u> ”	Section 2.1(a)
“ <u>Class A Transfer Notice</u> ”	Section 3.5(a)

“Class C Directors”	Section 5.1(a)
“Class C Transfer Notice”	Section 3.4(c)
“CMC”	Preamble
“CMC Director”	Section 5.1(a)
“Company”	Preamble
“Company’s Appraiser”	Section 7.1(a)
“Company’s Valuation”	Section 7.1(b)(ii)
“Confidential Information”	Section 10.1
“Consensus Period”	Section 7.1(a)
“Dividend Amount”	Section 6.1
“Drag-Along Right”	Section 3.5(c)
“Drag-Along Shares”	Section 3.5(a)
“Equity Reserved for Management”	Section 5.5
“EqVC1”	Section 7.1
“FMV Flip Up Option”	Section 7.2(c)
“FV”	Preamble
“FV Director”	Section 5.1(a)
“High Yield Debt”	Section 4.1
“HKIAC”	Section 14.2(b)
“IMAX Agreements”	<u>Schedule 1</u> Section (c)
“IMAX Barbados”	Preamble
“IMAX China Sale Put Notice”	Section 3.5(e)(i)
“IMAX China Sale Put Right”	Section 3.5(e)(i)
“IMAX China Sale Put Shares”	Section 3.5(e)(i)
“IMAX Corp”	Preamble
“IMAX Corp CoC Call Exercise Period”	Section 8.4
“IMAX Corp CoC Call Notice”	Section 8.4
“IMAX Corp CoC Call Price”	Section 8.1(b)(ii)
“IMAX Corp CoC Call Right”	Section 8.1(b)(ii)
“IMAX Corp CoC Notice”	Section 8.1(a)
“IMAX Corp CoC Put Notice”	Section 8.3
“IMAX Corp CoC Put Period”	Section 8.3
“IMAX Corp CoC Put Price”	Section 8.2(a)
“IMAX Corp CoC Put Right”	Section 8.1(b)(i)
“Investors’ Appraiser”	Section 7.1(a)
“Investor’s Valuation”	Section 7.1(b)(ii)
“IPO Deadline”	Section 7.1
“Maximum Share Number”	Section 7.2(a)
“No Second Completion Call Right”	Section 2.4(a)
“No Second Completion Call Notice”	Section 2.4(a)
“No Second Completion Call Period”	Section 2.4(a)
“No Second Completion Call Price”	Section 2.4(a)
“No Second Completion Put Right”	Section 2.5(a)
“Notices”	Section 12.1
“Offer Period”	Section 3.4(d)
“Offered Shares”	Section 3.4(c)
“Permitted Transferee”	Section 3.3
“Preemptive Offer Period”	Section 4.3
“Pre-IPO Shareholders”	Section 6.1

“Proposed Issuance”	Section 4.2
“Proposed Recipient”	Section 4.1
“Qualified Appraiser”	Section 7.1(a)
“Qualifying Drag Transaction”	Section 3.5(a)
“Redemption Notice”	Section 7.2
“Relevant Calculation Date”	Section 1.3(j)
“Representatives”	Section 10.1
“Subscription Agreement”	Recitals
“Tag-Along Notice”	Section 3.5(d)(ii)
“Tag-Along Right”	Section 3.5(d)(i)
“TCL JV”	Section 2.1
“Third Appraiser”	Section 7.1(b)(iii)(1)
“Third Valuation”	Section 7.1(b)(iv)
“Transfer”	Section 3.1
“Transferee”	Section 3.5(a)
“Transferring Shareholder”	Section 3.4(c)
“Valuation Notice”	Section 7.1
“Withheld Amount”	Section 6.1
“Year Five No Second Completion Exit Right”	Section 2.6(a)

1.3 Interpretation.

- (a) Directly or Indirectly. The phrase “directly or indirectly” means directly, or indirectly through one or more intermediate Persons or through contractual or other arrangements and “direct or indirect” has the correlative meaning.
- (b) Gender and Number. Unless the context otherwise requires, all words (whether gender-specific or gender neutral) shall be deemed to include each of the masculine, feminine and neuter genders, and words importing the singular include the plural and vice versa.
- (c) Headings. Headings are included for convenience only and shall not affect the construction of any provision of this Agreement.
- (d) Include not Limiting. “Include,” “including,” “are inclusive of” and similar expressions are not expressions of limitation and shall be construed as if followed by the words “without limitation”.
- (e) Language. This Agreement is written in English. If this Agreement is translated into any language other than English, the English text shall prevail.
- (f) Law. References to “law” or “laws” shall include all applicable laws, regulations, rules and orders of any Governmental Authority, securities exchange or other self-regulating body, including any common or customary law, constitution, code, ordinance, statute or other

legislative measure and any regulation, rule, treaty, order, decree or judgment; and “lawful” shall be construed accordingly.

- (g) Persons. A reference to any “Person” shall, where the context permits, include such person’s executors, administrators, legal representatives and permitted successors and assignors.
- (h) References to Documents. References to this Agreement include the Schedules and Exhibits, which form an integral part hereof. A reference to any Section, Schedule or Exhibit is, unless otherwise specified, to such Section of, or Schedule or Exhibit to this Agreement. The words “hereof,” “hereunder” and “hereto,” and words of like import, unless the context requires otherwise, refer to this Agreement as a whole and not to any particular Section hereof or Schedule or Exhibit hereto. References to any document (including this Agreement) are references to that document as amended, consolidated, supplemented, novated or replaced from time to time.
- (i) Share Calculations. In calculations of share numbers, references to “fully diluted basis” mean that the calculation is to be made assuming that all outstanding options, warrants and other Equity Securities convertible into or exercisable or exchangeable for Shares (whether or not by their terms then currently convertible) have been so converted, exercised or exchanged, and references to “non-diluted basis” mean the calculation is to be made taken into account only Shares then in issue. All references to number of Shares or the prices per Share in this Agreement shall be appropriately adjusted to take into account any share splits or subdivisions, combinations, reorganizations, stock or share dividends, mergers, recapitalizations or similar events that affect the share capital of the Company after the date hereof.
- (j) Calculation of Return. In calculating the level of return on investment achieved or received by any Class C Shareholder by any specific date (the “Relevant Calculation Date”), all distributions declared and made on the Class C Shares after the date hereof up to the Relevant Calculation Date (including cash dividends or repayment on capital whether due to a capital reduction of the Company or otherwise) shall be included. All distributions declared but not made as of the Relevant Calculation Date (and which has a record date on or prior to which the Class C Shareholder is the shareholder of record) shall be excluded for purposes of this calculation, and to the extent the applicable payment (in respect of this calculation) is actually made to the Class C Shareholder, such declared distribution which was excluded for purposes of this calculation shall be deemed to have been waived by the Class C Shareholder.
- (k) Pro Forma Adjustments.
 - (i) The Parties agree that when calculating “Net Cash” for purposes of Section 6.1 (Dividends), EqVC1 for purposes of

Section 7 (IPO, Redemption and Share Issuance), IMAX Corp Transaction-Based TEV and EqVC2 for purposes of Section 8 (Put and Call Rights Upon Change of Control of IMAX Corp) and the Company's EBITDA and gross margin for purposes of Schedule 1 (Reserved Matters), to the extent not already reflected in the Company's accounts and financial statements for the relevant periods stated below,

- (x) all applicable financial determinations relating thereto with respect to all periods beginning January 1, 2013 and ending on December 31, 2013, shall be adjusted to give effect to (A) the fees, charges and reimbursements set forth in paragraphs 2, 4 and 5 of the Letter of Undertaking, as adjusted if and as required in accordance with paragraph 8 thereof and (B) the assumption that the Assignment Agreement has been in force, and the actual assignment of the agreements set forth on Schedule I and Schedule II thereto has been in effect, since January 1, 2013, and
- (y) all applicable financial determinations relating thereto with respect to all periods beginning and following January 1, 2013 shall be adjusted to give effect to the assumption that, to the extent WFOE has incurred any indemnifiable Losses (as defined in the Indemnity Agreement) under the Indemnity Agreement, the assumption that such Losses have been fully paid and discharged by IMAX Corp,

provided that if, after giving effect to the adjustments in (A) to (C) above, the resulting financial determinations are inconsistent with any results which would have been obtained by application of the agreed upon procedures set forth in the report issued by PricewaterhouseCoopers to IMAX Corp on March 12, 2014, then, if requested by the Class C Shareholders, further adjustments shall be made after application of the agreed upon procedures.

- (l) Time. Except as otherwise provided, (i) for purposes of calculating the length of time from a given day or the day of a given act or event, the relevant period shall be calculated exclusive of that day, and (ii) for all other purposes, any period of time commencing on or from a given day or the day of a given act or event shall include that day. If the day on or by which a payment must be made is not a Business Day, that payment must be made on or by the Business Day immediately following such day.
- (m) Writing. References to writing include any mode of reproducing words in a legible and non-transitory form including emails and faxes.

SECTION 2
BUSINESS OF THE COMPANY AND OBLIGATIONS OF THE
SHAREHOLDERS

2.1 Principal Business.

- (a) Subject to Section 5.3, the business of the Company shall be (i) the sale, lease, marketing and operation of Theatres, including the exhibition of films in such Theatres and any laser projection systems and related technology for Theatres; (ii) the provision of in-Theatre movie-going or live broadcast experiences; (iii) the marketing, distribution, sale, lease and maintenance of (A) custom-built home theatres with a sale price of no less than US\$1,500,000 and (B) custom-built home theatres with a sale price of less than US\$1,500,000 and which have a projected Technology Cost of less than US\$7,500,000; (iv) the distribution of entertainment content through television broadcasts and Internet streaming; (v) the marketing of services to be performed by IMAX Corp pursuant to the DMR Services Agreements or the Services Agreements; (vi) the sale, lease, marketing and operation of any other equipment provided by IMAX Corp pursuant to the Equipment Supply Agreements; (vii) the provision of services pursuant to the Services Agreements; (viii) such other lines of business as conducted by the Company pursuant to the Unrelated Business Agreement and (ix) to engage in such other businesses or activities or make such other investments as may be approved by the Board from time to time in accordance with this Agreement (collectively, the "Business"). For the avoidance of any doubt, as of the date of this Agreement, the Business shall not include (i) the provision, production, marketing, distribution, sale or maintenance of the products produced by or services derived from the joint venture between Sino Leader (Hong Kong) Limited, IMAX (Hong Kong) Holding, Limited and TCL-IMAX Entertainment Co., Limited (the "TCL JV"), and (ii) the distribution of content or entertainment through the technology of PRIMA Cinema, Inc. which will be contributed to the TCL JV, provided that IMAX Corp (A) shall assign to the Company the China-Equivalent TCL JV Interest (as defined in Exhibit A attached hereto) in accordance with the Subscription Agreement and (B) has undertaken to make the TCL JV Contribution (as defined in the Subscription Agreement), in each case pursuant to the Subscription Agreement, and it is agreed that arrangements with respect to the Company's participation in the TCL JV in certain respects may be further adjusted in accordance with the terms set forth on Exhibit A attached hereto.

- 2.2 Shareholder Obligations. Each Shareholder shall comply with the provisions of this Agreement in relation to its investment in the Company and in transacting business with the Company and shall exercise its rights and powers in accordance with and so as to give effect to this Agreement.

2.3 Amendment of Rights.

- (a) If a Class C Shareholder does not proceed with the Second Completion by February 8, 2015 other than due to a breach by the Company of its obligation to proceed with the Second Completion in accordance with the Subscription Agreement (a “Breaching Class C Shareholder”), then:
 - (i) such Breaching Class C Shareholder(s) shall cease to have any rights with effect from the Target Second Completion Date under Section 3.5(c) (Tag-Along Rights), Section 3.5(e) (IMAX China Sale Put Right), Section 5.3 (Approval of Either Class C Shareholder), Section 6 (Dividends), Section 7 (IPO, Redemption and Share Issuance) or Section 8.1 (IMAX Corp CoC Put and Call Rights),
 - (ii) such Breaching Class C Shareholder(s) shall cease to have the right to nominate, appoint or remove the Class C Shareholder Director(s) pursuant to Section 5.1 (Board of Directors), and the remaining provisions of Section 5 (Corporate Governance) shall be deemed to be amended automatically after February 8, 2015, and,
 - (iii) such Breaching Class C Shareholder(s) shall have the right set forth in Section 2.5 (No Second Completion Put Right) below.
- (b) For the avoidance of doubt, if only one of the Class C Shareholders breaches its obligations under the Subscription Agreement in respect of the Second Completion, only the Breaching Class C Shareholder shall lose such rights under this Agreement pursuant to this Section 2.3, and the non-Breaching Class C Shareholder’s rights shall not be affected.

2.4 No Second Completion Call Right.

- (a) Without prejudice to Section 2.3, if there are any Breaching Class C Shareholder(s), the Class A Shareholder shall have the right (the “No Second Completion Call Right”), but not the obligation, exercisable by the delivery of a notice signed by the Class A Shareholder (the “No Second Completion Call Notice”) within 90 days after February 8, 2015 (“No Second Completion Call Period”), to require the Breaching Class C Shareholder(s) to sell to the Class A Shareholder(s) or its designated purchaser all of its/their Class C Shares at a price equal to, for each Breaching Class C Shareholder, US\$19,000,000 (being US\$20,000,000 minus agreed liquidated damages of US\$1,000,000) (the “No Second Completion Call Price”).
- (b) Upon the delivery of the No Second Completion Call Notice within the No Second Completion Call Period, unless a No Second Completion Put Notice has been delivered by the Breaching Class C Shareholder pursuant to Section 2.5 below, the Breaching Class C Shareholder(s)

shall be obligated to sell all of its/their Class C Shares at the No Second Completion Call Price to the Class A Shareholder(s) or its designated purchaser. The closing of such sale and purchase shall occur within 30 days after the delivery of the No Second Completion Call Notice. At such closing, the Class C Shareholder(s) shall deliver certificates representing its/their respective Class C Shares, accompanied by duly executed instruments of transfer completed in favour of the Class A Shareholder or its designated purchaser and the Class C Shareholder's portion of the requisite transfer taxes, if any, and the Company shall cause the Register of Members to be updated accordingly to reflect such transfer(s). The relevant Class C Shares shall be free and clear of any Encumbrance (other than Encumbrances arising hereunder), and each of the Breaching Class C Shareholder(s) shall so represent and warrant and shall further represent and warrant that it is the legal and beneficial holder of the relevant Class C Shares. The Class A Shareholder(s) or its designated purchaser shall deliver for payment at such closing the No Second Completion Call Price in cash in full. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the sale of the Class C Shares. Any stamp duty or transfer taxes or similar fees payable on the transfer of any Class C Shares shall be borne and paid equally by the Class C Shareholder(s) on the one hand, and the purchaser, on the other hand.

2.5 No Second Completion Put Right.

- (a) In the event that the Class A Shareholder exercises its No Second Completion Call Right, the Breaching Class C Shareholder shall have a right to require all (but no less than all) of the Class C Shares then held by such Breaching Class C Shareholder be redeemed at par value together with the issuance of IMAX Corp Shares pursuant to Section 7.2(a) at the Total Investment Amount or redeemed for cash pursuant to Section 7.2(b). With respect to the redemption pursuant to Section 7.2(b), the amount will be reduced by liquidated damages of US\$1,000,000 for each Breaching Class C Shareholder (the "No Second Completion Put Right").
- (b) A Breaching Class C Shareholder may exercise the No Second Completion Put Right by delivery of a written notice to IMAX Corp, the Class A Shareholder and the Company within three days after the delivery of the No Second Completion Call Notice, specifying whether it is electing to redeem its shares at par value together with the issuance of IMAX Corp Shares or redeem its shares for cash in accordance with Section 2.5(a).
- (c) Closing. Closing of the redemption of the Breaching Class C Shareholder's Class C Shares and the issuance to such Class C Shareholder of the IMAX Corp Shares shall occur within 20 Business Days after the date of the written notice issued by the breaching Class C Shareholder pursuant to Section 2.5(b).

2.6 Year Five No Second Completion Exit Right.

- (a) If the Class A Shareholder does not exercise its No Second Completion Call Right, the Breaching Class C Shareholder shall have a right, after the fifth (5th) anniversary of the First Completion, to require the Class A Shareholder to purchase all, but not less than all, of the Class C Shares then held by such Class C Shareholder in accordance with this Section 2.6 (the “Year Five No Second Completion Exit Right”).
- (b) A Breaching Class C Shareholder may exercise the Year Five No Second Completion Exit Right by delivery of a written notice to the Class A Shareholder and the Company within 10 days after the fifth anniversary of the First Completion. Following delivery of such notice, the provisions of Sections 7.1(a) to (c), 7.2 and 7.4 shall apply, *mutatis mutandis* to the Year Five No Second Completion Exit Right.
- (c) Closing. Closing of the redemption of the Breaching Class C Shareholder’s Class C Shares and the issuance to such Class C Shareholder of the IMAX Corp Shares shall occur within 20 Business Days after the notice delivered by the Class A Shareholder pursuant to Section 2.6(b).

**SECTION 3
RESTRICTIONS ON TRANSFER OF SHARES**

- 3.1 Limitation on Transfer. Except for the provision of a mortgage or pledge over the Shares to financing banks pursuant to a bona fide financing transaction, neither IMAX Corp nor any Shareholder shall, directly or indirectly, sell, give, assign, hypothecate, mortgage, pledge, encumber, grant a security interest in or otherwise dispose of, or suffer to exist (whether by operation of law or otherwise) any Encumbrance on, any Shares or any right, title or interest therein or thereto (each, a “Transfer”) except as expressly permitted by Section 2.4 (No Second Completion Call Right), Section 2.5 (No Second Completion Put Right), Section 2.6 (Year Five No Second Completion Exit Right), this Section 3, Section 7 (IPO, Redemption and Share Issuance) or Section 8 (Put and Call Rights Upon Change of Control of IMAX Corp).
- 3.2 Transfers in Compliance with Law. Notwithstanding any other provision of this Agreement, no Transfer may be made pursuant to this Section 3 unless (a) the transferee has agreed in writing to be bound by the terms and conditions of this Agreement (and the transfer mechanics under the Charter Documents) pursuant to a Joinder substantially in the form attached hereto as Exhibit B, (b) the Transfer complies in all respects with the other applicable provisions of this Agreement (and the transfer mechanics under the Charter Documents) and (c) the Transfer complies in all respects with applicable securities laws. If requested by the Company in its reasonable discretion, an opinion of counsel to such transferring Shareholder shall be supplied to the Company, at such transferring Shareholder’s expense, to the effect that such Transfer complies with applicable securities laws.

3.3 Permitted Transfers. Notwithstanding anything to the contrary herein, the following Transfers may be made without compliance with the provisions of this Section 3 except for Section 3.2 (Transfers in Compliance with Law) after the Second Completion:

- (a) any Transfer by a Shareholder to any Affiliate of such Shareholder;
- (b) any Transfer by a member, partner or co-investor of any of the Class C Shareholders of its direct or indirect interest in any such Class C Shareholder; provided, that in connection with any Transfer pursuant to this clause (b), with respect to (1) FV, FountainVest Partners (Asia) Limited and their Affiliates maintain Control of FV, and (2) CMC, CMC Capital Partners and their Affiliates maintain Control of CMC; or
- (c) any sale of Shares on the public market in connection with or following an IPO.

A Person described with respect to a Shareholder in clause (a) of this Section 3.3 is hereinafter referred to as a “Permitted Transferee” of such Shareholder. If a transferee of Shares pursuant to clause (a) of this Section 3.3 at any time ceases to be a Permitted Transferee of the transferring Shareholder, the transferee shall Transfer such Shares back to such transferring Shareholder.

3.4 Transfer of Class C Shares.

- (a) No Transfers before Second Completion. Notwithstanding any other provision of this Agreement, the Class C Shareholders shall not Transfer any Class C Shares before the Second Completion other than a Transfer pursuant to (i) Section 2.4 (No Second Completion Call Right), (ii) Section 2.5 (No Second Completion Put Right), (iii) Section 3.5(c) (Drag-Along Rights), (iv) Section 3.5(d) (Tag-Along Rights), (v) Section 3.5(e) (IMAX China Sale Put Right), (vi) Section 7 (IPO, Redemption and Share Issuance), and (vii) Section 8 (Put and Call Rights Upon Change of Control of IMAX Corp). For the avoidance of doubt, CMC shall not assign any of its rights or obligations for the subscription of the CMC Second Completion Shares (as defined in the Subscription Agreement) to any other Person prior to the Second Completion, and FV shall not assign any of its rights or obligations for the subscription of the FV Second Completion Shares to any other Person prior to the Second Completion, provided, that notwithstanding the foregoing, any permitted transferee of the Class C Shares prior to Second Completion shall acquire, and be bound by, the obligation to proceed with the Second Completion.
- (b) Transfers Subject to Right of First Offer. Subject to Section 3.4(a), if any Class C Shareholder proposes to Transfer all of its Class C Shares, the Class A Shareholder shall have a right of first offer with respect to such Transfer as provided in this Section 3.4.

- (c) Class C Transfer Notice. If a Class C Shareholder (the “Transferring Shareholder”) proposes to Transfer all of its Class C Shares, the Transferring Shareholder shall send written notice (the “Class C Transfer Notice”) to the Class A Shareholder, which notice shall state (i) the name of the Transferring Shareholder and (ii) the number of Shares to be Transferred (the “Offered Shares”).
- (d) Rights of the Class A Shareholder. For a period of 30 days after delivery of a Class C Transfer Notice (the “Offer Period”), the Class A Shareholder and the Transferring Shareholder shall negotiate in good faith in respect of the terms and conditions of the proposed sale and purchase of the Offered Shares. The Class A Shareholder may assign to an Affiliate of the Class A Shareholder its right to acquire the Offered Shares pursuant to this Section 3.4.
- (e) Sale to Third Party Purchaser. If the Parties are unable to agree upon the terms of the proposed Transfer within the Offer Period, the Transferring Shareholder may Transfer all, but not less than all, of the Offered Shares to one or more third parties; provided, however, that (i) at any time prior to the occurrence of any redemption event set out in Section 7 or Section 8, the prior written consent of the Class A Shareholder for the proposed Transfer shall be required and the Transferring Shareholder shall provide reasonable details of the proposed Transfer to the Class A Shareholder, which consent shall not be unreasonably withheld, and provided further that the Class A Shareholder shall not be deemed to be withholding its consent unreasonably in the event that the Transferring Shareholder proposes to Transfer any Class C Shares to a Competitor or to any Person who does not provide at least equivalent strategic and financial value to the Company as those of the Transferring Shareholder; (ii) such sale is bona fide, (iii) the price for the sale to the Transferee is a price higher than the lowest price offered by the Transferring Shareholder during negotiations to the Class A Shareholder and the sale is otherwise on terms and conditions no less favorable to the Transferring Shareholder than those offered to the Class A Shareholder and (iv) the Transfer is made within 90 days of the expiry of the Offer Period. If such a Transfer does not occur within such 90 day period for any reason, the restrictions provided for herein shall again become effective, and no Transfer of Class C Shares may be made by the Transferring Shareholder thereafter without again making an offer to the Class A Shareholder in accordance with this Section 3.4.
- (f) Closing. The closing of any purchase of Offered Shares by the Class A Shareholder shall be held at the principal office of the Company at 11:00 a.m. local time on the 45th day after the giving of the Class C Transfer Notice or at such other time and place as the parties to the transaction may agree. The said 45 day period shall be extended for an additional period of up to 45 days if necessary to obtain any Regulatory Approvals required for such purchase and payment. At

such closing, the Transferring Shareholder shall deliver certificates representing the Offered Shares, accompanied by duly executed instruments of transfer and the Transferring Shareholder's portion of the requisite transfer taxes, if any and the Company shall cause the Register of members to be updated accordingly to reflect such transfer(s). Such Offered Shares shall be free and clear of any Encumbrance (other than Encumbrances arising hereunder or attributable to actions by the Class A Shareholder), and the Transferring Shareholder shall so represent and warrant and shall further represent and warrant that it is the legal and beneficial holder of such Offered Shares. The Class A Shareholder shall deliver for payment at such closing (or on such later date or dates as may be provided in the Class C Transfer Notice with respect to payment of consideration by the proposed transferee) the price payable in cash in full. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the sale of the Offered Shares to the Class A Shareholder. Any stamp duty or transfer taxes or fees payable on the transfer of any Offered Shares shall be borne and paid equally by the Transferring Shareholder and the Class A Shareholder.

3.5 Transfer of Class A Shares.

- (a) Class A Transfer Notice. Prior to a Qualified IPO, subject to Sections 2.3 and 3.5(d)(iii), if the Class A Shareholder proposes to Transfer any Class A Shares to one or more unrelated bona fide third parties, such Shareholder shall send a written notice (a "Class A Transfer Notice") to the Class C Shareholders stating (i) the name and address of the proposed transferee (the "Transferee"), (ii) the number of Class A Shares to be Transferred, (iii) the number of Class A Shares that the Class A Shareholder then owns, (iv) the consideration payable per Class A Share, (v) if the proposed Transfer involves the Transfer of, together with all prior Transfers of Class A Shares by the Class A Shareholder, more than 50% of the then outstanding Class A Shares (which, for the avoidance of doubt, shall be inclusive of all previously Transferred Class A Shares), whether via share transfer, merger, consolidation or other business combination or otherwise in a single or a series of related transactions (a "Qualifying Drag Transaction"), whether the Class A Shareholder elects to exercise its Drag-Along Right, and (vi) the number of Class C Shares required to be sold by each Class C Shareholder (the "Drag-Along Shares") if the Drag-Along Right is exercised.
- (b) Applicable Provisions. If the Class A Shareholder elects to exercise its Drag-Along Right, the provisions of Section 3.5(c) (Drag-Along Rights) shall apply. If the Class A Shareholder does not elect to exercise its Drag-Along Right, the provisions of Section 3.5(d) (Tag-Along Rights) shall apply, provided that if the proposed Transfer is a Qualifying Drag Transaction and the Class A Shareholder has not

elected in the Class A Transfer Notice to exercise its Drag-Along Right in full and require the Class C Shareholders to Transfer all of the then outstanding Class C Shares, the Class C Shareholders shall have the right to elect to exercise either Tag-Along Rights or their rights under Section 3.5(e) (IMAX China Sale Put Right). For the avoidance of doubt, each Class C Shareholder may only elect to exercise either its Tag-Along Right or its IMAX China Sale Put Right, but not both or a combination of both.

- (c) Drag-Along Rights. Subject to Section 3.5(f), if the proposed Transfer is a Qualifying Drag Transaction and the Class A Shareholder has elected in the Class A Transfer Notice to exercise its right to require the Class C Shareholders to sell all or part of their Class C Shares (provided that if the relevant Class A Transfer Notice is delivered after the First Completion Date and before the Second Completion Date, the Class A Shareholder must require that all but no less than all of the Class C Shares be transferred pursuant to the Class A Transfer Notice) (the “Drag-Along Right”), upon receipt of the Class A Transfer Notice, each Class C Shareholder shall be obligated to, subject to Section 3.7 (i) sell its respective Drag-Along Shares, free and clear of any Encumbrance, in the transaction contemplated by the Class A Transfer Notice on the same terms and conditions as those of the Class A Shareholder (including payment of its pro rata share of all costs associated with such transaction) and (ii) otherwise take all necessary action to cause the consummation of such transaction, including executing documents as may reasonably be requested by the Class A Shareholder and voting its Shares in favor of such transaction and not exercising any appraisal rights in connection therewith.
- (d) Tag-Along Rights.
- (i) If (x) the proposed Transfer by the Class A Shareholder is not a Qualifying Drag Transaction or (y) if the proposed Transfer is a Qualifying Drag Transaction but the Class A Shareholder has not elected in the Class A Transfer Notice to exercise its Drag-Along Right in full to require the Class C Shareholders to Transfer all of the then outstanding Class C Shares, each Class C Shareholder shall have the right (the “Tag-Along Right”) but not the obligation to require the Transferee to purchase from such Class C Shareholder, for the same consideration per Share and upon the same terms and conditions as to be paid and given to the Class A Shareholder, (A) if the relevant Tag-Along Notice (as defined below) is delivered after the Second Completion Date and if the proposed Transfer is not a Qualifying Drag Transaction, a number of Class C Shares equal to the product of the total number of Class C Shares held by such Class C Shareholder multiplied by a fraction, the numerator of which is the number of Class A Shares proposed to be Transferred by the Class A Shareholder and the

denominator of which is the total number of Class A Shares held by the Class A Shareholder, and (B) if the proposed Transfer is a Qualifying Drag Transaction, all of the Class C Shares held by such Class C Shareholder. If the relevant Tag-Along Notice is delivered prior to the Second Completion Date, a Class C Shareholder exercising its Tag-Along Right must tag all but not less than all of its Class C Shares.

- (ii) Within 20 days following the delivery of a Class A Transfer Notice, each Class C Shareholder who elects to exercise its Tag-Along Right shall deliver a written notice (the “Tag-Along Notice”) of such election to the Class A Shareholder, specifying (i) the number of Class C Shares with respect to which it has elected to exercise its Tag-Along Right, as determined by Section 3.5(d)(i) above and (ii) the number of Class C Shares that the Class C Shareholder then owns. In order to be entitled to exercise its Tag-Along Right, each electing Class C Shareholder must agree, subject to Section 3.7, to Transfer the Class C Shares on the same terms and conditions as those of the Class A Shareholder (including payment of its pro rata share of all costs associated with such transaction). If any Class C Shareholder has not exercised its Tag-Along Right during the 20 day period referred to in this subsection above, the Tag-Along Right shall automatically terminate without any further action by any Party, and none of the Parties shall have any further rights, duties or obligations hereunder relating to the Tag-Along Right with respect to the Transfer set out in the Class A Transfer Notice.
 - (iii) Notwithstanding the foregoing, the Class C Shareholders’ Tag-Along Right shall not apply to the Transfer of up to 1,350,000 in the aggregate by the Class A Shareholder, provided that such Transfers are made to unrelated third parties on an arm’s length basis and pursuant to bona fide transactions.
- (e) IMAX China Sale Put Right.
- (i) Subject to Section 2.3, if the proposed Transfer is a Qualifying Drag Transaction and the Class A Shareholder has not elected in the Class A Transfer Notice to exercise its Drag-Along Right in full and to require the Class C Shareholders to Transfer all of the then outstanding Class C Shares, each Class C Shareholder shall have the right, exercisable by the delivery of a notice signed by such Class C Shareholder (the “IMAX China Sale Put Notice”) within 30 days after receipt of the Class A Transfer Notice, to require the Class A Shareholder or a Person designated by it to purchase all (but no less than all) of its Class C Shares on the same terms and conditions as those applicable to the Class A Shareholder, subject to Sections 3.5(f) and 3.7 (the “IMAX China Sale Put Right”). The IMAX China Sale

Put Notice shall specify (i) the name of the Class C Shareholder, (ii) the number of Class C Shares that the Class C Shareholder elects to sell (the “IMAX China Sale Put Shares”) and (iii) the number of Class C Shares that the Class C Shareholder then holds.

- (ii) Upon receipt of a IMAX China Sale Put Notice, the Class A Shareholder shall be obligated to purchase, or procure to be purchased, the IMAX China Sale Put Shares, free and clear of any Encumbrance, in the transaction contemplated by the Class A Transfer Notice on the same terms and conditions as those of the Class A Shareholder (including payment of its pro rata share of all costs associated with such transaction), subject to Sections 3.5(f) and 3.7. If the Class C Shareholders have not exercised the IMAX China Sale Put Right during the 30 day period referred to in Section 3.5(e)(i), the IMAX China Sale Put Right shall automatically terminate without any further action by any Party, and none of the Parties shall have any further rights, duties or obligations hereunder relating to the IMAX China Sale Put Right.
- (f) Minimum Return for Class C Shareholders. If the Transfer made by the Class C Shareholders is made pursuant to the exercise of the Drag-Along Right or the IMAX China Sale Put Right, the Class A Shareholder and IMAX Corp shall procure that each Class C Shareholder shall receive, for each Class C Share, including consideration received in the Transfer and any dividends or other distributions paid on such Class C Share, (x) a return of at least the Original Class C Share Price multiplied by 2.25 if the relevant transaction is consummated within 18 months immediately after the First Completion Date, or (y) a return of at least the Original Class C Share Price multiplied by 2.75 if the relevant transaction is consummated after 18 months after the First Completion Date; provided that, this Section 3.5(f) shall not apply if the Transfer of Class A Shares and the corresponding Transfer of Class C Shares pursuant to either the Drag-Along Right or the IMAX China Sale Put Right are initiated primarily due to the implementation of laws, regulation, or decrees in the PRC (which are not actually or prospectively in force on the date of this Agreement) that (A) would have a materially disproportionate impact on the Company’s ability to own and conduct its primary business due to the foreign-owned nature of IMAX Corp’s ownership interest in the Company, relative to non-foreign-owned cinema services providers in the PRC, and (B) based on the Company’s good faith determination after good faith consultation with the Class C Shareholders, are reasonably likely to, within a reasonable period of time (and in any event, within one year following such implementation), prohibit or materially restrict the ordinary conduct of the Company’s primary business; provided, further, that the foregoing proviso shall not apply if such legal or regulatory requirement or

related action by a Governmental Authority arose against the Group or IMAX Corp directly as a result of willful or grossly negligent violations of material applicable law, regulation or decree by the Group or IMAX Corp.

- 3.6 Avoidance of Restrictions. The Parties agree that the Transfer restrictions in this Agreement and in the Charter Documents shall not be capable of being avoided by the holding of Shares indirectly through a company or other entity that can itself be sold in order to dispose of an interest in Shares free of such restrictions. Any Transfer or other disposal of any shares (or other interest) resulting in any change of Control of a Shareholder or of any company (or other entity) having Control over that Shareholder shall be treated as being a Transfer of the Shares held by that Shareholder (including, for the avoidance of doubt, any such Transfer or other disposal of IMAX Barbados by IMAX Corp), and the provisions of this Agreement and the Charter Documents that apply in respect of the Transfer of Shares shall thereupon apply in respect of the Shares so held; provided that any Transfer or other disposal of IMAX Corp Shares that result in a Change of Control of IMAX Corp shall be governed by Section 8.
- 3.7 Shareholder Obligations and Liabilities. In the event of a Transfer pursuant to Section 3.4, 3.5(c), 3.5(d) or 3.5(e), the Class C Shareholders (i) shall agree to make, severally and not jointly, representations and warranties relating to their legal and beneficial holding of the Class C Shares, their authority to Transfer, the absence of any litigation or conflicts in respect of such Transfer and such other fundamental representations and warranties as may be necessary, (ii) shall not be obligated to make any other representations or warranties, including general Company representations or warranties, other than those set forth in clause (i) of this Section 3.7, and (iii) shall provide indemnities in connection with such Transfer as may be required by clause (i). Any liabilities relating to such Transfer shall be borne on a pro rata basis based on the consideration actually received by each Shareholder and in any event shall not exceed the net proceeds actually received by such Shareholder from such Qualifying Drag Transaction.
- 3.8 Applicable to all Shares. This Agreement shall apply to all Shares acquired by Shareholders after the date of this Agreement, including, for Class C Shareholders, Class C Shares acquired by Class C Shareholders at the Second Completion.
- 3.9 Transfer of Exercisable Securities. Any Transfer of Equity Securities exercisable or convertible into or exchangeable for Shares will be deemed for the purposes of this Section 3 to be a Transfer of Shares.
- 3.10 Notice of Transfer. Within five Business Days after registering any Transfer of Shares or other Equity Securities in the Company on the Register of Members (for shares) or in its books (for other Equity Securities), the Company shall send a notice to each Shareholder stating that such Transfer has taken place and setting forth the name of the transferor, the name of the

transferee and the number and class of Shares or Equity Securities in the Company involved.

SECTION 4 PREEMPTIVE RIGHTS

- 4.1 **Restrictions.** The Company shall not issue any Equity Securities or any third party debt that (x) is rated below BBB or Baa3 by established credit rating agencies or (y) provides an interest rate of more than 10% per annum (any such debt, “High Yield Debt”) to any Person (the “Proposed Recipient”), including in accordance with Section 5.3, unless the Company has offered each Shareholder in accordance with the provisions of this Section 4 the right to purchase up to all of such Shareholder’s Pro Rata Share of such issuance for a per unit consideration, payable solely in cash, equal to the per unit consideration to be paid by the Proposed Recipient and otherwise on the same terms and conditions as are offered to the Proposed Recipient; provided that the foregoing restriction shall not apply to (i) the issuance of Shares in a public offering approved by the Board in accordance with this Agreement, or (ii) the issuance pursuant to Section 5.5.
- 4.2 **Notice.** Not less than 20 days before a proposed issuance of securities other than in connection with an issuance permitted under Section 4.1 (a “Proposed Issuance”), the Company shall deliver to each Shareholder written notice of the Proposed Issuance setting forth (i) the number, type and terms of the Equity Securities or High Yield Debt to be issued, (ii) the consideration to be received by the Company in connection with the Proposed Issuance and (iii) the identity of the Proposed Recipients.
- 4.3 **Exercise of Rights.** Within 20 days following delivery of the notice referred to in Section 4.2 (such period, the “Preemptive Offer Period”), each Shareholder electing to exercise its rights under this Section 4 shall give written notice to the Company specifying the number of securities such Shareholder is willing to purchase and the calculation by such Shareholder of its Pro Rata Share. Failure by any Shareholder to give such notice within the Preemptive Offer Period shall be deemed a waiver by such Shareholder of its rights under this Section 4 with respect to such Proposed Issuance.
- 4.4 **Obligations of the Company.** If the Company does not receive notices during the Preemptive Offer Period with respect to all of the securities offered, then the Company may issue such remaining offered securities to the Proposed Recipient(s) for a consideration per unit set out in the Company’s notice in Section 4.2 and otherwise on the same terms and conditions as those offered to the exercising Shareholders at any time within 30 days following the Preemptive Offer Period; provided, that in connection with and as a condition to such issuance (solely in the case of any issuance of Shares), each Proposed Recipient of such Shares who is not then a party to this Agreement shall execute and deliver to the Company an agreement (a copy of which the Company shall then deliver to each Shareholder) pursuant to which such Proposed Recipient agrees to be bound by the terms of this Agreement. In the event that all of the remaining offered securities are not so issued during such

30 day period, the right of the Company to issue such unsold securities shall expire and the obligations of this Section 4 shall be reinstated and such securities shall not be offered unless first reoffered to the Shareholders in accordance with this Section 4.

SECTION 5 CORPORATE GOVERNANCE

5.1 Board of Directors.

- (a) Number and Composition. The number of Directors constituting the entire Board initially shall be nine. Subject to Sections 2.3 and 5.1(c), each Shareholder shall vote its shares at any Shareholders Meeting called for the purpose of filling the positions on the Board or in any written consent of Shareholders executed for such purpose to elect, and shall take all other actions necessary to ensure the election to the Board of, (i) so long as FV, together with its Affiliates, meets the Minimum Ownership Requirement, one FV nominee (the “FV Director”), (ii) so long as CMC, together with its Affiliates, meets the Minimum Ownership Requirement, one CMC nominee (the “CMC Director”, and together with the FV Director, the “Class C Directors”), and (iii) seven nominees of the Class A Shareholder, among which one nominee shall be an independent director who shall be reasonably satisfactory to the Class C Shareholders.
- (b) Observers. Subject to Section 2.3, so long as each of FV and CMC, together with their respective Affiliates, meets the Minimum Ownership Requirement, each of FV and CMC shall have the right to appoint one observer to Board meetings. The observers may attend Board meetings but shall not have any vote at any Board meeting.
- (c) Consultation with IMAX Corp. Prior to the appointment of a Class C Shareholder Director or an observer to the Board, each Class C Shareholder shall consult with IMAX Corp with respect to the identity of the potential appointee, and shall take into consideration in good faith any objections raised by IMAX Corp in connection therewith and provided that the Class C Shareholders shall not appoint any individual to whom IMAX Corp has already objected prior to the date of this Agreement as either a Class C Shareholder Director (or as a proxy for any Class C Shareholder Director) or to serve as an observer.
- (d) Removal and Replacement of Directors.
 - (i) Subject to Section 2.3, a Director shall be removed from the Board, with or without cause, upon, and only upon, the affirmative vote of the Shareholders in accordance with this Section 5.1(d) and the provisions of the Act. Each Shareholder shall vote its Shares for the removal of a Director upon the request of the Shareholder that nominated such Director.

Otherwise, no Shareholder shall vote for the removal of a Director.

- (ii) Subject to Section 2.3, in the event any Director resigns or is removed in accordance with Section 5.1(d)(i), the Shareholder that nominated such Director will have the right to nominate, appoint or remove such Director's successor or replacement, and such successor or replacement Director shall be nominated and appointed on or as soon as practicable after the date of such resignation or removal.
- (e) Authority of Board. Subject only to the provisions of this Agreement and the Act:
 - (i) the Board shall have ultimate responsibility for management and control of the Company;
 - (ii) the Board shall be required to make all major decisions of the Company and all decisions outside the day to day business of the Company (including, without limitation, those referred to in Section 5.3). All matters in respect of such decisions must be referred to the Board, and no Shareholder or officer shall take any actions purporting to commit the Company in relation to any such matters without the approval of the Board. Each Shareholder shall cause the Director nominated by such Shareholder, if any, not to take any such actions or authorize any officers to take any such actions; and
 - (iii) the Board shall not delegate its authority with respect to any matter relating to the management and control of the Company to any committee of the Board, unless the Class C Directors are designated members of any such committee.
- (f) Chairman of the Board. The Chairman of the Board shall be selected by a majority vote of the Directors. The Chairman shall not have a casting vote.

5.2 Board Meetings.

- (a) Frequency and Location. Meetings of the Board shall take place at least once in every quarterly period. Meetings shall be held in a location approved by a majority of the Directors.
- (b) Notice. A meeting may be called by the Chairman of the Board or any three other Directors or the Class C Directors as a group (provided that the Class C Directors may not call more than two meetings per calendar year and any meeting called by the Class C Directors shall count against the number of regular meetings to be held by the Board pursuant to Section 5.2(a)), in each case by giving notice in writing to the Company Secretary specifying the date, time and agenda for such

meeting. The Company Secretary shall upon receipt of such notice give a copy of such notice to all Directors and the observers of such meeting, accompanied by a written agenda specifying the business of such meeting and copies of all papers relevant for such meeting. Not less than 7 days' notice shall be given to all Directors; provided, however, that such notice period (i) shall not apply in the case of an adjourned meeting pursuant to Section 5.2(c) and (ii) may be reduced with the written consent of all of the Directors.

- (c) Quorum. All meetings of the Board shall require a quorum of at least six Directors; provided, however, that at any time when there are any Class C Shareholder Directors the quorum must include the Class C Shareholder Directors. If such a quorum is not present within one hour from the time appointed for the meeting due to the absence of the Class C Shareholder Directors, the meeting shall adjourn to such place and time as those Directors who did attend shall decide or, if no such decision is reached, at the same place and time seven days later, at which meeting the Directors present shall constitute a valid quorum, provided that notice of such adjourned meeting shall have been delivered to all Directors at least five days prior to the date of such adjourned meeting.
- (d) Voting. At any Board meeting, each Director may exercise one vote. Any Director may, by written notice to the Company Secretary, authorize another Director to attend and vote by proxy for such Director at any Board meeting. Except as provided in Section 5.3, the adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted meeting of the Board. The Board shall not at any meeting adopt any resolution covering any matter that is not specified on the agenda for such meeting unless all Directors are present at such meeting and vote in favor of such resolution.
- (e) Telephonic Participation. Directors may participate in Board meetings by telephone, and such participation shall constitute presence for purposes of the quorum provisions of Section 5.2(c).
- (f) Expenses. The reasonable costs of attendance of Directors at Board meetings shall be borne by the Company.
- (g) Action by Written Resolution. Any action that may be taken by the Directors at a meeting may be taken by a written resolution signed by all of the Directors.

5.3 Approval of Either Class C Shareholder. Subject to Section 2.3, so long as a Class C Shareholder and its Affiliates meet the Minimum Ownership Requirement (provided, that for purposes of this Section 5.3 only, the percentage "90%" used in the definition of "Minimum Ownership Requirement" shall be replaced with "75%" wherever used), the Company and IMAX Corp shall not, directly or indirectly, authorize or take any of the

actions, or authorize or take or omit to take any action that would have the effect of any of the actions, set forth in Schedule 1 without the prior written consent of such Class C Shareholder.

- 5.4 Management Team. The Company will engage and retain a management team, the members of whom will be compensated by the Company. The Board shall have the right to appoint, remove or dismiss members of the management team, provided, however, that the Board shall reasonably consult with the Class C Shareholders and consider the views of the Class C Shareholders in good faith prior to any such appointment or removal.
- 5.5 Employee Stock Option Plan. From the date hereof until the occurrence of an IPO, the Company shall reserve such amount of Equity Securities of the Company representing 7% of all the outstanding Equity Securities in the Company on a fully-diluted basis immediately after the First Completion for directors and members of the management team of the Company ("Equity Reserved for Management"); provided, that all options that have been issued prior to the date hereof pursuant to the Company's employee long term incentive plan adopted on October 29, 2012 shall be deemed to be included in, and count against, the Equity Reserved for Management. Any time during the period from the First Completion Date to the occurrence of an IPO, the Board shall have the right to implement an employee stock option plan, pursuant to which (a) up to 50% of the Equity Reserved for Management may be issued to directors and members of the management team of the Company in the form of Shares, and (b) the remainder of the Equity Reserved for Management may be issued in the form of warrant, option or other equity-linked derivatives; provided, that with respect to the warrants, options or other equity-linked derivatives that the Board may issue pursuant to clause (b) of this Section 5.5, if any such security is issued (i) during the six-month period following the First Completion Date, such security must be issued at an exercise price that is no less than the Original Class C Share Price, and (ii) thereafter, such security must be issued at an exercise price that is at least equivalent to its then fair market value; provided, further, that if such fair market value is less than the Original Class C Share Price, the Company must provide to the Class C Shareholders a written explanation of the difference with reasonable details and supporting financial statements. The Company may, at its sole discretion, issue phantom equity to the members of the management team which shall count against and be included as a part of the Equity Reserved for Management.

SECTION 6 DIVIDENDS

- 6.1 Dividends. Subject to Section 2.3, immediately prior to any IPO, the Board shall, to the extent permitted by law, declare special dividends on a pro rata basis to all the shareholders of the Company at such time (the "Pre-IPO Shareholders") of an amount in the aggregate equal to 75% of the amount of the Net Cash of the Company immediately prior to such IPO (the "Dividend Amount"). If, as determined by the Board in good faith, any of such Dividend Amount is required to be used for a designated business purpose or will be

required to fund operations in the ordinary course of business over the 12 month period immediately after the completion of the IPO (the “Withheld Amount”), the Company shall, to the extent permitted by law, pay to the Pre-IPO Shareholders the portion of such Dividend Amount less the Withheld Amount on a pro rata basis. The Withheld Amount (which shall be in the form of a note issued and payable by the Company to the Pre-IPO Shareholders) will be paid by the Company on a pro rata basis based on the pre-IPO relative ownership percentage of each such Pre-IPO Shareholder as soon as practicable after the IPO, taking into account any proceeds received by the Company from the IPO and the cash generated by the Business, and to the extent permitted by law, no later than the Business Day immediately following the date on which the post-IPO Net Cash of the Company is equal to or exceeds the higher of US\$10,000,000 and 200% of the Withheld Amount.

SECTION 7 IPO, REDEMPTION AND SHARE ISSUANCE

- 7.1 IPO. Subject to Sections 2.3 and 7.3, if a Qualified IPO has not occurred by the fifth anniversary of the First Completion Date (the “IPO Deadline”), notwithstanding an IPO may have occurred on or before the IPO Deadline, each Class C Shareholder may deliver a written notice (the “Valuation Notice”) to the Company requesting the calculation of the fair market value of the equity value of the Company, which value shall be expressed as a single value as opposed to a range of values (the “EqVC1”). The Valuation Notice may only be delivered within 45 days after the IPO Deadline. If more than one Class C Shareholder delivers a written notice, then both Class C Shareholders shall coordinate with each another so that the valuation process described herein is not conducted on two separate tracks with the Company.
- (a) Following delivery of the Valuation Notice, the Company and the applicable Class C Shareholder shall discuss in good faith the EqVC1 at such time. If the relevant Parties cannot agree upon the EqVC1 within 60 days of the delivery of the Valuation Notice by such Class C Shareholder (the “Consensus Period”), then such Class C Shareholder shall appoint an internationally reputable investment bank that is not headquartered in China) (for the avoidance of doubt, such Class C Shareholder may appoint Hong Kong, China or other Asian based Subsidiaries or branches of international investment banks) (the “Investor’s Appraiser”), and the Company shall appoint another internationally reputable investment bank (the “Company’s Appraiser”), for each to provide a valuation of the EqVC1; provided, however, that neither the Investor’s Appraiser nor the Company’s Appraiser shall be an investment bank that has provided services to, has received fees in excess of US\$2,000,000 from, or that has been engaged on more than three occasions by, such Class C Shareholder, the Company or any of their respective Affiliates, as applicable, in the two years before such appointment (for the avoidance of doubt, the engagement of such investment banks by such Class C Shareholder’s non-Controlled portfolio companies for securities issuances and other

financial services shall not be so included) (each, a “Qualified Appraiser”); provided, further that if, according to such standard, none of the six investment banks set forth in Section 7.1(b)(iii)(2) can be appointed, the foregoing definition of Qualified Appraiser shall be deemed to exclude the word “non-Controlled”. The Investor’s Appraiser and the Company’s Appraiser shall be required to provide their respective valuations of the EqVC1 within three months following delivery of the Valuation Notice. The Company shall fully cooperate with the provision of information necessary for any such appraisal.

(b) The EqVC1 shall be determined as follows:

- (i) if the relevant Parties agree on the EqVC1 within the Consensus Period, the EqVC1 shall be the agreed valuation;
- (ii) if between the valuations provided by the Investor’s Appraiser (the “Investor’s Valuation”) and the Company’s Appraiser (the “Company’s Valuation”), the lower valuation is equal to or exceeds 85% of the higher valuation, the EqVC1 shall be the average between the two valuations;
- (iii) if the lower valuation is less than 85% of the higher valuation, the EqVC1 shall be determined in accordance with the following procedure:
 - (1) The Company and the relevant Class C Shareholder shall, within 30 days after the delivery of both the Company’s Valuation and the Investor’s Valuation, agree and appoint a third internationally reputable investment bank (the “Third Appraiser”) to provide a valuation of the EqVC1; provided that the Third Appraiser shall also be a Qualified Appraiser.
 - (2) If the Company and the relevant Class C Shareholder fail to agree on the identity of the Third Appraiser within such 30-day period, the Third Appraiser shall be selected as follows: the names of Goldman Sachs, UBS Securities, JP Morgan Chase, Merrill Lynch, Credit Suisse and Citigroup (or their respective successor firms) shall be placed in a hat; provided that, each of these banks is at such time actively covering and publishing research reports on IMAX Corp; and provided, further that if any of these banks has already been selected as either the Investor’s Appraiser or the Company’s Appraiser, then the name(s) of such bank(s) shall not be placed in the hat. A representative of the applicable Class C Shareholder and a representative of the Company shall then (A) take turns to draw a name from the hat each time until there is only one investment

bank's name left in the hat, and such investment bank shall be selected as the Third Appraiser, and (B) flip a coin to determine whether the parties will use the Hong Kong based branch or the U.S. based branch of such investment bank as the Third Appraiser.

- (iv) The Third Appraiser shall be instructed to provide its valuation of the EqVC1 (the "Third Valuation") within 30 days of its appointment.
 - (v) The EqVC1 shall be the average between the two valuations, among the Third Valuation, the Investor's Valuation and the Company's Valuation, that are closest.
 - (vi) The Company shall bear the costs and expenses related to the engagement of the Company's Appraiser; the applicable Class C Shareholder shall bear the costs and expenses related to the Investor's Appraiser; and the Company, on one hand, and the Class C Shareholder, on the other hand, shall share the costs and expenses related to the engagement of the Third Appraiser equally.
- (c) Each of the Investor's Appraiser, the Company's Appraiser and the Third Appraiser (each, an "Appraiser") shall be provided with the same financial and operation-related information about the Company and its Subsidiaries, including the latest three years business plan which has been approved by the Board in the fiscal year ended prior to the year in which the IPO Deadline falls, including the revenue, the Company EBITDA, the IMAX Corp EBITDA, earnings per share, relevant balance sheet information, including what is required to calculate equity value, and other relevant projections of the Company and its Subsidiaries for the five-year period commencing from the beginning of the year in which the IPO Deadline falls (together with any more recent or updated projections reviewed by the Board, if available), to facilitate its valuation of the EqVC1. The Company, on the one hand, and the applicable Class C Shareholder, on the other hand, shall severally and jointly instruct the Company's Appraiser, the Investor's Appraiser and the Third Appraiser, as applicable, to carry out their appraisal (x) without bias, (y) in consideration of the management business plan and other factors based on its own diligence of the Business, as well as publicly available research projections, and (z) considering the following factors and assumptions:
- (i) assuming no premium or strategic value due to third-party interest or bid speculation;
 - (ii) considering the same multiple of IMAX Corp EBITDA and the earnings per share at which IMAX Corp stock is then trading, considering where it would be appropriate to adjust for (iii) below;

- (iii) considering the relative growth rate of the Company, including considering historical growth rates as a consideration in projecting future growth rates (for example, if the Company grows faster than IMAX Corp, considering using a higher EBITDA multiple for the Company than that of IMAX Corp);
- (iv) assuming the Company has ownership or use rights of the brand name, intellectual property, technologies and other similar rights for the Business (and, as applicable, any Unrelated Business) in Greater China as set out in the IMAX Agreements;
- (v) assuming the Company has qualified and independent senior management and personnel to conduct its business in the ordinary course; and
- (vi) considering valuing the Company's interest in the TCL JV on a "sum-of-the-parts" basis separately from the Company, and considering taking into account the Class C Shareholder's veto right with respect to contributions thereto.

7.2 Redemption and Share Issuance. After determination of the EqVC1 in accordance with Section 7.1, each Class C Shareholder may elect to, by delivering prior written notice to the Company and IMAX Corp (the "Redemption Notice") request that all (but no less than all) of the Class C Shares then held by such Class C Shareholder be:

- (a) redeemed by the Company at par value together with the issuance of such number of IMAX Corp Shares equal to the number derived by dividing the Total Investment Amount by the Exchange Share Price (as adjusted for any subdivision, combination or dividend in IMAX Corp Shares) (the "Maximum Share Number"), provided that IMAX Corp is then publicly traded and listed on a Qualified Stock Exchange;
- (b) redeemed by the Company at par value together with the payment by IMAX Corp in cash at a per share price equal to the Original Class C Share Price as consideration less aggregate par value paid by the Company; or
- (c) redeemed by the Company at par value together with the exchange and/or redemption at the Pro Rata Share of the EqVC1 (less aggregate par value paid by the Company), with consideration being paid with up to the Maximum Share Number and the remainder of the consideration paid with cash (the "FMV Flip Up Option"); provided, that (i) in respect of the portion of the Pro Rata Share of the EqVC1 that is equal to the Total Investment Amount, such Class C Shareholder shall have the right, in its sole discretion, to elect for such portion to be (A) redeemed entirely in cash, or (B) exchanged entirely for IMAX Corp Shares up to the Maximum Share Number, or (C) redeemed and exchanged with a combination of cash and IMAX Corp Shares, and (ii)

the remaining portion shall be paid in cash and/or additional IMAX Corp Shares, the election of which shall be at IMAX Corp's sole discretion, provided that the maximum number of IMAX Corp Shares that may be issued as consideration shall be the Maximum Share Number, and provided further that IMAX Corp is then publicly traded and listed on a Qualified Stock Exchange. Such election shall be notified by IMAX Corp to such Class C Shareholder within five Business Days after delivery of the Redemption Notice. Any fractional amount IMAX Corp Shares shall be paid in cash in lieu of fractional shares.

Each Class C Shareholder shall specify in the Redemption Notice, as applicable, (i) which option set forth in Section 7.2(a), (b) or (c) such Class C Shareholder has elected, for the avoidance of doubt, shall be the same for all Class C Shares redeemed, (ii) the number of the Class C Shares to be redeemed by the Company, (iii) if the FMV Flip Up Option is chosen, which option set forth in Section 7.2(c)(i) such Class C Shareholder has elected. Provided that IMAX Corp is listed on a Qualified Stock Exchange at the time of the issuance of relevant IMAX Corp Shares, IMAX Corp shall use its best efforts to procure that all IMAX Corp Shares issued to a Class C Shareholder pursuant to this Section 7.2 shall, if applicable, be registered (under Form S-3 or otherwise) by IMAX Corp within 45 days after the issuance date of the relevant IMAX Corp Shares and be freely tradable upon the registration of the relevant IMAX Corp Shares and not be subject to any transfer restrictions (other than applicable securities law restrictions). The Redemption Notice shall be delivered within 20 days after the determination of the EqVC1 in accordance with Section 7.1, failing which the Class C Shareholders shall be deemed to have waived their rights under this Section 7.

7.3 Change in Share Price. If an IPO has occurred but no Qualified IPO has occurred by the IPO Deadline, the Class C Shareholders shall cease to have any rights under this Section 7 immediately upon the earlier of either (a) the average of the volume-weighted average price of Shares that are of the same class as Shares then held by Class C Shareholders (or of any other class into which the Shares held by the Class C Shareholders are convertible) traded on the relevant stock or securities exchange during any 15 consecutive trading days (excluding the first 10 trading days after an IPO) yields a return on each Class C Share equal to or greater than the IPO Floor, or (b) the volume-weighted average price of Shares that are of the same class as Shares then held by Class C Shareholders (or of any other class into which the Shares held by the Class C Shareholders are convertible) traded on the relevant stock exchange on each of any 10 consecutive trading days (excluding the first 10 trading days following an IPO) yields a return on each Class C Share equal to or greater than the IPO Floor. At such time as the conditions set forth in subsections (a) or (b) above are satisfied, the IPO will be deemed to be a Qualified IPO for the purposes of Section 7 hereof.

7.4 Redemption and Issuance. Upon the delivery of a Redemption Notice, the Company and IMAX Corp shall, in accordance with the Redemption Notice

and to the extent permitted by applicable law, (a) redeem all of the outstanding Class C Shares of the applicable Class C Shareholder and pay to such Class C Shareholder the applicable redemption price within 20 days after receipt of the relevant notice, or (b) issue such number of IMAX Corp Shares to such Class C Shareholder within 30 days after the delivery of the relevant notice. The Class C Shareholder shall deliver its certificates of Class C Shares to the Company for cancellation at such time and place as the Company may designate.

7.5 Expiry of Rights. The provisions of this Section 7 shall expire and shall have no further force or effect if the Valuation Notice is not delivered by the Class C Shareholders within the time period set out in Section 7.2.

7.6 IPO Undertaking. The Parties acknowledge that it is the plan of the Company to conduct an IPO on or before the IPO Deadline. The Parties will cooperate in good faith and use commercially reasonable efforts to implement a Qualified IPO on or before the IPO Deadline, it being agreed that the Parties shall, in connection with such cooperation and efforts, consider all relevant circumstances including then existing market conditions but only in the best interest of the Company.

SECTION 8

PUT AND CALL RIGHTS UPON CHANGE OF CONTROL OF IMAX CORP

8.1 IMAX Corp CoC Put and Call Rights.

- (a) Subject to Section 2.3, if IMAX Corp reasonably believes that a transaction involving a Change of Control of IMAX Corp will occur, at a time deemed appropriate by IMAX Corp but in any event before the board of directors of IMAX Corp approves such transaction, IMAX Corp shall procure that the Class A Shareholder serve a confidential notice (the "IMAX Corp CoC Notice") on each Class C Shareholder. The IMAX Corp CoC Notice shall include (i) the material terms of the IMAX Corp Change of Control transaction (including the EqVC2), and (ii) a calculation of the per share price for the Class C Shareholders to transfer Class C Shares pursuant to Section 8.2 below. Upon the receipt of the IMAX Corp CoC Notice, each Class C Shareholder shall (x) cease trading in any securities of IMAX Corp and (y) within three Business Days thereof, undertake to IMAX Corp in writing that it shall not buy or sell any securities of IMAX Corp in breach of applicable securities laws.
- (b) Upon receipt of the IMAX Corp CoC Notice,
 - (i) each Class C Shareholder shall, pursuant to this Section 8, have the right (the "IMAX Corp CoC Put Right") to cause IMAX Corp or its designated Person to purchase all, but no less than all of the Class C Shares held by such Class C Shareholder at a per share price equal to the IMAX Corp CoC Put Price determined pursuant to Section 8.2; and

(ii) the Class A Shareholder shall, pursuant to this Section 8, have the right (the “IMAX Corp CoC Call Right”) to purchase or designate any of its Affiliates to purchase from the Class C Shareholders all, but no less than all of the then outstanding Class C Shares at a per share price equal to an amount that will generate a return on the Original Class C Share Price which shall provide the Class C Shareholders with an additional 0.25x return than the return generated by the IMAX Corp CoC Put Price, taking into account any dividends or other distributions already paid on the Class C Shares (the “IMAX Corp CoC Call Price”); provided, that IMAX Corp shall remain liable for the obligations of the Class A Shareholder and/or its designated Affiliates hereunder;

provided, however, that, if the Change of Control of IMAX Corp is completed within the first twelve months after the First Completion Date, all of the then outstanding Class C Shares shall be put at a per share price of no less than the Original Class C Share Price multiplied by 1.75, or called at a per share price of no less than the Original Class C Share Price multiplied by 2.0, in each case taking into account any dividend or other distribution that has been paid on the Class C Shares.

8.2 Calculation of IMAX Corp CoC Put Price.

(a) The per Share price for the Class C Shareholders to transfer Class C Shares under Section 8.1(b)(i) (the “IMAX Corp CoC Put Price”) shall be equal to the amount determined by dividing the EqVC2 (as defined below) by the number of all outstanding Shares as of the date of the IMAX Corp CoC Notice. EqVC2 shall be calculated as follows.

EqVC2 = IC – the Financial Indebtedness of the Company + the Cash of the Company, in each case as of the Last Reported Quarter (*refer to Exhibit C-2 for sample calculation*)

Where: $IC = IT * P$

Where:

IT = IMAX Corp Transaction-Based TEV

P = the simple average of P1 and P2

P1= Company LTM EBITDA / IMAX Corp LTM EBITDA

P2 = Company LTM Unlevered Net Income / IMAX Corp LTM Unlevered Net Income (*refer to Exhibit C-1 for sample calculation*)

For purposes of calculating “P” above, any effect of the TCL JV shall be excluded, and any components of such calculation (including without limitation, income or loss) that are attributable to the TCL JV shall be deemed to be zero.

- (b) Within five Business Days after delivery of the IMAX Corp CoC Notice, each Class C Shareholder shall notify the Class A Shareholder whether they agree with or disagree with the proposed IMAX Corp CoC Put Price set out in the IMAX Corp CoC Notice. Commencing on and during such five Business Day period, IMAX Corp shall provide to the Class C Shareholders reasonable access to its books, records, working papers and personnel relating to the calculation of the IMAX Corp CoC Put Price and any other information reasonably requested by the Class C Shareholders in connection with their determination of the IMAX Corp CoC Put Price. If any Class C Shareholder fails to deliver such notice within such five Business Day period, they shall be deemed to have agreed with the IMAX Corp CoC Put Price set out in the IMAX Corp CoC Notice. If any Class C Shareholder notifies the Class A Shareholder within such five Business Day period that they disagree with the IMAX Corp CoC Put Price set out in the IMAX Corp CoC Notice, the IMAX Corp CoC Put Price shall be determined in accordance with Section 8.2(c).
- (c) On the day following the Class C Shareholders' delivery of the notice pursuant to Section 8.2(b), unless the Class C Shareholders and the Class A Shareholder agree otherwise, one representative of the Class C Shareholders and one representative of the Class A Shareholder shall select an investment bank as follows: the names of the investment banks listed in Section 7.1(b)(iii)(2) shall be placed in a hat, provided that if any such investment bank is advising any party to the IMAX Corp Change of Control transaction, the name of such investment bank shall not be included. Each representative of the Class A Shareholder and the Class C Shareholders shall (A) take turns to draw one name from the hat, and the investment bank whose name remains in the hat shall be selected as the investment bank to be jointly appointed by the Parties, and (B) flip a coin to determine whether the parties will use the Hong Kong based branch or the U.S. based branch of such investment bank. The costs and expenses in relation to the appointed investment bank shall be shared equally between the Class A Shareholders, on the one hand, and the Class C Shareholders, on the other hand. The investment bank shall be instructed to determine the IMAX Corp CoC Put Price in accordance with Section 8.2(a) within 10 days of its appointment and to deliver its determination to the Parties at the same time. The IMAX Corp CoC Put Price determined by the investment bank in accordance with this Section shall be (i) final and binding on the Parties and shall not be subject to the dispute resolution provisions set out in Section 14.2 and (ii) shall be valid for a period of six months.

8.3 Exercise of the IMAX Corp CoC Put Right. The IMAX Corp CoC Put Right shall be exercisable upon delivery of a written notice by each Class C Shareholder (the "IMAX Corp CoC Put Notice") to the Class A Shareholder

no later than five days after the IMAX Corp CoC Put Price is either agreed (or deemed agreed by the Class C Shareholders) or determined in accordance with Section 8.2(c) (the “IMAX Corp CoC Put Period”). The IMAX Corp CoC Put Notice shall specify the number of Class C Shares held by each Class C Shareholder. If any Class C Shareholder does not exercise the IMAX Corp CoC Put Right during the IMAX Corp CoC Put Period, the IMAX Corp CoC Put Right shall automatically terminate without any further action by any Party with respect to such Class C Shareholder, and such Class C Shareholder shall not have any further rights, duties or obligations hereunder relating to the IMAX Corp CoC Put Right. The IMAX Corp CoC Put Notice shall be irrevocable and shall constitute a binding agreement by the applicable Class C Shareholder to sell all the Class C Shares held by such Class C Shareholder to the Class A Shareholder (or its designated purchaser) at the IMAX Corp CoC Put Price subject only to the closing of the IMAX Corp Change of Control transaction.

8.4 Exercise of the IMAX Corp CoC Call Right. The Class A Shareholder may exercise the IMAX Corp CoC Call Right by delivery of a written notice (the “IMAX Corp CoC Call Notice”) to the Class C Shareholders no later than seven days after the IMAX Corp CoC Put Price is either agreed (or deemed agreed by the Class C Shareholders) or determined in accordance with Section 8.2(c) (the “IMAX Corp CoC Call Exercise Period”). The IMAX Corp CoC Call Notice shall specify the number of the Class C Shares held by each Class C Shareholder and the IMAX Corp CoC Call Price. If the Class A Shareholder has not exercised the IMAX Corp CoC Call Right during the IMAX Corp CoC Call Exercise Period, the IMAX Corp CoC Call Right shall automatically terminate without any further action by any Party, and none of the Parties shall have any further rights, duties or obligations hereunder relating to the IMAX Corp CoC Call Right. The IMAX Corp CoC Call Notice shall be irrevocable and shall constitute a binding agreement by the Class A Shareholder to purchase (or procure a designated purchaser to purchase) all the Class C Shares at the IMAX Corp CoC Call Price subject only to the closing of the IMAX Corp Change of Control transaction.

8.5 Adjustment to Price. In the event the actual total enterprise value of IMAX Corp in the completed Change of Control transaction is different from the amount used to calculate the IMAX Corp Transaction-Based TEV (including, for the avoidance of doubt, the Financial Indebtedness of IMAX Corp and the Cash as calculated in the completed Change of Control transaction), IMAX Corp shall (a) promptly notify the Class C Shareholders and include in such notice a reasonably detailed calculation of the IMAX Corp CoC Put Price and/or the IMAX Corp CoC Call Price, as applicable, based on the actual total enterprise value of IMAX Corp in the Change of Control transaction, and (b) provide to the Class C Shareholders reasonable access to its books, records, working papers and personnel relating to the calculation of the adjusted IMAX Corp CoC Put Price and/or the adjusted IMAX Corp CoC Call Price and any other information reasonably requested by the Class C Shareholders in order to verify such prices. The Parties agree that, in the event of any adjustment to the IMAX Corp CoC Put Price and/or the IMAX Corp CoC Call Price, as

applicable, pursuant to this Section 8.5, the per Share price for the Class C Shareholders to transfer Class C Shares under Section 8.1(b)(i) or Section 8.1(b)(ii), as applicable, shall be the adjusted IMAX Corp CoC Put Price and/or the IMAX Corp CoC Call Price, as applicable, pursuant to this Section 8.5.

- 8.6 **Closing.** With respect to each Class C Shareholder, in the event that an IMAX Corp Put Notice is delivered within the IMAX Corp CoC Put Period and an IMAX Corp CoC Call Notice is delivered within the IMAX Corp CoC Call Period, the notice that is first delivered to the intended party shall prevail and the other notice shall not be valid. The closing of the sale and purchase of the applicable Class C Shareholder(s)' Class C Shares pursuant to this Section 8 shall be held, unless otherwise agreed by the applicable Parties, simultaneously with the closing of the IMAX Corp Change of Control transaction. At such closing, the applicable Class C Shareholder(s) shall deliver certificates representing all the Class C Shares held by such Class C Shareholder(s), accompanied by duly executed instruments of transfer and such Class C Shareholder(s)' portion of the requisite transfer taxes, if any and the Company shall cause the Register of Members to be updated accordingly to reflect same. The applicable Class C Shares shall be free and clear of any Encumbrance (other than Encumbrances arising hereunder), and each of the Class C Shareholders, as applicable, shall so represent and warrant and shall further represent and warrant that it is the legal and beneficial holder of its Class C Shares. The Company or its designated purchaser shall deliver at such closing payment in full in cash of the IMAX Corp CoC Put Price or the IMAX Corp CoC Call Price, as applicable. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the sale of the applicable Class C Shares. Any stamp duty or transfer taxes or fees payable on the transfer of any Class C Shares shall be borne and paid equally by the applicable Class C Shareholder(s), on the one hand, and the purchaser, on the other hand.

SECTION 9 REPRESENTATIONS AND WARRANTIES AND ADDITIONAL AGREEMENTS

- 9.1 **Representations and Warranties.** Each Party represents to other Parties that:
- (a) such Party has the full power and authority to enter into, execute and deliver this Agreement and other Basic Documents and to perform the transactions contemplated hereby or thereby and such Party is duly incorporated or organized and existing under the laws of the jurisdiction of its incorporation or organization;
 - (b) the execution and delivery by such Party of this Agreement and other Basic Documents and the performance by such Party of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate or other action of such Party;

- (c) assuming the due authorization, execution and delivery hereof by the other Parties, each of the Basic Documents constitutes the legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally; and
 - (d) the execution, delivery and performance of this Agreement and any other Basic Document by such Party and the consummation of the transactions contemplated hereby will not (i) violate any provision of any organizational or governance document of such Party, (ii) require such Party to obtain any consent, approval or action of, or make any filing with or give any notice to, any Governmental Authority in such Party's country of organization or (iv) violate any law.
- 9.2 Non-Competition of the Investor. Subject to Section 9.3, each Class C Shareholder agrees and covenants that, for the period commencing on the date of this Agreement and ending on the first year anniversary of the date that such Class C Shareholder ceases to have the right to appoint a Director pursuant to Section 5.1, neither such Class C Shareholder nor any of its Affiliates shall directly or indirectly, invest in, or provide services to, whether alone or jointly with others or whether as principal, agent, shareholder or otherwise, whether through its nominees, trustees, representatives or any other Persons, and whether for its own benefit or that of others, any business that, in Greater China as a material portion of its business, (i) sells (whether for revenue-sharing or cash), leases or distributes large format cinema equipment or technology, (ii) provides digital re-mastering or other image enhancement services to movie studios, or (iii) markets, distributes, sells, leases or maintains custom-built home theatres with a sale price of no more than US\$1,500,000. For the avoidance of doubt, the foregoing restriction does not affect or prohibit any investment in or services to cinema operators, including multiplex operators, whether or not they offer a premium movie-going experience.
- 9.3 Exceptions to Non-Competition. The restriction contained in Section 9.2 above does not affect or prohibit a Class C Shareholder or any of its Affiliates from owning purely for passive financial investment purposes Equity Securities in any company quoted or dealt on an internationally recognized stock exchange, provided that (i) such Equity Securities do not exceed 10 per cent of the Equity Securities in that company on a fully-diluted basis, (ii) neither the Class C Shareholder nor any of its Affiliates, nominees, trustees, agents or other representatives has a right to appoint, or appoints, any director, supervisor, commissioner, management or any other equivalent position of such company, and (iii) the relevant company is not otherwise Controlled by the relevant Class C Shareholder or any of its Affiliates, nominees, trustees, agents or other representatives.
- 9.4 Non-Competition of IMAX Corp. Other than as set out in this Agreement, IMAX Corp agrees not to conduct any business, or acquire or make any investment in or provide any services to any Person, in Greater China that

directly competes with, or could reasonably be expected to compete with, the primary business of the Business other than through the Company, provided that the forgoing restriction does not affect or prohibit IMAX Corp from conducting, acquiring, making an investment in or providing services in respect of an Unrelated Business separate and apart from the Company or its Affiliates, provided further that: (i) IMAX Corp has complied with the Unrelated Business Agreement (including the procedures set forth in Section 2 thereof) and offered the Unrelated Business opportunity at development cost to the Company pursuant thereto in good faith and on bona fide commercial terms, (ii) the Company has provided the Class C Shareholders with the election, in their sole discretion, to cause the Company to reject such Unrelated Business and the Class C Shareholders have elected for the Company to reject such Unrelated Business; (iii) IMAX Corp has informed (as soon as reasonably practicable) the Class C Shareholders of its decision that it wishes to pursue such Unrelated Business, and (iv) the Unrelated Business does not and could not reasonably be expected to compete with the primary business of Business.

- 9.5 Modification of Non-Compete Obligations. Each Party agrees that if any court or arbitration tribunal determines that Section 9.2 or Section 9.4, or any part thereof, is invalid or unenforceable, the remainder of these provisions shall not thereby be affected and shall be given full effect without regard to the invalid portions. In addition, if any court or arbitration tribunal determines that these provisions, or any part thereof, is unenforceable because of the duration or geographical scope, such court or arbitration tribunal shall have the power to reduce the duration or scope, as the case may be, and, in its reduced form, this provision shall then be enforceable. Furthermore, if any Party breaches the relevant provision, the non-breaching Party shall have the right and remedy to, in addition to and not in lieu of any other right or remedy available to the non-breaching Party under law, have such breach specifically enforced by any court or arbitration tribunal having jurisdiction. Each Party acknowledges and agrees that any breach of Section 9.2 or Section 9.4 will cause irreparable injury to the non-breaching Party and that money damages will not provide an adequate remedy to the non-breaching Party.
- 9.6 Non-Solicitation. Each Class C Shareholder agrees and covenants that, for the period commencing on the date of this Agreement and ending on the first year anniversary of the date that such Class C Shareholder ceases to have the right to appoint a Director pursuant to Section 5.1, neither it nor any of its Affiliates shall persuade, solicit or encourage any employee of any Group Company to leave employment with such Group Company.
- 9.7 Registration Rights. In the event the Company or any other Group Company applies for an IPO on a stock or securities exchange on which registration rights are applicable, the Company or such other entity, as applicable, shall enter into a registration rights agreement with the Shareholders of the Company pursuant to which such Shareholders, whether directly or indirectly, shall have customary demand (following the IPO), shelf and piggyback

registration rights, and otherwise on terms and conditions reasonably satisfactory to such shareholders.

9.8 Information Rights; Access.

- (a) So long as a Class C Shareholder and its Affiliates meet the Minimum Ownership Requirement, and without limiting Section 9.8(b), the Company shall deliver to such Class C Shareholder the information set forth in this Section 9.8(a):
- (i) as soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year of the Company, a consolidated balance sheet of the Group as of the end of such period, and consolidated statements of income and cash flows of the Group as of the end of such period, in each case prepared in conformity with GAAP, applied on a consistent basis, subject to the absence of footnotes and to normal year-end adjustments, and setting forth in comparative form the figures for the corresponding periods of the previous fiscal year, all in reasonable detail and certified by the principal financial or accounting officer of the Company (collectively, the “Quarterly Financial Statements”);
 - (ii) as soon as available and in any event within 85 days after the end of each fiscal year of the Company, a consolidated balance sheet of the Group as of the end of such year, and consolidated statements of income and cash flows of the Group for the year then ended, in each case prepared in conformity with GAAP, applied on a consistent basis, and setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and together with a report thereon by either a “big 4” accounting firm or the auditor of IMAX Corp (the “Annual Financial Statements”);
 - (iii) (A) as part of the information provided pursuant to clauses (i) and (ii) above, written confirmation by the principal financial or accounting officer of the Company (1) that the IMAX Agreements have not been amended other than as provided under this Agreement, as applicable, (2) summarizing the gross box office receipts for each IMAX theatre in Greater China, so long as the Company has made reasonable efforts to request and has received such information from the relevant exhibitors, and (3) summarizing the status of system installations pursuant to contracts entered into with any exhibitors in Greater China, and (B) as part of the information provided pursuant to clause (ii) above, a schedule of all payments made in connection with any transactions between any Group Company, on the one hand, and IMAX Corp or any of its Affiliates (other than any Group Company), on the other hand, for such fiscal year, together with reasonably detailed calculations therefor and a

reconciliation to the financial statements provided pursuant to clause (ii) and the relevant IMAX Agreement(s); and

- (iv) as soon as practicable and in any event within five Business Days following a request by any Class C Shareholder, reasonable access to the Company's auditors during normal business hours. Without limiting the generality of the foregoing, the Class C Shareholders may appoint third party external auditors, at their own cost, to inspect the books and records of the Company.
- (b) So long as a Class C Shareholder and its Affiliates meet the Minimum Ownership Requirement, upon the request of such Class C Shareholder, the Company shall provide to such Class C Shareholder reasonable access during normal business hours to the Company's personnel, books and records (and the Company shall request and obtain from IMAX Corp if such personnel, books and records are with or held by IMAX Corp) and such other information as such Class C Shareholder may reasonably request for tax or other purposes that are customary for investments of this type. None of the above access or information rights shall interfere with the conduct of the business of any Group Company.

SECTION 10 CONFIDENTIALITY AND RESTRICTIONS ON PUBLICITY

10.1 General Obligation. Each Party undertakes to the other Parties that it shall not reveal, and that it shall procure that its directors, equity interest holders, officers, employees and agents (collectively, "Representatives") do not reveal, to any third party any Confidential Information without the prior written consent of the Company or the concerned Party, as the case may be, or use any Confidential Information in such manner that is detrimental to the Company or the concerned Party, as the case may be. For the avoidance of doubt, a Party shall be liable for any breach by such Party's Representative of the confidentiality obligations contained in this Section 10. The term "Confidential Information" as used in this Section 10 means, (a) any information concerning the organization, business, technology, intellectual property, safety records, investment, finance, transactions or affairs of any Party, its Subsidiaries or any of their respective directors, officers or employees (whether conveyed in written, oral or in any other form and whether such information is furnished before, on or after the date of this Agreement); (b) the terms of this Agreement or any of the other Basic Documents, or the identities of the Parties, their Subsidiaries and their respective Affiliates; and (c) any other information or materials prepared by a Party, its Subsidiaries or its Representatives that contains or otherwise reflects, or is generated from, Confidential Information.

10.2 Exceptions. The provisions of Section 10.1 shall not apply to:

- (a) disclosure of Confidential Information that is or becomes generally available to the public other than as a result of disclosure by or at the direction of a Party or any of the Representatives in violation of this Agreement;
- (b) disclosure by a Party (A) to a Representative, an Affiliate or such Party's direct or indirect equity holders (including its limited partners or limited partners of any of its feeder or co-investment funds) in accordance with its customary reporting obligations to such direct or indirect equity holders (including its limited partners or limited partners of any of its feeder or co-investment funds), provided that such Affiliates and Representatives are under an obligation of confidentiality (whether professional or contractual), or (B) for customary fund-raising purposes, it being understood that for purposes of clause (B) only such information shall include the items set forth on Schedule 3 only, provided that the recipient of any such Confidential Information is obligated to keep such information confidential pursuant to a customary confidentiality agreement; or
- (c) disclosure, after giving prior notice to the other Parties to the extent practicable under the circumstances and subject to any practicable arrangements to protect confidentiality, to the extent required under the rules of any stock exchange or by applicable laws or judicial or regulatory process or in connection with any judicial process regarding any legal action, suit or proceeding arising out of or relating to this Agreement.

SECTION 11
TERM AND TERMINATION

- 11.1 Effective Date; Termination. This Agreement shall become effective upon the First Completion and shall continue in effect until the earlier to occur of (a) an IPO, except that the Parties shall continue to be bound by Section 6 (Dividends) and Section 7 (IPO, Redemption and Share Issuance), (b) completion of a redemption or share exchange pursuant to Section 7, (c) completion of a put or call transaction pursuant to Section 8, and (d) any date agreed upon in writing by all of the Parties. Notwithstanding the foregoing, this Agreement shall terminate with respect to any Shareholder at such time as such Shareholder no longer beneficially and legally holds any Shares; provided, that any obligation hereunder that is specific to such Shareholder shall continue to bind such Shareholder until such obligation has been fully satisfied and nothing herein shall relieve any Party from any liability for the breach of any of the agreements set forth herein.
- 11.2 Consequences of Termination. If this Agreement is terminated pursuant to Section 11.1, this Agreement shall become null and void and of no further force and effect, except that the Parties shall continue to be bound by the provisions of Section 10 (Confidentiality and Restrictions on Publicity), this Section 11, Section 13.4 (No Agency), Section 13.5 (No Partnership) and Section 14 (Governing Law and Dispute Resolution). Nothing in this Section

11.2 shall be deemed to release any Party from any liability for any breach of this Agreement prior to the effective date of such termination.

**SECTION 12
NOTICES**

12.1 Notice Addresses and Method of Delivery. All notices, requests, demands, consents and other communications (“Notices”) required to be given by any Party to any other Party shall be in writing and delivered by hand delivery or courier; prepaid registered letter sent by first class mail (express courier if to an address in a country other than the country in which the sender is situated), return receipt request or facsimile or email to the applicable Party at the address or facsimile number stated below:

If to the Company:

IMAX China Holding, Inc.
PO Box 309, Ugland House, Grand Cayman,
KY1-1105, Cayman Islands
Attention: Maples Corporate Services Limited
Facsimile No.: +1 345 949 8080

with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison
12th Floor, Hong Kong Club Building
3A Chater Road, Central
Hong Kong
Attention: Jeanette K. Chan
Facsimile No.: +852 2840 4300

if to IMAX Barbados or IMAX Corp:

IMAX Corporation
2525 Speakman Drive, Mississauga, Ontario
Canada L5K 1B1 Attention: General Counsel
Facsimile No.: +1 905 403 6468

with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison
12th Floor, Hong Kong Club Building
3A Chater Road, Central
Hong Kong
Attention: Jeanette K. Chan
Facsimile No.: +852 2840 4300

if to FV:

China Movie Entertainment FV Limited

Intertrust Corporate Services (Cayman) Limited
190 Elgin Avenue,
George Town,
Grand Cayman KY1-9005
Cayman Islands
Attention: Neil Gray & Kareen Watler
Facsimile No.: +1 345 945 4757

with a copy to:

FountainVest Partners (Asia) Limited
Suite 705-708, ICBC Tower
3 Garden Road
Central, Hong Kong
Attention: Mr. Alex Zhang/Mr. Leon Xu/Mr. Brian Lee
E-mail: alexzhang@fountainvest.com /
leonxu@fountainvest.com / brianlee@fountainvest.com
Fax: +852 3107 2490

and to

Fried, Frank, Harris, Shriver & Jacobson
1601 Chater House
8 Connaught Road Central
Hong Kong Attention: Douglas Freeman / Victor Chen
Facsimile No.: +852 3760-3611
Email: douglas.freeman@friedfrank.com /
victor.chen@friedfrank.com

if to CMC:

CMC Capital Partners
Unit 3607-3608, The Center, No. 989 Changle Road,
Xuhui District, Shanghai
Attention: Clark Xu
Facsimile No.: +86 21 5466-1250

with a copy to:

Fried, Frank, Harris, Shriver & Jacobson
1601 Chater House
8 Connaught Road Central
Hong Kong
Attention: Douglas Freeman / Victor Chen
Facsimile No.: +852 3760-3611
Email: douglas.freeman@friedfrank.com /
victor.chen@friedfrank.com

or, as to each Party, at such other address or number as shall be designated by such Party in a notice to the other Party containing the new information in the

same format as the information set out above and complying as to delivery with the terms of this Section.

12.2 Time of Delivery. Any Notice delivered:

- (a) by hand delivery shall be deemed to have been delivered on the date of actual delivery;
- (b) by prepaid registered letter or express courier shall be deemed to have been delivered four Business Days after the date of posting or delivery to the courier (if by prepaid registered letter to an address in a country other than the country in which the sender is situated, shall be deemed to have been delivered eight Business Days after the date of posting);
- (c) by facsimile shall be deemed to have been delivered on the day the transmission is sent (as long as the sender has a confirmation report specifying a facsimile, a facsimile number of the recipient, the number of pages sent and the date of the transmission); and
- (d) by email upon confirmation of successful transmission.

12.3 Proof of Delivery. In proving delivery of any Notice it shall be sufficient:

- (a) in the case of delivery by hand delivery or courier, to prove that the Notice was properly addressed and delivered;
- (b) in the case of delivery by prepaid registered letter, to prove that the Notice was properly addressed and posted; and
- (c) in the case of delivery by facsimile transmission, to prove that the transmission was confirmed as sent by the originating machine to the facsimile number of the recipient, on the date specified.

**SECTION 13
MISCELLANEOUS**

13.1 Legend. Each certificate for any Shares now held or hereafter acquired by any Shareholder shall, for as long as this Agreement is effective, bear a legend as follows:

IMAX China Holding, Inc. (the "Company") is a company organized under the laws of the Cayman Islands, and the shares represented by this certificate shall not be sold, assigned, transferred, exchanged, mortgaged, pledged or otherwise disposed of or encumbered without compliance with the provisions of that certain Shareholders' Agreement, dated as of April 7, 2014, among the Company and the shareholders of the Company named therein or subsequently adhering thereto. A copy of such Shareholders' Agreement is on file at the principal offices of the Company. The Company will not register the transfer of such shares on the books of the Company unless and until the transfer has been made in compliance with the terms of such Shareholders' Agreement.

- 13.2 **Discrepancies.** If there is any discrepancy between any provision of this Agreement and any provision of the Charter Documents or the charter documents of any Subsidiary, the provisions of this Agreement shall prevail, and the Parties shall procure that the Charter Documents or the charter documents of the relevant Subsidiary, as the case may be, are promptly amended, to the extent permitted by applicable law, in order to conform with this Agreement.
- 13.3 **Assignment.** This Agreement shall inure to the benefit of, and be binding upon, the successors and Persons to whom a Shareholder transfers Equity Securities in the Company in a Transfer permitted under this Agreement, provided that in each case such Person signs a joinder substantially in the form attached hereto as **Exhibit B**; provided, further that in no event shall the assigning Shareholder be relieved of its obligations or liability hereunder so long as such obligations or liability continue to be outstanding. Notwithstanding the foregoing sentence, IMAX Corp and the Company agree not to assign any of their obligations hereunder without the prior written consent of each Class C Shareholder, which shall not be unreasonably withheld or delayed.
- 13.4 **No Agency.** No Shareholder, acting solely in its capacity as a Shareholder, shall act as an agent of the Company or have any authority to act for or to bind the Company, except as authorized by the Board. For the purposes of this Section, unless acting expressly solely in its capacity as a Shareholder, any Shareholder who is a director or officer or employee of any Group Company acting in the ordinary course of business of any Group Company shall be conclusively deemed to act for and on behalf of, and shall not be regarded as acting as an agent of, any Group Company. Any Shareholder that takes any action or binds the Company in violation of this Section shall be solely responsible for, and shall indemnify the Company and each other Shareholder against, any losses, claims, damages, liabilities, judgments, fines, obligations, expenses and liabilities of any kind or nature whatsoever (including any investigative, legal and other expenses reasonably incurred in connection with, and any amounts paid in settlement of, any pending or threatened legal action or proceeding) that the Company, or such other Shareholders, as the case may be, may at any time become subject to or liable for by reason of such violation.
- 13.5 **No Partnership.** The Shareholders expressly do not intend hereby to form a partnership, either general or limited, under any jurisdiction's partnership law. The Shareholders do not intend to be partners one to another, or partners as to any third party, or create any fiduciary relationship among themselves, by virtue of their status as Shareholders. To the extent that any Shareholder, by word or action, represents to another Person that any Shareholder is a partner or that the Company is a partnership, the Shareholder making such representation shall be liable to any other Shareholders that incur any losses, claims, damages, liabilities, judgments, fines, obligations, expenses and liabilities of any kind or nature whatsoever (including any investigative, legal or other expenses reasonably incurred in connection with, and any amount paid in settlement of, any pending or threatened legal action or proceeding) arising out of or relating to such representation.

- 13.6 Amendment. This Agreement may not be amended, modified or supplemented except by a written instrument executed by all the Parties.
- 13.7 Waiver. No waiver of any provision of this Agreement shall be effective unless set forth in a written instrument signed by the Party waiving such provision. No failure or delay by a Party in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other right, power or remedy. Without limiting the foregoing, no waiver by a Party of any breach by any other Party of any provision hereof shall be deemed to be a waiver of any subsequent breach of that or any other provision hereof.
- 13.8 Entire Agreement. This Agreement (together with the other Basic Documents and any other documents referred to herein or therein), represents the entire understanding and constitutes the whole agreement among the Parties relating to the subject matter hereof and supersedes any prior agreements or understandings relating to such subject matter.
- 13.9 Severability. Each and every obligation under this Agreement shall be treated as a separate obligation and shall be severally enforceable as such and in the event of any obligation or obligations being or becoming unenforceable in whole or in part. To the extent that any provision or provisions of this Agreement are unenforceable they shall be deemed to be deleted from this Agreement, and any such deletion shall not affect the enforceability of this Agreement as remain not so deleted.
- 13.10 Counterparts. This Agreement may be executed in any number of counterparts and by the Parties in separate counterparts, including counterparts transmitted by facsimile or by e-mails, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Except as otherwise specified, this Agreement shall become legally binding at the time of execution of the last such counterpart and shall have effect from the date first above written.
- 13.11 Consent. Any consent required under this Agreement shall be valid and effective only if given in writing.
- 13.12 Attorney's Fees. In the event that any Party hereto institutes any legal suit, action or proceeding, including arbitration, against another Party in respect of a matter arising out of or relating to this Agreement, the prevailing party in the suit, action or proceeding shall be entitled to receive, in addition to all other damages to which it may be entitled, the costs incurred by such party in conducting the suit, action or proceeding, including reasonable attorneys' fees and expenses and court costs, subject to discretion of the relevant court or tribunal.

SECTION 14
GOVERNING LAW AND DISPUTE RESOLUTION

- 14.1 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF NEW YORK WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF THAT WOULD APPLY THE LAWS OF ANOTHER JURISDICTION.
- 14.2 Arbitration.
- (a) Any dispute, controversy or claim arising out of, in connection with or relating to this Agreement (or the interpretation, breach, termination or validity thereof) shall be resolved through arbitration. A dispute may be submitted to arbitration upon the request of any Party with written notice to the other Parties (the "Arbitration Notice").
 - (b) The arbitration shall be conducted in Hong Kong and administered by the Hong Kong International Arbitration Centre (the "HKIAC") under the UNCITRAL Arbitration Rules in force at the time of the initiation of the arbitration. There shall be three arbitrators. No arbitrator shall be a national of Canada or the PRC. The claimants to the dispute shall collectively choose one arbitrator, and the respondents shall collectively choose one arbitrator, within 30 days after the delivery of the Arbitration Notice to the other Parties. Both arbitrators shall agree on the third arbitrator within 30 days of their appointment. If any of the members of the arbitral tribunal have not been appointed within 30 days after the Arbitration Notice is given, the relevant appointment shall be made by the Secretary General of the HKIAC. The arbitration shall be conducted in English.
 - (c) Each Party shall cooperate with the other in making full disclosure of and providing complete access to all information and documents requested by the other in connection with such arbitration proceedings, subject only to any doctrine of legal privilege or any confidentiality obligations binding on such Party.
 - (d) The costs of arbitration shall be borne by the losing Party, unless otherwise determined by the arbitration tribunal.
 - (e) When any dispute occurs and when any dispute is under arbitration, except for the matters in dispute, the Parties shall continue to fulfill their respective obligations and shall be entitled to exercise their rights under this Agreement.
 - (f) The award of the arbitration tribunal shall be final and binding upon the Parties, and the prevailing Party may apply to a court of competent jurisdiction for enforcement of such award.
 - (g) If an arbitration panel has already been formed under any other Basic Document and is in existence at the time a demand for arbitration is made under this Agreement, the Parties shall submit the dispute to the same panel.

14.3 Specific Performance. Notwithstanding Section 14.2, the Parties hereto acknowledge and agree that irreparable harm may occur for which money damages would not be an adequate remedy in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to emergency, provisional and permanent injunctive relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement. Each Party hereby waives (i) any defense specific to the remedy of specific performance, including the defense that a remedy at law would be adequate, and (ii) any requirement under any law to post a bond or other security as a prerequisite to obtaining equitable relief.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

IMAX CHINA HOLDING, INC.

By: /s/ G. Mary Ruby
Name: G. Mary Ruby
Title: Sole Director

IMAX (BARBADOS) HOLDING, INC.

By: /s/ G. Mary Ruby
Name: G. Mary Ruby
Title: Sole Director

CHINA MOVIE ENTERTAINMENT FV LIMITED

By: /s/ Neil Gray
Name: Neil Gray
Title: Director

CMCCP DOME HOLDINGS LIMITED

By: /s/ Ruigang Li
Name: Ruigang Li
Title: Authorized Signatory

CHINA MOVIE ENTERTAINMENT CMC LIMITED

By: /s/ Clark Xu
Name: Clark Xu
Title: Authorized Signatory

IMAX CORPORATION

By: /s/ Joseph Sparacio

Name: Joseph Sparacio

Title: Executive Vice President and Chief Financial
Officer

By: /s/ Ed MacNeil

Name: Ed MacNeil

Title: Senior Vice President, Finance

SCHEDULE 1
RESERVED MATTERS
(Pursuant to Section 5.3 of the Agreement)

(a) amendment of the Charter Documents that disproportionately and adversely affect the rights or interests of the Class C Shareholders, other than such amendments that are required by law. For the avoidance of doubt, to the extent the conversion or collapse of all classes of shares of the Company into one class of common shares is required by the relevant stock exchange in connection with an IPO, an amendment to the Charter Documents to provide for such conversion or collapse on a 1:1 basis is deemed not to be an amendment that disproportionately and adversely affect the rights or interests of the Class C Shareholders;

(b) any related-party transaction that is not negotiated and entered into on an arm's length basis (for the avoidance of doubt, subject to paragraph (c) below, the related party transactions pursuant to the agreements set forth on Schedule 2 shall be deemed to have been approved);

(c) any amendments to, waivers of, or deviations from, any of the terms of the agreements set forth on Schedule 2 hereto (the "IMAX Agreements"), other than amendments, waivers or deviations that are (i) of an administrative, operational or technical nature that do not have any effect on any of the economic terms in such agreements, provided that the Class C Shareholders are informed in writing of any such amendment, waiver or deviation and provided with a copy of the amended IMAX Agreement, as applicable, on a quarterly basis or (ii) changes to the economic terms of the IMAX Agreements to the extent required pursuant to the Letter of Undertaking;

(d) authorization or issuance of (i) any Equity Securities in the Company that have any preference over or are senior to or pari passu with the Class C Shares (including in respect of voting, distributions, liquidation preference or redemption), (ii) any Equity Securities in the Company that are issued for per Share consideration lower than the Original Class C Share Price, and (iii) any other Equity Securities in the Company, except for (x) no more than 10% of then issued and outstanding Shares that are junior to the Class C Shares and are issued for a per Share consideration at not lower than the Original Class C Share Price, and (y) an additional 5% of then issued and outstanding Shares that are junior to the Class C Shares and are issued for a per Share consideration at not lower than the aggregate amount of the Original Class C Share Price plus an internal rate of return of 20% per annum on the Original Class C Share Price, in each case under (x) and (y), pursuant to bona fide third party financing transactions;

(e) other than the transactions set out in Section 4 of the Subscription Agreement as illustrated in the Funds Flow Memo (as such term is defined in the Subscription Agreement), incurring indebtedness by the Company (or any other Group Company) in excess of trailing EBITDA multiplied by 3.5;

(f) entry into any Unrelated Business (including any joint venture or partnership) by the Company (or any other Group Company);

(g) conducting any Unrelated Business projected to account for more than 50% of the Company's gross margin in any year, or the Company (i) accepting or declining any opportunity to fund its pro rata contribution or (ii) negotiating any royalty rate, in each case, with respect to any Unrelated Business;

(h) making any contribution (in the form of equity, debt or otherwise) in respect of the TCL JV, whether in cash or otherwise (it being understood that in the event that such contribution is not consented to by either Class C Shareholder pursuant to this provision, IMAX Corp shall be permitted to make such contribution provided that such contribution is made at a valuation that is no less than that offered to the Company and the Company's shareholding in the TCL JV will be diluted accordingly);

(i) undertaking any IPO by the Company (or any other Group Company) on any exchange that is not a Qualified Stock Exchange;

(j) any change in board size of the Company (or any other Group Company);

(k) any change in the Company's stock option or incentive benefits in a manner materially detrimental to CMC or FV;

(l) appointment or removal of any auditors by the Company unless the replacement is a "big 4" accounting firm or is the auditor of IMAX Corp;

(m) (i) voluntarily commence any case, proceeding or other action (A) under any bankruptcy, insolvency or similar law seeking to have an order of relief entered with respect to the Company or seeking to adjudicate the Company a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to the Company or the Company's debts or (B) seeking appointment of a receiver, trustee, custodian or other similar official for the Company or all or substantial part of the Company's property, (ii) voluntarily make a general assignment for the benefit of the Company's creditors; and

(n) any amendments to, waivers of, or deviations from, any of the terms of the Personnel Secondment Agreement dated as of August 11, 2011 by and between IMAX Corp and the WFOE that modify the current proportionate time spent formula specified therein such that the Company and/or the WFOE will be charged disproportionately for the time spent by such employee on Greater China matters.

SUBSCRIPTION AGREEMENT

among

IMAX CHINA HOLDING, INC.,

IMAX CORPORATION,

IMAX (BARBADOS) HOLDING, INC.,

CHINA MOVIE ENTERTAINMENT FV LIMITED,

CMCCP DOME HOLDINGS LIMITED

and

CHINA MOVIE ENTERTAINMENT CMC LIMITED

Dated April 7, 2014

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SCHEDULES

SCHEDULE 1	PARTICULARS OF THE GROUP
SCHEDULE 2	DISCLOSURE SCHEDULE
SCHEDULE 3	COLLECTIVE WARRANTIES
SCHEDULE 4	INVESTOR WARRANTIES

EXHIBITS

EXHIBIT A	FORM OF RESTATED ARTICLES
EXHIBIT B	FUNDS FLOW MEMORANDUM

AMONG:

- (1) **IMAX CHINA HOLDING, INC.**, an exempted company with limited liability incorporated and existing under the laws of the Cayman Islands whose registered address is at PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands (the "Company");
- (2) **IMAX CORPORATION**, a corporation incorporated pursuant to the laws of Canada whose registered office is at 2525 Speakman Drive, Mississauga, Ontario, Canada L5K 1B1 ("IMAX Corp");
- (3) **IMAX (BARBADOS) HOLDING, INC.**, an international business company incorporated pursuant to the laws of Barbados whose registered office is at The Phoenix Centre, George Street, Bellevue, St. Michael, Barbados ("IMAX Barbados");
- (4) **CHINA MOVIE ENTERTAINMENT FV LIMITED**, an exempted company with limited liability incorporated and existing under the laws of the Cayman Islands whose registered office is at the office of Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands. ("FV"); and
- (5) **CMCCP DOME HOLDINGS LIMITED** ("CMCCP"), and **CHINA MOVIE ENTERTAINMENT CMC LIMITED** ("CME"), exempted companies with limited liability incorporated and existing under the laws of the Cayman Islands whose registered office is at the office of Sertus Incorporations (Cayman) Limited, Sertus Chambers, P.O. Box 2547, 69 Dr. Roy's Drive, George Town, Grand Cayman KY1-1104, Cayman Islands (together, "CMC"; CMC together with FV, the "Investors" and each an "Investor"). For purposes of this Agreement, any references to CMC in this Agreement shall refer to CMCCP and CME on a joint and several basis.

(together the "Parties" and each a "Party").

RECITALS:

- (A) The Company is an exempted company with limited liability incorporated and existing under the laws of the Cayman Islands. Further particulars of the Company are set forth in Part A of Schedule 1.
- (B) On the date hereof, IMAX Barbados holds 100% of the issued and outstanding Class A Shares (as defined below) of the Company.
- (C) The Parties agree that, upon the terms and subject to the conditions set forth herein, the Company shall allot and issue to the Investors, and the Investors shall subscribe for certain Class C Shares.

**SECTION 1
INTERPRETATION**

1.1 Definitions. In this Agreement, unless the context otherwise requires the following words and expressions have the following meanings:

“Actual Net Deficit” means the amount derived by (a) the First Completion IMAX Trade Payables owed by the Group to IMAX Corp plus (b) the actual amount of the Financial Indebtedness of the Group plus (c) the Notes minus (d) the actual amount of Cash of the Group minus (e) net proceeds of the FV First Subscription Price and the CMC First Subscription Price (after deducting the payment of 50% of the aggregate amount of expenses incurred by the Parties pursuant to Section 7.1) and minus (f) the IMAX Corp Note, in each case, as of the First Completion Date immediately after giving effect to the transactions set forth in Sections 4.2(a)(ii), 4.2(a)(iii) and 4.2(a)(iv) (as illustrated in Steps 1 to 4 of the Funds Flow Memo). For the avoidance of doubt, for purposes of calculating the “Actual Net Deficit”, the amounts in respect of the foregoing clauses (a), (b), (c) (d) and (f) shall be the actual amounts of each of the First Completion IMAX Trade Payables, the Financial Indebtedness, the Notes, Cash and IMAX Corp Note as shown on the Opening Day Balance Sheet.

“Affiliate” of a Person (the “Subject Person”) means a Person that directly or indirectly through one or more intermediaries Controls or is Controlled by or is under common Control with the Subject Person.

“Assigned Contracts” means the contracts set forth in Schedule 1 to the Assignment Agreement.

“Assigned Rights” means all of IMAX Corp’s economic rights and benefits in and to the Delegated Contracts.

“Assignment Agreement” means the assignment, delegation and services agreement entered into by and between IMAX Corp and HKCo effective as of January 1, 2014.

“Basic Documents” means this Agreement, the Shareholders’ Agreement, the Restated Articles, the Indemnity Agreement, the Letter of Undertaking and the Assignment Agreement.

“Board” means the board of directors of the Company.

“Business Day” means any day other than Saturday, Sunday or other day on which commercial banks located in the Cayman Islands, the United States of America, Canada, the PRC or Hong Kong are authorized or required by law or executive order to be closed and on which no tropical cyclone warning no. 8 or above and no “black” rainstorm warning signal is hoisted in Hong Kong at any time between 8:00 a.m. and 6:00 p.m. Hong Kong time.

“Cash” shall have the meaning set forth in the Shareholders’ Agreement.

“China” or the “PRC” means the People’s Republic of China, and for purposes of this Agreement excluding Hong Kong and Macau Special Administrative Regions of the PRC and Taiwan.

“Class A Shares” means Common A shares of par value US\$0.01 each in the authorized capital of the Company.

“Class C Shares” means Common C shares of par value US\$0.01 each in the authorized capital of the Company.

“CMC Shares” means collectively the CMC First Completion Shares and the CMC Second Completion Shares.

“Collective Warranties” means the representations and warranties undertakings of the Company and IMAX Corp set forth in Schedule 3.

“Control” of a Person means (a) ownership of more than 50% of the shares in issue or other equity interests or registered capital of such Person or (b) the power to direct the management or policies of such Person, whether through the ownership of more than 50% of the voting power of such Person, through the power to appoint a majority of the members of the board of directors or similar governing body of such Person, through contractual arrangements or otherwise.

“Delegated Contracts” means the contracts set forth in Schedule 2 to the Assignment Agreement.

“Disclosure Schedule” means the disclosure schedule set forth in Schedule 2.

“Equity Securities” means, with respect to any Person, such Person’s capital stock, membership interests, partnership interests, registered or share capital, joint venture or other ownership interests or any options, warrants or other securities that are directly or indirectly convertible into, or exercisable or exchangeable for, such capital stock, membership interests, partnership interests, registered or share capital, joint venture or other ownership interest (whether or not such derivative securities are issued by such Person).

“Financial Indebtedness” shall have the meaning set forth in the Shareholders’ Agreement.

“First Completion” means the completion of the subscription for and issuance of FV First Completion Shares and the CMC First Completion Shares in accordance with Section 2.1.

“First Completion Date” means the date that is one (1) Business Day after the date of this Agreement.

“First Completion IMAX Trade Payables” means the actual net trade payables payable by the Group to IMAX Corp as of the First Completion Date, which is equal to the total amount of net trade payables due to IMAX Corp from each of HKCo and WFOE, including any related Group consolidation net payables adjustments as of the First Completion Date.

“Funds Flow Memo” means the Funds Flow Memorandum attached hereto as Exhibit B.

“FV Shares” means collectively the FV First Completion Shares and the FV Second Completion Shares.

“Governmental Authority” means any government or subdivision thereof; any department, agency or instrumentality of any government or subdivision thereof; and the governing body of any securities exchange.

“Group” means collectively the Company and its Subsidiaries, and “Group Company” means any of them.

“Hong Kong” means the Hong Kong Special Administrative Region of the PRC.

“HKCo” means IMAX China (Hong Kong), Limited, a company limited by shares incorporated and existing under the laws of Hong Kong with its registered office at 12/F Ruttonjee House, 11 Duddell Street, Central, Hong Kong and a wholly-owned subsidiary of the Company.

“HKCo Trade Payables” means net trade payables with an outstanding amount of approximately US\$3,200,000 owed by HKCo to IMAX Corp as of December 31, 2013.

“HK\$” means Hong Kong Dollars, the lawful currency of Hong Kong.

“IMAX Trade Payables” means the net trade payables that is the total amount of HKCo Trade Payables and WFOE Trade Payables as of December 31, 2013.

“Indemnity Agreement” means the indemnity agreement entered into by and between IMAX Corp and the Company on the date hereof.

“Investor Warranties” means the representations and warranties undertakings of the Investors set forth in Schedule 4.

“Letter of Undertaking” means the letter of undertaking entered into by and among IMAX Corp, HKCo and WFOE on the date hereof.

“Management Accounts” shall have the meaning set forth in Schedule 3.

“Net Asset Value” means the difference between total assets and total liabilities of the Company on a consolidated basis as of the First Completion Date after giving effect to the transactions set forth in Sections 4.2(a)(ii), 4.2(a)(iii), 4.2(a)(iv), 4.2(a)(v) and 4.3(b) (as illustrated in Steps 1 to 8 of the Funds Flow Memo). Net Asset Value shall include any impact of the fair value increment adjustments that are related to the transfer of assets and liabilities

pursuant to the Assignment Agreement (being US\$9,641,000 as of January 1, 2014). For the avoidance of doubt, for purposes of this calculation, the fair value increment adjustments shall be included, whereas for purposes of the Group consolidation financial statements under US GAAP, the fair value increment adjustments shall be eliminated and have a net zero impact.

“Net Deficit” means negative US four million dollars (- US\$4,000,000), derived by (a) the amount of the IMAX Trade Payables (being US\$34,500,000) due from the Group to IMAX Corp plus (b) the Financial Indebtedness of the Group (being US\$0) plus (c) the Notes (being US\$13,500,000 due from the Group to IMAX Corp, assuming Note II is offset and capitalized pursuant to Section 4.2(a)(iii)) minus (d) Cash of the Group (being US\$10,000,000) minus (e) net proceeds of the FV First Subscription Price and the CMC First Subscription Price, after deducting the payment of 50% of the aggregate amount of expenses incurred by the Parties pursuant to Section 7.1 (being US\$38,000,000) and minus (f) the IMAX Corp Note, in each case with respect to clauses (a), (b), and (d) as of December 31, 2013, and with respect to clause (c) and (f), as of January 1, 2014.

“Note I” means the promissory note with face value \$13,500,000 issued by HKCo to IMAX Corp on the First Completion Date, prior to First Completion.

“Note II” means the promissory note with face value \$3,338,341 issued by HKCo to IMAX Corp on the First Completion Date, prior to First Completion.

“Notes” means, collectively, Note I and Note II; provided, that to the extent Note II is offset and capitalized pursuant to Section 4.2(a)(iii), the reference to “Notes” in the definition of “Actual Net Deficit” shall be deemed to refer only to Note I.

“Person” means any natural person, firm, company, Governmental Authority, joint venture, partnership, association or other entity (whether or not having separate legal personality).

“Restated Articles” means the Third Amended and Restated Memorandum and Articles of Association of the Company, in the form of Exhibit A, to be adopted by the Company at or prior to First Completion.

“Second Completion” means the completion of the subscription for and issuance of the FV Second Completion Shares and the CMC Second Completion Shares in accordance with Section 2.2.

“Second Completion Date” means the date that is the ten (10)-month anniversary of the First Completion Date; provided that if such date is not a Business Day, the Second Completion Date shall be the next succeeding Business Day or on a subsequent Business Day agreed among the Parties.

“Shareholders’ Agreement” means the shareholders’ agreement entered into by and among IMAX Corp, IMAX Barbados, the Company, FV and CMC on the date hereof.

“Subscribed Shares” means collectively the FV Shares and the CMC Shares.

“Subsidiary” at any time means, in respect of any Person (the “Parent”), any other Person in which the Parent directly or indirectly holds more than 50% of the ownership interests or voting power represented by the Equity Securities of such Person and any Person in respect of which the Parent has the power to appoint a majority of the board of directors or similar governing body of such Person.

“Term Sheet” means the term sheet entered into by and among IMAX Corp, FountainVest Partners (Asia) Limited and China Media Capital (Shanghai) Center L.P. on May 22, 2013.

“US\$” means United States Dollars, the lawful currency of the United States of America.

“Warranties” means the Collective Warranties and the Investor Warranties.

“WFOE” means IMAX (Shanghai) Multimedia Technology Co., Ltd. (爱麦克斯(上海)多媒体技术有限公司), a wholly-foreign owned enterprise organized and existing under the laws of the PRC with its registered address at Room A421, No. 389, Nanjing West Road, Huangpu District, Shanghai, PRC and a wholly-owned subsidiary of HKCo.

“WFOE Trade Payables” means the net trade payables with an outstanding amount of approximately US\$31,300,000 owed by WFOE to IMAX Corp as of December 31, 2013.

1.2 Terms Defined Elsewhere in this Agreement. The following terms are defined in this Agreement as follows:

<u>Term</u>	<u>Section</u>
“ <u>Adjustment Amount</u> ”	Section 4.7(b)
“ <u>Agreement</u> ”	Preamble
“ <u>Arbitration Notice</u> ”	Section 12.2(a)
“ <u>CMC</u> ”	Preamble
“ <u>CMC First Completion Shares</u> ”	Section 2.1(ii)
“ <u>CMC First Subscription Price</u> ”	Section 2.1(ii)
“ <u>CMC Second Completion Shares</u> ”	Section 2.2(b)
“ <u>CMC Second Subscription Price</u> ”	Section 2.2(b)
“ <u>CMCCP</u> ”	Preamble
“ <u>CME</u> ”	Preamble
“ <u>Company</u> ”	Preamble
“ <u>Confidential Information</u> ”	Section 6.1
“ <u>First Subscription Price</u> ”	Section 2.1(ii)
“ <u>Fundamental Warranties</u> ”	Section 5.6
“ <u>FV</u> ”	Preamble
“ <u>FV First Completion Shares</u> ”	Section 2.1(i)
“ <u>FV First Subscription Price</u> ”	Section 2.1(i)
“ <u>FV Second Completion Shares</u> ”	Section 2.2(a)
“ <u>FV Second Subscription Price</u> ”	Section 2.2(a)

“HKIAC”	Section 12.2(b)
“ <u>IMAX Cayman Account</u> ”	Section 4.2(b)(i)
“ <u>IMAX Corp</u> ”	Preamble
“ <u>IMAX Corp Note</u> ”	Section 4.2(a)(iv)
“ <u>Indemnified Party</u> ”	Section 8.1
“ <u>Indemnifying Party</u> ”	Section 8.1
“ <u>Investor</u> ” or “ <u>Investors</u> ”	Preamble
“ <u>Losses</u> ”	Section 8.1
“ <u>Notices</u> ”	Section 10.1
“ <u>Opening Day Balance Sheet</u> ”	Section 4.3(c)
“ <u>Party</u> ” or “ <u>Parties</u> ”	Preamble
“ <u>Registered Capital Increase</u> ”	Section 4.3(a)
“ <u>Representatives</u> ”	Section 6.1
“ <u>Second Subscription Price</u> ”	Section 2.2(b)
“ <u>Survival Period</u> ”	Section 5.6
“ <u>Third Party Claim</u> ”	Section 8.4(b)(i)
“ <u>Transaction Fees</u> ”	Section 7.1

1.3 Interpretation.

- (a) Directly or Indirectly. The phrase “directly or indirectly” means directly, or indirectly through one or more intermediate Persons or through contractual or other arrangements, and “direct or indirect” has the correlative meaning.
- (b) Gender and Number. Unless the context otherwise requires, all words (whether gender-specific or gender neutral) shall be deemed to include each of the masculine, feminine and neuter genders, and words importing the singular include the plural and vice versa.
- (c) Headings. Headings are included for convenience only and shall not affect the construction of any provision of this Agreement.
- (d) Include not Limiting. “Include,” “including,” “are inclusive of” and similar expressions are not expressions of limitation and shall be construed as if followed by the words “without limitation.”
- (e) “Or” not Exclusive. Unless the context clearly requires otherwise, “or” shall be inclusive and not exclusive.
- (f) Law. References to “law” shall include all applicable laws, regulations, rules and orders of any Governmental Authority, securities exchange or other self-regulating body, any common or customary law, constitution, code, ordinance, statute or other legislative measure and any regulation, rule, treaty, order, decree or judgment; and “lawful” shall be construed accordingly.
- (g) References to Documents. References to this Agreement include the Schedules and Exhibits, which form an integral part hereof. A reference to any Section, Schedule or Exhibit is, unless otherwise specified, to such Section of, or Schedule or Exhibit to this Agreement.

The words “hereof,” “hereunder” and “hereto,” and words of like shall, unless the context requires otherwise, refer to this Agreement as a whole and not to any particular Section hereof or Schedule or Exhibit hereto. Unless specified otherwise, a reference to any document (including this Agreement) is to that document as amended, consolidated, supplemented, novated or replaced from time to time.

- (h) Time. If a period of time and dates from a given day or the day of a given act or event is specified, such period shall be calculated inclusive of that day.

SECTION 2 SUBSCRIPTION FOR SHARES

2.1 First Subscription. On the First Completion Date, upon the terms and subject to the conditions of this Agreement:

- (i) FV shall subscribe for, and the Company shall allot and issue to FV, 168,750 Class C Shares (the “FV First Completion Shares”) for an aggregate subscription price of US\$20,000,000 (the “FV First Subscription Price”); and
- (ii) CMC shall subscribe for, and the Company shall allot and issue to CMC, 168,750 Class C Shares (the “CMC First Completion Shares”), to be allocated on an equal basis between CMCCP and CME, for an aggregate subscription price of US\$20,000,000 (the “CMC First Subscription Price”, together with the FV First Subscription Price, the “First Subscription Price”).

Completion of the subscription of all the Class C Shares pursuant to this Section 2.1 shall take place simultaneously.

2.2 Second Subscription. On the Second Completion Date, subject to the First Completion having occurred, upon the terms and subject to the conditions of this Agreement:

- (a) FV shall subscribe for, and the Company shall allot and issue to FV, 168,750 Class C Shares (the “FV Second Completion Shares”) for an aggregate subscription price of US\$20,000,000 (the “FV Second Subscription Price”); and
- (b) CMC shall subscribe for, and the Company shall allot and issue to CMC, 168,750 Class C Shares (the “CMC Second Completion Shares”), to be allocated on an equal basis between CMCCP and CME, for an aggregate subscription price of US\$20,000,000 (the “CMC Second Subscription Price”, together with the FV Second Subscription Price, the “Second Subscription Price”).

Completion of the subscription of all the Class C Shares pursuant to this Section 2.2 shall take place simultaneously.

SECTION 3
CONDITIONS PRECEDENT TO COMPLETION

- 3.1 No Conditions Precedent to First Completion. There shall be no conditions to the obligations of each Party to proceed with the First Completion provided that all the items set out in Sections 4.2(a) and 4.2(b) are fulfilled at, or prior to, the First Completion.
- 3.2 Conditions Precedent to Obligations of Investors to Second Completion. The obligation of each Investor to complete the subscription for the FV Second Completion Shares or the CMC Second Completion Shares, as applicable, is conditional upon the satisfaction (or, where legally permissible, waiver by each Investor) of the following conditions:
- (a) there is no case, proceeding or other action (i) under any bankruptcy, insolvency or similar law seeking to have an order of relief entered with respect to the Company, IMAX Barbados or IMAX Corp or seeking to adjudicate the Company, IMAX Barbados or IMAX Corp bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to the Company, IMAX Barbados or IMAX Corp or the debts of the Company or IMAX Corp or (ii) seeking appointment of a receiver, trustee, custodian or other similar official for the Company, IMAX Barbados or IMAX Corp or all or substantial part of each of their property;
 - (b) there is no general assignment for the benefit of the creditors of the Company, IMAX Barbados or IMAX Corp; and
 - (c) there is no admission in writing of the inability of the Company, IMAX Barbados or IMAX Corp to pay its debts when they become due.

SECTION 4
COMPLETION AND POST-COMPLETION ACTIONS

- 4.1 Time and Place of First Completion. The First Completion shall take place at the Hong Kong office of Paul, Weiss, Rifkind, Wharton & Garrison on the First Completion Date, or at such other time and place as the Parties may agree.
- 4.2 Actions at First Completion and after First Completion.
- (a) At First Completion, the Company shall, and IMAX Corp and IMAX Barbados shall, as applicable:
 - (i) adopt and cause to be filed with the Registrar of Companies of the Cayman Islands the Restated Articles (to the extent such has not already been adopted and filed at or prior to First Completion);

- (ii) to the extent not already done, complete the assignment transactions contemplated under the Assignment Agreement;
- (iii) to the extent not already done, upon completion of the assignments pursuant to the Assignment Agreement, (x) IMAX Corp shall transfer Note II to IMAX Barbados in consideration of the issuance of 2 new shares in IMAX Barbados to IMAX Corp, (y) upon completion of the transfer in the foregoing sub-clause (x), IMAX Barbados shall transfer Note II to the Company in consideration of the issuance of 699,899 new Class A Shares in the Company to IMAX Barbados and (z) upon completion of the transfer in the foregoing sub-clause (y), the Company shall transfer Note II to HKCo in consideration of the issuance of 2 new shares in HKCo to the Company, the net result of which is the offsetting and extinguishment in full of the balance of Note II;
- (iv) to the extent not already done, upon completion of the actions in Section 4.2(a)(iii) above, (x) IMAX Corp shall subscribe for 1 new share in IMAX Barbados in consideration for the issuance of a promissory note with value US\$4,000,000 (“IMAX Corp Note”) in favor of IMAX Barbados and (y) IMAX Barbados shall transfer the IMAX Corp Note to the Company in consideration of the issuance of 100 new Class A Shares in the Company;
- (v) to the extent not already done, upon completion of the actions in Section 4.2(a)(iv) above, the Company shall transfer the IMAX Corp Note to HKCo in consideration of the issuance of 2 new shares in HKCo to the Company;
- (vi) allot and issue the FV First Completion Shares to FV;
- (vii) allot and issue the CMC First Completion Shares to CMC;
- (viii) deliver to FV and CMC a certificate from IMAX Corp signed by a duly authorized officer of IMAX Corp confirming (i) all Assigned Contracts and Assigned Rights have been duly assigned as of the First Completion Date, and (ii) the matters set out in Section 4.2(a)(ii) and that all of the Collective Warranties are true, correct and complete as of the First Completion Date;
- (ix) deliver to each of the Investors a copy of the Board and shareholder resolutions of the Company, in form and substance reasonably satisfactory to the Investors, (a) authorizing the execution and performance of the Basic Documents and the transactions contemplated thereby (including but not limited to the allotment and issuance of the Subscribed Shares to the Investors) and (b) approving the adoption of the Restated Articles; and

- (x) deliver to the Investors a year-end unaudited balance sheet of the Company as of December 31, 2013 which is pro forma adjusted for the First Completion and Second Completion and the actions and adjustments outlined in Sections 4.1 to 4.6.
- (b) At First Completion:
- (i) FV shall pay the FV First Subscription Price in immediately available cleared funds and in US\$ to the following account of the Company (the "IMAX Cayman Account"):
- Correspondent bank: The Bank of New York Mellon, NY
SWIFT BIC Code: IRVTUS3N
Aba No.: 021 000 018
- Beneficiary Bank: Butterfield Bank (Cayman) Limited, Grand Cayman
12 Albert Panton Street, P.O. Box 705,
Grand Cayman KY1-1107
Cayman Islands
SWIFT BIC Code: BNTBKYYXXX
Account: 803 326 5086
- For final credit: IMAX China Holding, Inc.
PO Box 309, Uglan House, South Church Street,
George Town, Grand Cayman, KY1-1104
Cayman Islands
Account: 8401416290011
- (ii) FV and CMC shall each deliver to the Company a certificate from FV and CMC (as the case may be) signed by a duly authorized officer of FV or CMC (as the case may be) confirming that all of the Investor Warranties with respect to itself are true, correct and complete as of the First Completion Date;
- (iii) CMC shall pay the CMC First Subscription Price in immediately available cleared funds and in US\$ to the IMAX Cayman Account; and
- (iv) each Investor shall deliver to IMAX Corp and the Company a copy of the Board resolutions and shareholder resolutions (if necessary) of each Investor authorizing the execution and performance of the Basic Documents to which they are a party and the transactions contemplated thereby (including but not limited to subscription of the relevant number of Subscribed Shares by each Investor).
- (c) Within two (2) Business Days after the First Completion Date, the Company shall:

- (i) deliver to each Investor a copy of the register of members of the Company with each Investor duly registered thereon;
 - (ii) deliver to FV a share certificate, duly issued in the name of FV and reflecting FV's ownership of the FV First Completion Shares; and
 - (iii) deliver to CMC share certificates, duly issued in the name of CMCCP and CME (as applicable), and reflecting CMC's ownership of the CMC First Completion Shares.
- (d) On the first Business Day immediately following the First Completion Date, the Company shall appoint: (i) Frank Kui Tang of FV as a director on the Board, (ii) one nominee of FV as a non-voting observer on the Board, (iii) Li Rui Gang of CMC as a director on the Board, (iv) one nominee of CMC as a non-voting observer on the Board, (v) one nominee of IMAX Barbados, who shall be reasonably satisfactory to FV and CMC, as an independent director on the Board, and (vi) six nominees of IMAX Barbados as directors on the Board (to the extent this has not already been done). For the avoidance of doubt, the total number of directors on the Board immediately after First Completion shall be nine.

4.3 Actions after First Completion.

- (a) The Company shall procure that, as soon as practicable after the date of this Agreement, WFOE apply to the relevant Governmental Authority to increase its registered capital from US\$5,000,000 to up to US\$17,000,000 and its total investment amount from US\$12,500,000 to up to US\$45,000,000 (the "Registered Capital Increase").
- (b) As soon as practicable after the First Completion Date, and subject to regulatory requirements applicable to WFOE's incurring of debt, the Company and the relevant parties shall complete Steps 6 to 9 set out in the Funds Flow Memo, including:
 - (i) the Company shall lend US\$7,500,000 to WFOE under a committed facility and shall procure that WFOE shall use the US\$7,500,000 proceeds to partially repay the WFOE Trade Payables owing to IMAX Corp;
 - (ii) the Company shall remit US\$20,200,000 to HKCo to subscribe for 8 new shares in HKCo; and
 - (iii) the Company shall procure that HKCo shall remit \$16,700,000 to IMAX Corp to pay off and extinguish in full the HKCo Trade Payables of US\$3,200,000 and Note I of US\$13,500,000.
- (c) As soon as practicable after the First Completion Date but in any event within 5 Business Days thereafter, IMAX Corp shall assign, transfer and convey to the Company the China-Equivalent TCL JV Interest (as

such term is defined in Exhibit A of the Shareholders' Agreement, which interest shall be subject to adjustment as contemplated in Exhibit A of the Shareholders' Agreement) by procuring that IMAX (Hong Kong) Holding, Limited issue one preferred share to HKCo, in consideration of which HKCo shall transfer to IMAX (Hong Kong) Holding, Limited the IMAX Corp Note received pursuant to Section 4.2(a)(v) above.

- (d) Within 45 days after the First Completion Date, the Company shall deliver to the Investors a balance sheet that sets out: (A) an "opening day" balance sheet as of the date immediately prior to the First Completion Date, prepared on the same basis and applying the same accounting principles, policies and practices used to prepare the Company's Management Accounts, and (B) a pro-forma "opening day" balance sheet as of the First Completion Date (the "Opening Day Balance Sheet"), prepared on the same basis and applying the same accounting principles, policies and practices used to prepare the Company's Management Accounts, and assuming that the flow of funds as set forth in Section 4.3(b) (as illustrated in Steps 6 to 9 of the Funds Flow Memo) have been completed.
- (e) IMAX Corp shall, in accordance with and as and when required under the joint venture agreement among Sino Leader (Hong Kong) Limited, IMAX (Hong Kong) Holding, Limited and TCL-IMAX Entertainment Co., Ltd. dated October 29, 2013, contribute an aggregate amount of US\$12,500,000 (in cash and in kind), to the extent any amount thereof has not been contributed by IMAX Corp prior to the date of this Agreement.

4.4 Time and Place of Second Completion. The Second Completion shall take place at the Hong Kong office of Paul, Weiss, Rifkind, Wharton & Garrison on the Second Completion Date, or at such other time and place as the Parties may agree.

4.5 Actions at Second Completion and after Second Completion; Use of Proceeds from Second Completion.

- (a) At Second Completion, the Company shall, and IMAX Corp and IMAX Barbados shall:
 - (i) allot and issue the FV Second Completion Shares to FV;
 - (ii) allot and issue the CMC Second Completion Shares to CMC.
 - (iii) immediately after receipt of the FV Second Subscription Price and CMC Second Subscription Price by the Company:
 - (1) at the Company's election, the Company shall remit US\$23,800,000 to HKCo, either in whole or in part in the form of subscription for new shares in HKCo or in whole or in part as a shareholder's loan (provided that

any loan shall be in the form of a promissory note with substantially the same commercial terms as Note I);

- (2) upon HKCo's receipt of the funds in Section 4.5(a)(iii)(1) above and subject to WFOE's receipt of the relevant approvals from the Governmental Authority for the Registered Capital Increase, the Company shall procure that (x) HKCo shall lend US\$16,700,000 to WFOE as a loan under a committed facility and (y) HKCo shall contribute US\$7,100,000 in cash to WFOE to subscribe for additional registered capital in WFOE; and
- (3) upon WFOE's receipt of the funds in Section 4.5(a)(iii)(2) above, the Company shall procure that WFOE shall repay the remaining balance of US\$23,800,000 of WFOE Trade Payables, thereby extinguishing in full the approximately \$31,300,000 in net trade payables owed by WFOE to IMAX Corp as of December 31, 2013.

(b) At Second Completion:

- (i) FV shall pay the FV Second Subscription Price to the IMAX Cayman Account; and
- (ii) CMC shall pay the CMC Second Subscription Price to the IMAX Cayman Account.

(c) Within two (2) Business Days after the Second Completion Date, the Company shall:

- (i) deliver to each Investor a copy of the updated register of members of the Company reflecting each Investor's ownership of the Class C Shares acquired at the Second Completion;
- (ii) deliver to FV a share certificate, duly issued in the name of FV and reflecting FV's ownership of the FV Second Completion Shares; and
- (iii) deliver to CMC share certificates, duly issued in the name of CMCCP and CME (as applicable), and reflecting CMC's ownership of the CMC Second Completion Shares.

4.6 Consequences of No Second Completion. The Parties agree that if the First Completion has taken place but the Second Completion has not taken place by the Second Completion Date solely due to a default of the Investors of their obligations to proceed with Second Completion, the rights of the Investors shall be revised in accordance with Section 2.3 of the Shareholders' Agreement.

4.7 Adjustment.

- (a) IMAX Corp and IMAX Barbados agree that, as of the First Completion Date, (i) the Actual Net Deficit should equal the Net Deficit and (ii) the Net Asset Value of the Company on a consolidated basis should be no less than US\$54,000,000 (after giving effect to the transactions set forth in Sections 4.2(a)(ii), 4.2(a)(iii), 4.2(a)(iv), 4.2(a)(v) and 4.3(b) (as illustrated in Steps 1 to 8 of the Funds Flow Memo)). If, on the First Completion Date, the Actual Net Deficit is not equal to the Net Deficit, and/or the Net Asset Value is less than US\$54,000,000, the adjustment mechanism set forth in Sections 4.7(b) and 4.7(c) below shall apply. IMAX Corp and IMAX Barbados also agree and covenant that immediately following the transactions set forth in Sections 4.2(a)(ii), 4.2(a)(iii), 4.2(a)(iv), 4.2(a)(v) and 4.3(b) (as illustrated in Steps 1 to 8 of the Funds Flow Memo), and after deducting the payment of 50% of the aggregate amount of expenses incurred by the Parties pursuant to Section 7.1, the amount of Cash in the Group shall be no less than US\$19,000,000.
- (b) If (i) the Actual Net Deficit of the Group is greater than the Net Deficit and/or (ii) the Net Asset Value of the Group is less than US\$54,000,000 (the greater of the difference in amounts derived pursuant to clause (i) and clause (ii), the “Adjustment Amount”), IMAX Corp shall, at its discretion, offset the Adjustment Amount on a dollar for dollar basis against either: (1) the amounts which will be required to be remitted by the Company, HKCo, or WFOE (as applicable) as set forth in Section 4.5, and/or (2) the amounts required to be repaid by HKCo under Section 4.3(b)(iii) (including Note I) by capitalizing all or part of the Adjustment Amount to the capital surplus of the Company. For the avoidance of doubt, if both clauses (i) and (ii) in the first sentence of this Section 4.7(b) are true, IMAX Corp shall not be required to make adjustments for both the increase in the Actual Net Deficit and the decrease in the Net Asset Value. Where the mechanism of adjustment to be used by IMAX Corp in respect of the Adjustment Amount pursuant to this Section 4.7(b) is neither the method set forth in (1) or (2) above, such mechanism shall be mutually agreed between IMAX Corp and the Class C Shareholders.
- (c) If the Actual Net Deficit is less than the Net Deficit, IMAX Corp shall make upward adjustments on a dollar for dollar basis by (1) adding such amount to the amounts to be remitted by the Company, HKCo or WFOE (as applicable), (2) a repayment of contributed surplus equal to such amount to the Class A shareholder, and/or (3) the Company declaring a dividend equal to such amount to the Class A Shareholder, in each case subject to the Net Asset Value being equal to or greater than US\$54,000,000 and the amount of Cash in the Group being no less than US \$19,000,000, in each case after giving effect to (x) such upward adjustments and (y) the transactions set forth in Sections 4.2(a)(ii), 4.2(a)(iii), 4.2(a)(iv), 4.2(a)(v) and 4.3(b) (as illustrated in Steps 1 to 8 of the Funds Flow Memo). Any other mechanism in which the upward adjustment will be made pursuant to this Section

4.7(c) shall be mutually agreed between IMAX Corp and the Class C Shareholders.

- (d) In the event that the Actual Net Deficit deviates from the Net Deficit or the Net Asset Value is less than US\$54,000,000, the adjustments to be made in this Section 4.7 shall be the sole and exclusive remedy for all Parties.

SECTION 5 REPRESENTATIONS AND WARRANTIES

- 5.1 Collective Warranties. The Company hereby represents, warrants and undertakes to each Investor in the terms set forth in Schedule 3 and acknowledges that each Investor in entering into this Agreement is relying on such representations, warranties and undertakings.
- 5.2 Investor Warranties. Each Investor hereby represents, warrants and undertakes to the Company in the terms set forth in Schedule 4 and acknowledges that the Company in entering into this Agreement is relying on such representations, warranties and undertakings.
- 5.3 Knowledge of Claims. The Collective Warranties are given subject to the matters in respect of any Collective Warranty (i) disclosed in the Disclosure Schedule (including the schedules and appendices thereof) or (ii) otherwise “Disclosed”, as such term is defined in Schedule 3 herein.
- 5.4 No Implied Representations or Warranties. The representations and warranties made by the Parties in this Agreement are in lieu of and are exclusive of all other representations and warranties, including any implied warranties of any kind whatsoever. The Parties hereby expressly disclaim any and all such other or implied representations or warranties.
- 5.5 Bring-Down to First Completion. Each of the Parties shall procure that the Warranties given by it are true and accurate on the date hereof and on the First Completion Date.
- 5.6 Survival. The Collective Warranties shall survive for a period up to and including the date that is 18 months after the First Completion Date (the “Survival Period”); provided that (A) Collective Warranties 1.1, 1.3, 1.4, 1.5 and 1.6(a) in Section 1 of Schedule 3 and Collective Warranties 2.1 to 2.4 in Section 2 of Schedule 3 shall survive indefinitely (collectively the “Fundamental Warranties”), (B) if a written notice is delivered to the Company, IMAX Barbados or IMAX Corp pursuant to Section 8.4 with respect to a claim made under Section 8.1 prior to the expiration of the Survival Period, each Collective Warranty identified in such notice of claim shall survive until such claim is finally resolved or is deemed to be withdrawn pursuant to Section 8, whichever is earlier. The Investor Warranties in paragraphs 1, 2 and 6 of Schedule 4 shall survive indefinitely, and the Investor Warranties in paragraphs 3, 4 and 5 of Schedule 4 shall survive for the Survival Period.

SECTION 6
CONFIDENTIALITY; RESTRICTION ON ANNOUNCEMENTS

- 6.1 General Obligation. Each Party undertakes to the other Parties that it shall not reveal, and that it shall procure that its respective directors, equity interest holders, officers, employees, agents, counsel and advisors who are in receipt of any Confidential Information (as defined below) (collectively, "Representatives") do not reveal, to any third party any Confidential Information without the prior written consent of the Company or the concerned Party, as the case may be, or use any Confidential Information in such manner that is detrimental to the Company or the concerned Party, as the case may be. For the avoidance of doubt, a Party shall be liable for any breach by such Party's Representative of the confidentiality obligations contained in this Section 6. The term "Confidential Information" as used in this Section 6.1 means, (a) any information concerning the organization, structure or business of any Party or its Affiliates; (b) the terms of any of the Basic Documents, and the identities of the Parties and their respective Affiliates; and (c) any other information or material prepared by a Party or its Representatives that contains or otherwise reflects, or is generated from, Confidential Information.
- 6.2 Exceptions. The provisions of Section 6.1 shall not apply to:
- (a) disclosure of Confidential Information that is or becomes generally available to the public other than as a result of disclosure by or at the direction of a Party or any of the Representatives in violation of this Agreement;
 - (b) disclosure of information that becomes available to a Party on a non-confidential basis from a source other than the other Parties or its Representatives, provided that (i) such source is not known by such Party to be bound by a legal, fiduciary or contractual obligation of confidentiality or secrecy to the other Parties and (ii) subject to subparagraphs (a), (c) and (d) of this Section 6.2, the receiving Party will use reasonable efforts to keep such information confidential;
 - (c) disclosure by a Party (A) to a Representative, an Affiliate or such Party's direct or indirect equity holders (including its limited partners or limited partners of any of its feeder or co-investment funds) in accordance with its customary reporting obligations to such direct or indirect equity holders (including its limited partners or limited partners of any of its feeder or co-investment funds), provided that such Affiliates and Representatives are under an obligation of confidentiality (whether professional or contractual), or (B) for customary fund-raising purposes, it being understood that, for purposes of clause (B) only, such information shall include the items set forth on Schedule 3 of the Shareholders' Agreement only, provided that the recipient of any Confidential Information is obligated to keep such information confidential pursuant to a customary confidentiality agreement; and

- (d) disclosure, after giving prior notice to the other Parties to the extent and as soon as reasonably practicable under the circumstances and subject to any practicable arrangements to protect confidentiality, to the extent required under the rules of any stock or securities exchange on which the shares of a Party or its parent company are listed or by applicable laws or governmental regulations or judicial or regulatory process or in connection with any judicial process regarding any legal action, suit or proceeding arising out of or relating to this Agreement; provided that no prior notice to any Party shall be required to be given under this Section 6.2(d) with respect to any dispute arising out of or relating to this Agreement.
- 6.3 Publicity. Save as required by law or by any Governmental Authority including any relevant stock or securities exchange or otherwise agreed by all the Parties, no publicity release or public announcement concerning the relationship or involvement of the Parties shall be made by any Party or its parent company; provided that any initial press release or initial public announcement in connection with this Agreement or any transaction contemplated hereunder (whether required by any Governmental Authority, stock exchange or otherwise) shall be reviewed and agreed in writing by all Parties hereto prior to its release or announcement.

SECTION 7 EXPENSES

- 7.1 Fees and Expenses. All Parties shall bear their own respective expenses incurred in connection with the preparation, execution, negotiation and performance of this Agreement and the other Basic Documents and the transactions contemplated hereby and thereby, including all fees and expenses of advisors, representatives, counsels and accountants ("Transaction Fees"). Notwithstanding the first sentence of this Section 7.1, 50% of Transaction Fees payable by the Company (including fees and expenses of the Company's legal and financial advisors) shall be reflected as a reduction to the cash remitted to IMAX Corp consistent with the treatment of Transaction Fees contemplated in the Funds Flow Memo.

SECTION 8 INDEMNIFICATION

- 8.1 Indemnification. Subject to the provisions of this Section 8, the Company, IMAX Barbados and IMAX Corp (each an "Indemnifying Party") shall, jointly and severally, indemnify, defend and hold harmless each Investor, its Affiliates and their respective directors, officers, employees, permitted successors and assigns (including any transferee of the Subscribed Shares) (each an "Indemnified Party") from and against any and all losses, damages, liabilities, claims, proceedings, costs and expenses (including the fees, disbursements and other charges of counsel actually and reasonably incurred by an Indemnified Party in any action between any Indemnifying Party and an Indemnified Party or between an Indemnified Party and any third party in connection with any investigation, evaluation or defense of a claim or otherwise), demands or actions (collectively, "Losses") resulting from or

arising out of any breach by any Indemnifying Party of any of the Collective Warranties. Without prejudice to the Indemnified Parties' rights hereunder or the Indemnifying Parties' obligations hereunder, if the Indemnifying Party disputes the amount of Losses claimed by an Indemnified Party pursuant to an indemnity claim, and the Indemnifying Party initiates arbitration in accordance with Section 12.2 in relation to such claim, the Indemnifying Party shall not be obligated to pay indemnification for such Losses until the amount thereof has been finally determined by the arbitration tribunal; provided that, with respect to any amount under such claim that is not in dispute, the Indemnifying Party shall promptly indemnify and pay or reimbursement such amount to the Indemnified Parties.

8.2 Breach of Collective Warranties. Subject to Sections 8.3, 8.4 and 8.5, any indemnity as referred to in Section 8.1 for breach of a Collective Warranty shall be such as to place an Indemnified Party in the same position (and not better) as it would have been had there not been any breach of the Collective Warranty under which such Indemnified Party is to be indemnified.

8.3 Indemnification Cap and Minimum Claim. Notwithstanding anything to the contrary herein:

- (a) In no event shall any Indemnifying Party be liable under this Agreement for any indirect or unforeseeable, speculative, exemplary or punitive damages of such Indemnified Party.
- (b) An Indemnifying Party shall not be liable in respect of any claim for any Losses (or a series of claims arising from substantially similar facts or circumstances) for any breach of the Collective Warranties (other than any breach of any Fundamental Warranties) unless and until the amount that would otherwise be recoverable from the Indemnifying Party (but for this Section 8.3(b)) in respect of any such claim or series of claims arising from substantially similar facts or circumstances in aggregate exceeds US\$50,000.
- (c) An Indemnifying Party shall not be liable in respect of a claim for any Losses for any breach of the Collective Warranties (other than any breach of any Fundamental Warranties) unless and until the amount that would be otherwise recoverable from the Indemnifying Party (but for this Section 8.3(c)) in respect of such claim, when aggregated with any other amount or amounts recoverable from the Indemnifying Party in respect of other claims (excluding any amounts in respect of a claim for which the Indemnifying Party has no liability because of Section 8.3(b)), exceeds US\$2,000,000. In such an event, the Indemnifying Party shall be liable for the entire amount of any such Loss.
- (d) For the avoidance of doubt and notwithstanding any other provision in this Agreement, in no circumstance shall the Indemnifying Parties' aggregate liability in respect of all Losses resulting from or arising out of any breach by any Indemnifying Party of the Collective Warranties (other than any breach of any Fundamental Warranties) exceed the

aggregate amount actually received by the Company from the Investors pursuant to Section 2.

- (e) Each Investor shall procure and ensure that all commercially reasonable steps are taken and all commercially reasonable assistance is given to avoid or mitigate any Losses which in the absence of mitigation would give rise to a liability in respect of any claim under this Agreement.
- (f) For the avoidance of doubt, any claim for a breach of a Collective Warranty shall be qualified by and subject to any relevant disclosure made in the Disclosure Schedule or otherwise “Disclosed”, as such term is defined in Schedule 3, against on such Collective Warranties.

Notwithstanding the above provisions of this Section 8.3, the limitation provided in this Section 8.3 shall not apply to any Losses incurred by any Indemnified Party as a result of any Indemnifying Party’s fraud, bad faith or willful misconduct.

8.4 Claim Procedure.

- (a) Direct Claims. If an Indemnified Party shall have a claim for indemnification hereunder for any claim other than a claim asserted by a third party, the Indemnified Party shall, as promptly as is practicable, but in any event no later than twenty (20) days following such Indemnified Party’s knowledge of such claim, give written notice of the claim to the Indemnifying Parties (stating in reasonable detail the nature of the claim, the basis on which such claim is being made, the material facts related thereto, and the amount of the claim asserted and, if practicable, the amount claimed). The failure to make timely delivery of such written notice by the Indemnified Party to the Indemnifying Parties shall not relieve the Indemnifying Parties from any liability under Section 8.1 with respect to such matter, except to the extent the Indemnifying Parties are actually materially prejudiced by failure to give such notice. For the avoidance of doubt, any claim notified in accordance with this Section 8.4(a) and not satisfied, settled, withdrawn or otherwise in the process of being resolved pursuant to Section 12.2 is deemed withdrawn against the applicable Indemnifying Party on the expiry of the period of 12 months starting on the day of notification of the claim (or in the case of a claim in respect of a contingent liability, 12 months after such contingent liability becomes an actual liability and is due and payable), unless proceedings in respect of the claim have been issued and served on the applicable Indemnifying Party prior to such date.
- (b) Third Party Claims.
 - (i) If an Indemnified Party receives notice or otherwise obtains knowledge of any matter that may give rise to an indemnification claim against the Indemnified Party by a third party (“Third Party Claim”), then the Indemnified Party shall

promptly, but in no event more than twenty (20) days following such Indemnified Party's receipt of a Third Party Claim, deliver to the Indemnifying Parties a written notice describing, to the extent practicable, such matter in reasonable detail, including the amount or the estimated amount of damages sought thereunder to the extent then ascertainable (which estimate shall not be conclusive of the final amount of such Third Party Claim), any other remedy sought thereunder, any relevant time constraints relating thereto and, to the extent practicable, any other material details pertaining thereto. The failure to make timely delivery of such written notice by the Indemnified Party to the Indemnifying Parties shall not relieve the Indemnifying Parties from any liability under Section 8.1 with respect to such matter, except to the extent the Indemnifying Parties are actually materially prejudiced by failure to give such notice. The Indemnifying Parties shall have twenty (20) days after receipt of such written notice to notify the Indemnified Parties that they wish to assume the defense of any such matter with its own counsel, and shall proceed diligently to defend such matter after its notification to the Indemnified Parties.

- (ii) If any Indemnifying Party elects to assume the defense of any such matter, then:
- (1) the Indemnifying Party shall have the right to defend the Indemnified Party by appropriate proceedings and shall have the sole power to direct and control such defense at its expense (subject to sub-clauses (3) and (4) below);
 - (2) the Indemnified Party shall have no obligation to participate in any such defense and, shall have the obligation to assist in such defense as reasonably requested by the Indemnifying Party at the expense of the Indemnifying Party;
 - (3) subject to sub-clause (1) above, the Indemnified Party shall have the right to be informed of the status of such defense on a reasonably timely basis and may provide input to the Indemnifying Party from time to time;
 - (4) notwithstanding anything to the contrary contained in this Agreement, such Indemnifying Party shall not be required to pay or otherwise indemnify the Indemnified Party against any attorneys' fees or other expenses incurred by the Indemnified Party in connection with such matter following such Indemnifying Party's election to assume the defense of such matter, unless the Indemnified Party reasonably shall have concluded (upon written advice of its counsel) that, with respect to such claims, the Indemnified Party and such Indemnifying Party may have

different, conflicting, or adverse legal positions or interests; and

- (5) such Indemnifying Party shall not, without the written consent of the Indemnified Party, which shall not be unreasonably withheld or delayed, settle or compromise any pending or threatened litigation in respect of which indemnification may be sought hereunder (whether or not the Indemnified Party is an actual or potential party to such litigation) or consent to the entry of any judgment which (x) does not, to the extent that the Indemnified Party may have any liability with respect to such litigation, include an unconditional release of the Indemnified Party from all liability in respect of such litigation, (y) includes any statement as to or an admission of fact, culpability or a failure to act, by or on behalf of the Indemnified Party, or (z) in any manner involves any injunctive relief against the Indemnified Party.
- (iii) If any Indemnifying Party elects not to assume the defense of such matter, then the Indemnified Party shall proceed diligently to defend such matter with the assistance of counsel reasonably satisfactory to the such Indemnifying Party; provided, that the Indemnifying Party shall promptly pay all fees and expenses of such counsel, and provided, further, the Indemnified Party shall not settle, adjust or compromise such matter, or admit any liability with respect to such matter, without the prior written consent of such Indemnifying Party, such consent not to be unreasonably withheld or delayed.
- (iv) The procedures in this Section 8.4(b) shall not apply to direct claims of an Indemnified Party.
- (c) The Indemnifying Parties shall pay or cause to be paid to the Indemnified Party the amount of all Losses by cash wire transfer in immediately available cleared funds to a bank account designated by the Indemnified Party within five (5) Business Days after final determination that such Loss is indemnifiable pursuant to and subject to the limitations and procedures set forth in this Section 8.

8.5 Specific Limitations.

- (a) The Indemnifying Parties are not liable in respect of any Losses to the extent that the matter giving rise to such Losses would not have arisen but for the passing of, or a change in, after the date of this Agreement, a law, rule, regulation, interpretation of the law or administrative practice of a government, governmental department, agency or regulatory body or an increase in the Tax (as defined in Schedule 3) rates or an imposition of Tax or a change in the generally accepted accounting principles the relevant Group Company is subject to, in

each case not actually or prospectively in force on the date of this Agreement.

- (b) The Indemnifying Parties are not liable in respect of any Losses to the extent that:
- (i) the liability has been adequately provided for or reserved or was reasonably apparent as a liability in the Management Accounts;
 - (ii) payment or discharge of the relevant matter has been taken into account and reflected in the accounts referred to in Section 8.5(b)(i); or
 - (iii) in respect of any liability which is contingent, unless and until such contingent liability becomes as actual liability.
- (c) The Indemnifying Parties shall not have any liability under this Section 8 in connection with any particular event, development or fact to the extent that (i) such liability is covered by insurance for the benefit of, and insurance proceeds are actually recovered by, the Indemnifying Parties or (ii) the Indemnified Parties are otherwise entitled to, and have actually recovered, reimbursement or payment from a third party in respect of such liability.
- (d) The rights to indemnification under Section 8 shall not be subject to set-off against any obligations or amounts due to the Indemnifying Parties from the Investors, including, without limitation, under any provisions of this Agreement or any other Basic Document.
- (e) No Indemnified Party shall be entitled to recover more than once in respect of any Losses suffered by such Indemnified Party.
- 8.6 Exclusive Remedy Post First Completion. After the First Completion, the Investors' exclusive remedy for breach of the Collective Warranties by any Indemnifying Party is to make a claim under this Section 8, and each of the Investors acknowledges and agrees that it shall not have any other right to make any other claim against the Company, IMAX Corp or IMAX Barbados and hereby waives all rights to make any such claim in respect of such breach; provided that this exclusive remedy for Losses does not preclude any Investor from pursuing remedies under applicable laws for fraud, bad faith or willful misconduct.

SECTION 9 EFFECTIVE DATE AND TERMINATION

- 9.1 Effective Date. This Agreement shall become effective upon execution hereof by all of the Parties and shall continue in force until terminated in accordance with Section 9.2.
- 9.2 Termination. This Agreement may be terminated at any time upon the mutual written consent of each of the Parties.

9.3 Survival. If this Agreement is terminated in accordance with Section 9.2, it shall become void and of no further force and effect, except for the provisions of Section 6 (Confidentiality; Restriction on Announcements), Section 7 (Expenses), Section 9.2 (Termination), this Section 9.3 (Survival), Section 10 (Notices), Section 11 (Miscellaneous) and Section 12 (Governing Law and Jurisdiction); provided, however, that such termination shall, unless otherwise agreed by the Parties, be without prejudice to the rights of any Party in respect of a breach of this Agreement prior to such termination.

SECTION 10 NOTICES

10.1 Notice Addresses and Method of Delivery. All notices, requests, demands, consents and other communications (“Notices”) required to be given by any Party to any other Party shall be in writing and delivered by hand delivery or courier; prepaid registered letter sent by first class mail (express courier if to an address in a country other than the country in which the sender is situated), return receipt request or facsimile or email to the applicable Party at the address or facsimile number stated below:

If to the Company: **IMAX China Holding Inc.**
PO Box 309, Uglan House, Grand Cayman, KY1-
1105, Cayman Islands
Attention: Maples Corporate Services Limited
Facsimile No.: +1 345 949 8080

with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison
12th Floor, Hong Kong Club Building,
3A Chater Road,
Central,
Hong Kong
Attention: Jeanette K. Chan
Facsimile No.: +852 2840 4300

if to IMAX Barbados or IMAX Corp:

IMAX Corporation
2525 Speakman Drive, Mississauga, Ontario,
Canada L5K 1B1
Attention: General Counsel
Facsimile No.: +1 905 403 6468

with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison
12th Floor, Hong Kong Club Building,
3A Chater Road,
Central,

Hong Kong
Attention: Jeanette K. Chan
Facsimile No.: +852 2840 4300

if to FV:

China Movie Entertainment FV Limited
Intertrust Corporate Services (Cayman) Limited
190 Elgin Avenue,
George Town,
Grand Cayman KY1-9005
Cayman Islands
Attention: Neil Gray & Kareen Watler
Facsimile No.: +1 345 945 4757

with a copy to:

FountainVest Partners (Asia) Limited
Suite 705-708, ICBC Tower
3 Garden Road Central, Hong Kong
Attention: Mr. Alex Zhang / Mr. Leon Xu / Mr.
Brian Lee
Email: alexzhang@fountainvest.com /
leonxu@fountainvest.com /
brianlee@fountainvest.com
Facsimile No.: +852 3107 2490

with a copy to:

Fried, Frank, Harris, Shriver & Jacobson
1601 Chater House
8 Connaught Road Central
Hong Kong
Attention: Douglas Freeman / Victor Chen
Facsimile No.: +852 3760-3611
Email: douglas.freeman@friedfrank.com /
victor.chen@friedfrank.com

if to CMC:

CMC Capital Partners
Unit 3607-3608, The Center, No. 989 Changle Road,
Xuhui District, Shanghai
Attention: Clark Xu
Facsimile No.: +86 21 5466-1250

with a copy to:

Fried, Frank, Harris, Shriver & Jacobson
1601 Chater House
8 Connaught Road Central
Hong Kong
Attention: Douglas Freeman / Victor Chen
Facsimile No.: +852 3760-3611

or, as to each Party, at such other address or facsimile number as shall be designated by such Party in a notice to the other Party containing the new information in the same format as the information set out above and complying as to delivery with the terms of this Section 10.

10.2 **Time of Delivery.** Any Notice delivered:

- (a) by hand delivery shall be deemed to have been delivered on the date of actual delivery;
- (b) by prepaid registered letter or express courier shall be deemed to have been delivered four (4) Business Days after the date of posting or delivery to the courier (if by prepaid registered letter to an address in a country other than the country in which the sender is situated, shall be deemed to have been delivered eight (8) Business Days after the date of posting);
- (c) by facsimile shall be deemed to have been delivered on the day the transmission is sent (as long as the sender has a confirmation report specifying a facsimile, a facsimile number of the recipient, the number of pages sent and the date of the transmission); and
- (d) by electronic mail shall be deemed to have been delivered upon confirmation of successful transmission.

10.3 **Proof of Delivery.** In proving delivery of any Notice it shall be sufficient:

- (a) in the case of delivery by hand delivery or courier, to prove that the Notice was properly addressed and delivered;
- (b) in the case of delivery by prepaid registered letter, to prove that the Notice was properly addressed and posted; and
- (c) in the case of delivery by facsimile transmission, to prove that the transmission was confirmed as sent by the originating machine to the facsimile number of the recipient, on the date specified.

**SECTION 11
MISCELLANEOUS**

11.1 **No Partnership.** The Parties expressly do not intend hereby to form a partnership, either general or limited, under any jurisdiction's partnership law. The Parties do not intend to be partners one to another, or partners as to any third party, or create any fiduciary relationship among themselves, solely by virtue of each Investor's status as the holder of the Class C Shares.

11.2 **Amendment.** This Agreement may not be amended, modified or supplemented except by a written instrument executed by each of the Parties.

- 11.3 Waiver. No waiver of any provision of this Agreement shall be effective unless set forth in a written instrument signed by the Party waiving such provision. No failure or delay by a Party in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other right, power or remedy. Without limiting the foregoing, no waiver by a Party of any breach by the other Party of any provision hereof shall be deemed to be a waiver of any subsequent breach of that or any other provision hereof.
- 11.4 Entire Agreement. This Agreement (together with the other Basic Documents) constitutes the whole agreement between the Parties relating to the subject matter hereof and supersedes any prior agreements or understandings (including the Term Sheet) relating to such subject matter.
- 11.5 Severability. Each and every obligation under this Agreement shall be treated as a separate obligation and shall be severally enforceable as such and in the event of any obligation or obligations being or becoming unenforceable in whole or in part. To the extent that any provision or provisions of this Agreement are unenforceable, they shall be deemed to be deleted from this Agreement, and any such deletion shall not affect the enforceability of this Agreement as remain not so deleted.
- 11.6 Counterparts. This Agreement may be executed in one or more counterparts including counterparts transmitted by e-mail (with any attachments in pdf format) or facsimile, each of which shall be deemed an original, but all of which signed and taken together, shall constitute one document.
- 11.7 Transfer; No Assignment. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the Parties. The Investors shall not be permitted to assign any of their rights or obligations under this Agreement to any Person except with the prior written consent of the Company; provided, that notwithstanding the foregoing, (a) prior to Second Completion, none of the Investors may assign its rights and obligations under this Agreement other than in accordance with Section 3.4(a) of the Shareholders' Agreement, and (b) after the Second Completion, each of the Investors may assign its rights and obligations under this Agreement to one or more of its Affiliates without the prior written consent of the Company.
- 11.8 Specific Performance. Each Party shall have the right, in addition to any other rights and remedies existing in their favor under this Agreement, to enforce their rights and obligations of the other Parties hereunder by an action or actions for specific performance, injunctive and/or other equitable relief. If any such action is brought by a Party to enforce this Agreement, the other Parties hereby waive the defense that there is an adequate remedy at law and any requirement under any law to post a bond or other security as a prerequisite to obtaining equitable relief.
- 11.9 Further Assurance. If at any time after the First Completion and the Second Completion any further action is necessary or desirable to fully effect the transactions contemplated hereby, each of the Parties shall take such further

action (including the execution and delivery of such further instruments and documents) as any other Party reasonably may request.

SECTION 12
GOVERNING LAW AND JURISDICTION

12.1 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW THEREUNDER.

12.2 Arbitration.

- (a) Any dispute, controversy or claim arising out of, in connection with or relating to this Agreement (or the interpretation, breach, termination or validity thereof) shall be resolved through arbitration. A dispute may be submitted to arbitration upon the request of any Party with written notice to the other Parties (the "Arbitration Notice").
- (b) The arbitration shall be conducted in Hong Kong and administered by the Hong Kong International Arbitration Centre (the "HKIAC") under the UNCITRAL Arbitration Rules in force at the time of the initiation of the arbitration. There shall be three arbitrators. No arbitrator shall be a national of Canada or the PRC. The claimants to the dispute shall collectively choose one arbitrator, and the respondents shall collectively choose one arbitrator, within thirty (30) days after the delivery of the Arbitration Notice to the other Parties. Both arbitrators shall agree on the third arbitrator within thirty (30) days of their appointment. If any of the members of the arbitral tribunal have not been appointed within thirty (30) days after the Arbitration Notice is given, the relevant appointment shall be made by the Secretary General of the HKIAC. The arbitration shall be conducted in English.
- (c) If an arbitration panel has already been formed under any other Basic Document and is in existence at the time a demand for arbitration is made under this Agreement, the Parties shall submit the dispute to the same panel.
- (d) Each Party shall cooperate with the other in making full disclosure of and providing complete access to all information and documents requested by the other in connection with such arbitration proceedings, subject only to any doctrine of legal privilege or any confidentiality obligations binding on such Party.
- (e) The costs of arbitration shall be borne by the losing Party, unless otherwise determined by the arbitration tribunal.
- (f) When any dispute occurs and when any dispute is under arbitration, except for the matters in dispute, the Parties shall continue to fulfill their respective obligations and shall be entitled to exercise their rights under this Agreement.

- (g) The award of the arbitration tribunal shall be final and binding upon the Parties, and the prevailing Party may apply to a court of competent jurisdiction for enforcement of such award.
- (h) Either Party shall be entitled to seek preliminary injunctive relief from any court of competent jurisdiction pending the constitution of the arbitration tribunal.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF this Agreement has been executed on the day and year first above written.

IMAX CORPORATION

By: /s/ Joseph Sparacio

Name: Joseph Sparacio

Title: Executive Vice President and
Chief Financial Officer

By: /s/ Ed MacNeil

Name: Ed MacNeil

Title: Senior Vice President, Finance

IMAX CHINA HOLDING, INC.

By: /s/ G. Mary Ruby

Name: G. Mary Ruby

Title: Sole Director

IMAX (BARBADOS) HOLDING, INC.

By: /s/ G. Mary Ruby

Name: G. Mary Ruby

Title: Sole Director

CHINA MOVIE ENTERTAINMENT FV LIMITED

By: /s/ Neil Gray

Name: Neil Gray

Title: Director

CMCCP DOME HOLDINGS LIMITED

By: /s/ Ruigang Li

Name: Ruigang Li

Title: Authorized Signatory

CHINA MOVIE ENTERTAINMENT CMC LIMITED

By: /s/ Clark Xu

Name: Clark Xu

Title: Authorized Signatory

SCHEDULE 1

PARTICULARS OF THE GROUP

PART A – DETAILS OF THE COMPANY AT SIGNING

Name:	IMAX China Holding, Inc.
Registered Number:	MC-244792
Date of Incorporation:	August 30, 2010
Place of Incorporation:	Cayman Islands
Registered Office:	PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands
Authorized share capital:	Prior to adoption of Restated Articles: US\$50,000 divided into (i) 4,700,000 voting Common A Shares of par value US\$0.01 each, (ii) 300,000 non-voting Common B Shares of par value US\$0.01 each. After adoption of Restated Articles: US\$62,562.50 divided into (i) 4,700,000 voting Common A Shares of par value US\$0.01 each, (ii) 300,000 non-voting Common B Shares of par value US\$0.01 each, (iii) 750,000 voting Common C Shares of par value US\$0.01 each and 506,250 Common D Shares of par value US\$0.01 each.
Issued share capital:	2,000,001 Common A Shares
Shareholders:	IMAX (Barbados) Holding, Inc. – 2,000,001 Common A Shares
Directors:	G. Mary Ruby
Secretary:	G. Mary Ruby
Outstanding Charges:	75% of the issued shares of the Company are mortgaged and charged by IMAX Barbados in favor of Wells Fargo Bank, National Association, pursuant to a share mortgage dated February 7, 2013, as amended from time to time.
Subsidiaries (and percentage of	IMAX China (Hong Kong), Limited – 100%

PART B – DETAILS OF THE COMPANY’S SHAREHOLDING IMMEDIATELY AFTER FIRST COMPLETION1. Immediately after First Completion(a) *Capitalization Table*

<u>Type of Shares</u>	<u>Number of Authorized Shares</u>	<u>Number of Issued and Outstanding Shares</u>
Common A	4,700,000	2,700,000
Common B	300,000	0
Common C	750,000	337,500
Common D	506,250	0
Total	6,256,250	3,037,500

(b) *Shareholding*

<u>Registered Shareholder</u>	<u>No. of Shares</u>	<u>Type of Shares</u>	<u>Percentage of Shareholding</u>
IMAX (Barbados) Holding, Inc.	2,700,000	Common A	88.89%
China Movie Entertainment FV Limited	168,750	Common C	5.56%
CMCCP Dome Holdings Limited	84,375	Common C	2.78%
China Movie Entertainment CMC Limited	84,375	Common C	2.78%

2. Immediately after Second Completion (assuming Second Completion occurs)(c) *Capitalization Table*

<u>Type of Shares</u>	<u>Number of Authorized Shares</u>	<u>Number of Issued and Outstanding Shares</u>
Common A	4,700,000	2,700,000
Common B	300,000	0
Common C	750,000	675,000
Common D	506,250	0
Total	6,256,250	3,375,000

(d) *Shareholding*

<u>Registered Shareholder</u>	<u>No. of Shares</u>	<u>Type of Shares</u>	<u>Percentage of Shareholding</u>
IMAX (Barbados) Holding, Inc.	2,700,000	Common A	80%
China Movie Entertainment FV Limited	337,500	Common C	10%
CMCCP Dome Holdings Limited	168,750	Common C	5%
China Movie Entertainment CMC Limited	168,750	Common C	5%

PART C – DETAILS OF HKCO AT SIGNING

Name: IMAX China (Hong Kong), Limited
Registered Number: 1528022
Date of Incorporation: November 12, 2010
Place of Incorporation: Hong Kong
Registered Office: 12/F Ruttonjee House, 11 Duddell Street, Central, Hong Kong
Authorized share capital: HK\$10,000.00 divided into 10,000 shares
Issued share capital: 2 shares
Shareholders: IMAX China Holding, Inc. – 2 shares
Directors: 1 – Richard Lewis Gelfond
2 – Joseph Sparacio
3 – Robert Darin Lister
Secretary: Ace Secretaries Limited
Outstanding Charges: NIL
Subsidiaries (and percentage of shareholding): IMAX (Shanghai) Multimedia Technology Co., Ltd. – 100%

PART D – DETAILS OF WFOE AT SIGNING

Chinese Name: 爱麦克斯(上海)多媒体技术有限公司

English Name: IMAX (Shanghai) Multimedia Technology Co., Ltd.

Registration No: 310000400652178 (Huangpu)

Registered with: Shanghai Administration for Industry and Commerce

License No.: 01000002201105310010

Enterprise Identity: 000000022011053100299

Date of Incorporation: May 31, 2011

Place of Incorporation: PRC

Registered Office: Room A421, No. 389, Nanjing West Road, Huangpu District, Shanghai

Registered Capital: US\$5,000,000

Paid-in Capital: US\$5,000,000

Total Investment Amount: US\$12,500,000

Shareholders (Promoter): IMAX China (Hong Kong), Limited

Term of Operation: 30 years:
May 31, 2011 to May 30, 2041

Scope of Business: Technical research and development, technical consulting, technical training and marketing in relation to movie theater systems and multimedia technology and provision of after-sales services (including installation); lease, wholesale, import, maintenance and repair of movie theater machinery, equipment, systems and software; research and development of software and hardware (the commodities which are subject to any quota or permit should follow the relevant regulations) (any business which is subject to an administrative permit should be operated after obtaining such permit).

Legal Representative:	Robert Darin Lister
Directors:	1 – Robert Darin Lister 2 – Joseph Sparacio 3 – Richard Lewis Gelfond
Supervisors:	Edward Paul MacNeil
Outstanding Charges:	NIL
Subsidiaries (and percentage of shareholding):	NIL

SCHEDULE 2

DISCLOSURE SCHEDULE

[see attached]

SCHEDULE 3

COLLECTIVE WARRANTIES

Definitions

In this Schedule 3 and Schedule 4, capitalized terms not otherwise defined have the meanings set forth in this Agreement, and the following terms have the meanings specified:

“Action” shall be as defined in Section 11.1 of this Schedule 3.

“Approvals” means any consent, permit, approval, authorization, waiver, grant, concession, license, exemption, order, registration or certificate granted by any governmental, administrative or regulatory body, department, agency, court or commission in respect of the filings, documents, reports or notices submitted to such governmental, administrative or regulatory body, department, agency, court or commission.

“Assets” means all assets, rights and privileges of any nature and all goodwill associated therewith, including without limitation all rights in respect of Contracts, all Intellectual Property, and Equipment used in the conduct of the Principal Business of the Group Companies, but excluding rights in respect of real property.

“Contracts” means all contracts, agreements, licenses, engagements, leases, financial instruments, purchase orders, commitments and other contractual arrangements, which are currently subsisting and effective and which have not been terminated or completed.

“Disclosed” means, in respect of any Collective Warranty (subject to the proviso in sub-clause (iv) below), disclosed in (i) the Disclosure Schedule (including the schedules and appendices thereof) or (ii) all matters reasonably apparent in the Basic Documents, (iii) all matters reasonably apparent in the Management Accounts, (iv) all matters reasonably apparent in the report produced by PriceWaterhouseCoopers in relation to the Management Accounts (but only disclosed against Collective Warranties in Sections 8.1 and 10.1 to 10.5(a) of this Schedule 3) or (v) the public filings for financial years 2011, 2012 and 2013 on the website of the United States Securities and Exchange Commission or EDGAR (Electronic Data Gathering, Analysis, and Retrieval), excluding for (v), “risk factor” sections or any language in such filings that are cautionary, predictive or forward-looking in nature, in each case other than any specific factual information contained therein.

“Encumbrances” means (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable law, (b) any lease, sub-lease, occupancy agreement, easement or covenant granting a right of use or occupancy to any Person, (c) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, negotiation or refusal or transfer restriction in favor of any Person and (d) any adverse claim as to title, possession or use.

“Equipment” means all the plant and machinery, tools and equipment, vehicles and office furniture, computer equipment and other tangible assets.

“ESOP” means the Company’s employee long term incentive plan adopted on October 29, 2012.

“Greater China” means the PRC, Hong Kong and Macau Special Administrative Regions of the PRC and Taiwan.

“IFRS” means International Financial Reporting Standards.

“Intellectual Property” means all letters patent, trademarks, service marks, registered designs, domain names, copyrights, inventions and Know-how.

“Intercompany Agreements” means the agreements set forth on Schedule 2 of the Shareholders’ Agreement and the Personnel Secondment Agreement dated as of August 11, 2011 by and between IMAX Corp and the WFOE.

“IP Licenses” shall be as defined in Section 5.6(a) of this Schedule 3.

“Know-how” means all know-how, lists of customers or suppliers, trade secrets, technical processes or other confidential information relating thereto.

“Knowledge of the Company” means the knowledge of the directors of the Company after reasonable inquiry in circumstances in which a reasonably prudent person in a similar position would conduct such inquiry.

“Leases” shall be as defined in Section 5.5 of this Schedule 3.

“Management Accounts” means (i) the unaudited pro forma balance sheet of the Company as of the Management Accounts Date, and the unaudited pro forma statement of income for the 9 month period ending on such date and (ii) the unaudited pro forma balance sheet of the Company as of December 31, 2012 and the unaudited pro forma statements of income for the year ended December 31, 2012 and (iii) the unaudited pro forma balance sheet of the Company as of December 31, 2011 and the unaudited pro forma statements of income for the year ended December 31, 2011.

“Management Accounts Date” means September 30, 2013.

“Material Adverse Effect” means (a) a material and adverse effect on the assets, properties, business, conditions (financial or otherwise), liabilities or results of operation of the Group taken as a whole; or (b) any event that prevents or materially delays, or would reasonably be expected to prevent or materially delay, consummation of the transactions contemplated hereby or the performance by the Company of any of its obligations under this Agreement.

“**Material Contracts**” means the following Contracts entered into by any Group Company or to which any Asset, equity interest or shares of any Group Company is subject to:

- (i) all Contracts relating to any credit, loan or facility arrangement, guarantee or other security arrangement, or indebtedness (other than intercompany indebtedness) (whether or not incurred, assumed, guaranteed or secured by any Asset of any Group Company) of more than US\$5,000,000;
- (ii) Contracts evidencing or relating to any obligations of any Group Company with respect to the issuance, sale, repurchase or redemption of any Equity Securities of any Group Company, excluding the ESOP and any grants of Equity Securities made pursuant to the ESOP;
- (iii) Contracts with any exhibitors, film studios and distributors which involved payments to or from any Group Company in the most recent 12 month period of in excess of US\$2,000,000;
- (iv) all real property leases, subleases or other occupancies used by any Group Company or to which any of them is a party as lessee or lessor;
- (v) all employment Contracts to which any Group Company is a party in excess of US\$250,000 per annum;
- (vi) Contracts evidencing partnerships or joint ventures (in each case excluding any revenue sharing arrangements) in which any Group Company has an interest;
- (vii) Contracts by and between any Group Company, on the one hand, and any Affiliate of any Group Company, any other Person with whom any Group Company is not dealing at arm’s-length, any employee, officer or director of any Group Company or any entity (to the Knowledge of the Company) controlled by any employees, officers or directors of any Group Company, on the other hand;
- (viii) leases of personal property under which any Group Company is the lessee and is obligated to make payments more than US\$125,000 per annum;
- (ix) Contracts relating to the acquisition or disposition of any capital stock, business or product line of any other Person entered into at any time during the last three (3) years;
- (x) Contracts limiting the freedom of any Group Company to engage in any line of business, acquire any entity or compete with any Person or in any market or geographical area, or to solicit any individual or class of individuals for employment, other than theater agreements with theater operators entered into in the ordinary course of business containing such market or geographical area restrictions on IMAX theaters; and
- (xi) any Contract not otherwise listed above involving payments to or from any Group Company in excess of US\$5,000,000 per annum, individually or in the aggregate.

“Permitted Encumbrances” means (i) Encumbrances in respect of Taxes, if due, the validity of which is being contested in good faith by appropriate proceedings during which collection or enforcement is stayed and for which adequate reserves have been established in accordance with U.S. GAAP, or Encumbrances in respect of Taxes not yet due and payable, (ii) mechanics’, carriers’, workmen’s, repairmen’s or other like Encumbrances arising or incurred in the ordinary course of business, and (iii) with respect to leasehold interests, mortgages and other Encumbrances incurred, created, assumed or permitted to exist and arising by, through or under a landlord or owner of the leased real property.

“Principal Business” has the meaning given in the defined term “Business” in Section 2.1 of the Shareholders’ Agreement.

“Public Official” means any employee of a Governmental Authority, officer of a public international organization, or officer or employee of a state-owned enterprise.

“Related Party” means (a) IMAX Corp, IMAX Barbados or any other direct shareholder of any Group Company, (b) any director or senior officer of any Group Company, or (c) any Affiliate of any Group Company or any Person in (a) or (b).

“Tax” means (a) any and all applicable tax and taxes (including any value added, sales, franchise, excise, transfer, business, capital stock, income, windfall or other profits, gross receipts, gains, asset values, payroll, employment (including withholding obligations imposed on employer/payer), social security, workers’ compensation, unemployment compensation or net worth, withholding, estimated, use, registration, stamp, premium, property, or other tax, stamp or other duty, levy, impost, tariff, charge, fee, deduction, or withholding of any nature) imposed, levied, collected or assessed by any Governmental Authority in the PRC or elsewhere and includes any interest and penalties for late or non-payment of such tax or taxes and any additions thereto and (b) any liability for the payment of any amounts described in this definition as a result of being a member of an affiliated, consolidated, combined, unitary or similar group, as a result of transferor or successor liability, or as a result of the operation of Law; and (c) any liability for the payments of any amounts as a result of being a party to any Tax Sharing Agreement.

“Tax Returns” means all Cayman Islands, Hong Kong and China returns, declarations, claims for refunds, forms, statements, reports, schedules, information returns or similar statements or documents, and any amendments thereof (including any related or supporting information or schedule attached thereto) filed or required to be filed (including electronically) with any Taxing Authority in connection with the determination, assessment or collection of any Tax or Taxes.

“Tax Sharing Agreement” means any Tax allocation agreement, Tax indemnification agreement, Tax sharing agreement or similar contract or arrangement, whether or not written.

“Taxing Authority” means any Governmental Authority responsible for or having jurisdiction over the assessment, determination, collection or other imposition of Taxes.

“U.S. GAAP” means generally accepted accounting principles in the United States.

Collective Warranties

As a material inducement to the Investors to consummate the transactions contained in this Agreement, the Company (for itself and on behalf of the other Group Companies) and IMAX Corp (where applicable) represents, warrants and undertakes to each Investor that the representations and warranties set forth in this Schedule 3 are true, accurate and complete as of the date hereof and as of the First Completion Date, other than as set forth in the Disclosure Schedule or otherwise Disclosed:

SECTION 1 CORPORATE MATTERS

- 1.1 **Organization, Good Standing and Qualification.** Each of the Group Companies has been duly incorporated and organized, and is validly existing in good standing, under the laws of its place of incorporation. Each of the Group Companies has the requisite capacity, power and authority to own and operate its Assets in connection with the conduct of its business as it is currently conducted and to carry on its business as it is currently conducted and as contemplated under the Basic Documents. Each of the Group Companies is duly qualified or licensed to do business in the jurisdiction in which such Group Company currently conducts business that requires such qualification or licensing, save for those matters that would not result in a Material Adverse Effect.
- 1.2 **Charter Documents.** The copies of the charter or constitutional documents of each Group Company that have been delivered to the Investors are true, complete and accurate and have embodied therein or annexed to them a copy of every resolution or agreement as is required by law to be embodied in or annexed to it, and set out completely the rights and restrictions attaching to each class of authorized share capital or equity holder of such Group Company. Such charter or constitutional documents are in full force and effect on the date of this Agreement, but shall be replaced on or prior to the First Completion Date by the Restated Articles. All legal and procedural requirements and other formalities concerning such charter or constitutional documents have been duly and properly complied with in all material respects.
- 1.3 **Capitalization and Other Particulars.** The particulars of (a) the share capital or registered capital, as the case may be, of each Group Company, in each case set forth in Part A, Part C and Part D of Schedule 1 to this Agreement, are true and accurate in all respects, (b) the other particulars of each Group Company, in each case set forth in Part A, Part C and Part D of Schedule 1 to this Agreement, are true and accurate in all material respects, and (c) the information set forth in Part B of Schedule 1 to this Agreement are true and accurate in all respects.
- 1.4 **Options, Warrants and Reserved Shares.**
 - (a) Section 1.4 of the Disclosure Schedule sets forth the following information with respect to each award (including any option or cash award) granted pursuant to the ESOP outstanding as of the date hereof: (i) the name of the award recipient; (ii) the number of Shares (as

defined in the Shareholders' Agreement) subject to such award (as applicable); (iii) the exercise or purchase price of such award (as applicable); and (iv) the date on which such award was granted. Each grant of such awards was properly approved by the Board (or a duly authorized committee or subcommittee thereof) in compliance with all applicable laws. There are no commitments or agreements of any character to which IMAX Corp, the Company or any other Group Company is bound obligating IMAX Corp, the Company or any other Group Company to accelerate or otherwise alter the vesting of any award as a result of the transactions contemplated by the Basic Documents. The Equity Reserved for Management (as defined in the Shareholders' Agreement) includes all of the outstanding awards that have been granted pursuant to the ESOP.

- (b) Other than as set out in the Basic Documents, as set out in the ESOP, or as required by applicable law, (a) there are no outstanding options, warrants, rights (including conversion or preemption rights) or agreements for the subscription for or purchase of any shares in the capital stock or registered capital of any Group Company or any securities convertible into or ultimately exchangeable or exercisable for any shares of capital stock or registered capital of any Group Company, (b) no shares in the capital stock or registered capital of any Group Company, or other shares issuable by any Group Company, are subject to any preemptive rights, rights of first refusal or other rights to subscribe for or purchase such shares (whether in favor of any Group Company or any other Person), pursuant to any agreement or commitment of any Group Company, and (c) all of the outstanding shares of each Group Company's capital stock have been duly authorized and are validly issued and outstanding, fully paid and non-assessable and have been issued in full compliance with the charter or constitutional documents and the requirements of all applicable laws and regulations.

1.5 Equity Interest of the Group Companies. IMAX Corp is the legal and beneficial owner of 100% of the issued shares in IMAX Barbados, which is the legal and beneficial owner of 100% of the issued shares in the Company. The Company is the legal and beneficial owner of 100% of the issued shares in HKCo. HKCo is the legal and beneficial owner of 100% of the equity interest in WFOE. Other than any options under the ESOP, there is no Encumbrance on, over or affecting any part of the equity interests in any Group Company and there is no agreement or commitment to give and create any Encumbrance over such equity interests other than the Basic Documents and as provided under applicable law. No claim has been made by any person to be entitled to any such Encumbrance and, to the Knowledge of the Company, there is no event or circumstance that may give rise to such claim.

1.6 Subsidiaries.

- (a) Save for HKCo and WFOE, the Company does not own any Equity Securities of, or other direct or indirect interest of any kind in, any other Person. Save for WFOE, HKCo does not own any Equity

Securities of, or other direct or indirect interest of any kind in, any other Person, and WFOE does not own any Equity Securities of, or other direct or indirect interest of any kind in, any other Person.

- (b) Other than the Group Companies, IMAX Corp and its Affiliates (other than the Group Companies) do not own any Equity Securities of, or other direct or indirect interest of any kind in, any Person that develops, conducts or otherwise engages in the Principal Business or any portion thereof in Greater China.

- 1.7 Corporate Records. The books and records of each Group Company have been maintained in accordance with good business practices and all applicable laws, save where failure to maintain such books and records is immaterial. The minute books of director (including committees thereof) and shareholder meetings of each Group Company, as previously made available to the Investors, contain, in all material respects, accurate and complete records of all such meetings and accurately reflect, in all material respects, all other material corporate action (whether taken by written consent or otherwise) of the shareholders and directors of each Group Company.

SECTION 2 AUTHORIZATION AND VALIDITY OF TRANSACTIONS

- 2.1 Authorization. Each of IMAX Corp and the Company has the requisite capacity, power and authority to execute, deliver and perform its obligations under this Agreement and the other Basic Documents to which it is a party, and to consummate the transactions contemplated hereby and thereby. All corporate action on the part of IMAX Corp and the Company necessary for (a) the authorization, execution, delivery of and the performance of all of the obligations of IMAX Corp and the Company under this Agreement, and (b) the authorization, issuance and allotment of the Class C Shares pursuant to this Agreement has been taken.
- 2.2 Valid Issuance and Sale of Class C Shares. The Class C Shares when issued and paid for as provided in this Agreement will upon First Completion or Second Completion (as the case may be) be duly validly issued, fully paid and non-assessable. The Class C Shares are free of Encumbrances other than those set out in the Basic Documents and any applicable securities or corporate laws.
- 2.3 Enforceability. This Agreement and the other Basic Documents have been duly and validly executed and delivered by IMAX Corp and the Company (only to the extent they are parties) and constitute the legal, valid and binding obligation of IMAX Corp and the Company enforceable against each of them in accordance with their respective terms, except where such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally.
- 2.4 No Breach. Neither the execution and delivery by IMAX Corp and the Company of this Agreement and the other Basic Documents to which it is a party and the performance by IMAX Corp and the Company of their obligations under this Agreement and the other Basic Documents nor the consummation of the transactions contemplated hereby or thereby, will:
- (a) breach, or constitute a default under the charter or constitutional documents of IMAX Corp or any Group Company (as applicable);

- (b) result in a breach of, or constitute a default under, or give to others any right of termination, amendment, acceleration or cancellation of, or result in the creation of any Encumbrance (other than Permitted Encumbrances) on any real property or Assets of any Group Company pursuant to, any Contract to which any Group Company is a party or by which any Group Company or its real property or Assets are bound, save for those matters that would not result in a Material Adverse Effect;
 - (c) result in a violation, breach of or default under any law applicable to IMAX Corp or any Group Company, or conflict with any order of any court, Governmental Authority or arbitrator applicable to IMAX Corp or any Group Company or any of the real property or Assets of IMAX Corp or any Group Company, save for those matters that would not result in a Material Adverse Effect; or
 - (d) require the Approval of any Person, save for those Approvals which are not material and which would not reasonably be expected to prevent or materially delay the consummation of the transactions contemplated hereunder or the performance of any Group Company of any of its obligations under this Agreement.
- 2.5 No Brokerage Fees. Save as set forth in Section 2.5 of the Disclosure Schedule, no Person is entitled to receive from any Group Company any finder's fee, brokerage or commission in connection with this Agreement or anything contained herein.
- 2.6 Wells Fargo Consent. IMAX Corp has obtained written consent from Wells Fargo Bank, National Association ("Wells Fargo") to the transactions contemplated under the Basic Documents, which consent is required under the Third Amended and Restated Credit Agreement entered into by IMAX Corp and Wells Fargo, among others, on February 7, 2013 (as amended, the "Credit Agreement"), and the Equitable Share Mortgage in Respect of Shares of IMAX China Holding, Inc. entered into by IMAX Barbados and Wells Fargo on February 7, 2013 (as amended, the "Share Mortgage"). The rights of the Class C Shareholders under the Shareholders' Agreement (including but not limited to the put rights in Sections 2.4, 2.5 and 8 thereof, the right to dividends in Section 6.1 thereof, and the rights in Section 7 thereof) are not in any way restricted by the Credit Agreement or the Share Mortgage.

SECTION 3
LEGAL COMPLIANCE

3.1 Compliance with Laws.

- (a) Each Group Company has at all times carried on its business as currently conducted in compliance with all applicable laws in all respects, save for those matters that would not result in a Material Adverse Effect. There is no order, decree or judgment of any court or any Governmental Authority outstanding against any Group Company.
- (b) All Approvals have been obtained by each Group Company to enable such Group Company to carry on its business in the places and in the manner in which such business is now carried on and all such Approvals are valid and subsisting, save for those matters that would not result in a Material Adverse Effect. To the Knowledge of the Company, there is no fact or circumstance that would cause any such Approval to be suspended, cancelled or revoked or not be renewed or reissued upon or prior to their expiry.

3.2 Compliance with Anti-bribery, Anti-Corruption or Anti-money Laundering Laws.

- (a) None of the Group Companies and, to the Knowledge of the Company, no director, officer, agent, employee, or any other Person acting for or on behalf of the foregoing (individually and collectively, a “Company Affiliate”), has violated the U.S. Foreign Corrupt Practices Act or any other applicable anti-bribery or anti-corruption laws where such violation would have a Material Adverse Effect, nor has any Company Affiliate offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, to any officer, employee or any other person acting in an official capacity for any Governmental Authority, to any political party or Public Official or to any person under circumstances where such Company Affiliate knew or was aware of a high probability that all or a portion of such money or thing of value would be offered, given or promised, directly or indirectly, to any Public Official, for the purpose of:
 - (i) (1) influencing any act or decision of such Public Official in his or her official capacity, (2) inducing such Public Official to do or omit to do any act in violation of his or her lawful duty, (3) securing any improper advantage, or (4) inducing such Public Official to influence or affect any act or decision of any Governmental Authority, or
 - (ii) in order to assist any of the Group Companies in obtaining or retaining business for or with, or directing business to any member of the Group.
- (b) None of the directors or shareholders of the Group Companies is a Public Official.

3.3 Compliance with Economic Sanctions Laws. None of the Group Companies maintains or conducts, and has not maintained or conducted, any business,

investment, operation or other activity in the conduct of the Principal Business, and the ownership, operation or use of each of the Group Companies' Assets in or with: (i) any country or Person targeted by any of the United States economic sanctions laws administered by the United States Treasury Department's Office of Foreign Assets Control ("OFAC"); (ii) any Person appearing on the list of Specially Designated Nationals and Blocked Persons issued by OFAC; or (iii) any country or Person designated by the United States Secretary of the Treasury pursuant to the USA PATRIOT Act as being of "primary money laundering concern."

- 3.4 Compliance with Export Control and Import Laws. In the past three (3) years, none of the Group Companies has conducted any business, investment or operation in violation of any applicable export control and import laws and has at all times obtained appropriate Approvals in connection with the export and importation of its products, except in each case matters which would not result in a Material Adverse Effect.

SECTION 4 OPERATIONS

- 4.1 Activities since Management Accounts Date. Save as Disclosed, since the Management Accounts Date, there has not been:
- (a) any interruption or alteration in the nature, scope or manner of the business of any Group Company, which has been carried on lawfully and in the ordinary and usual course of business, save for those matters that would not result in a Material Adverse Effect;
 - (b) any alteration to the charter or constitutional documents of any Group Company or any other document or agreement establishing, evidencing or relating to the constitution or operation of any Group Company, other than in connection with the transactions contemplated hereunder;
 - (c) save as otherwise contemplated in this Agreement or the other Basic Documents, any (i) authorization for issuance, issue, grant, sale, delivery, disposal of, pledge or other Encumbrance of any shares of its capital stock or securities or other equity interests (or registered share capital) of any Group Company or issuance of any rights to subscribe for or acquire any shares of capital stock or securities or other equity interests (or registered share capital) of any Group Company (other than the Class C Shares), (ii) split, combination, subdivision or reclassification of the outstanding capital stock or other equity interests (or registered share capital) of any Group Company or (iii) purchase, redemption or other acquisition or disposal, directly or indirectly, of any shares of the capital stock or other equity interests (or registered share capital) or securities of any Group Company;
 - (d) any adverse change in any customer relationship, the business, operations, financial condition, position, assets or liabilities of any Group Company which would result in a Material Adverse Effect and there has been no damage, destruction or loss (whether or not covered by insurance) affecting any material assets which would result in a Material Adverse Effect;

- (e) material failure by any Group Company to pay its creditors in the ordinary course of business;
- (f) failure by any Group Company to repay any loan in whole or in part when due, nor has any Group Company become bound or liable to be called upon to repay prematurely any loan or other borrowed monies;
- (g) except in the ordinary course of business, any acquisition, sale, transfer or disposal of any Assets in excess of US\$100,000;
- (h) any declaration or payment of any dividend or other distribution by any Group Company;
- (i) any change in any accounting methods, principles or practice, except as required by IFRS or U.S. GAAP (as applicable);
- (j) entry into any transaction other than on arms' length terms and for full and proper consideration;
- (k) discharge or satisfaction of any Encumbrance, or payment of any obligation or liability (fixed or contingent), except in the ordinary course of business;
- (l) cancellation or compromise of any debt or claim or amendment, cancellation, termination, relinquishment, waiver or release of any contract or right except in the ordinary course of business;
- (m) any debt, obligation or liability incurred, assumed or guaranteed by any Group Company, or any material reduction in the overall value of the Assets of any Group Company, except for those amounts incurred in the ordinary course of business;
- (n) any surrender relating to group relief or any surrender of a Tax refund made or received by a Group Company, the making, changing or revoking of any material Tax election or material method of Tax accounting, any filing of a material amended Tax Return or a claim for refund of material Taxes, any material ruling request, closing agreement, or similar agreement with respect to Taxes entered into, or any material liability or assessment with respect to Taxes entered into;
- (o) institution or settlement of any material legal proceeding; and
- (p) entry into any agreement, whether in writing or otherwise, to take any of the actions set forth in paragraphs (b), (c) and (g) to (o) above.

4.2 The Group is engaged solely in the Principal Business and has no other business activities.

SECTION 5
ASSETS

- 5.1 Title to Assets. The Group Companies have good and valid title to, or a valid leasehold interest in or contractual right to use, all material Assets, free and clear from any Encumbrances other than Permitted Encumbrances. The shares in HKCo and the equity interest in WFOE are free and clear from any Encumbrances (other than those set out in the Basic Documents and under applicable laws).
- 5.2 Sufficiency of Assets.
- (a) The Assets (including the rights in the Intercompany Agreements) are sufficient for the continued conduct of the Principal Business after the First Completion Date in substantially the same manner as it was conducted prior to the First Completion Date and constitute all of the rights, property and assets necessary to conduct the Principal Business as currently conducted or presently proposed to be conducted.
 - (b) Other than the Assets used under or pursuant to the Intercompany Agreements, Section 5.2 of the Disclosure Schedule sets forth by category all Assets currently used by the Group in the conduct of the Principal Business that is jointly owned or used by, provided by or otherwise shared with (pursuant to a Contract or otherwise), IMAX Corp or any of its Affiliates (other than the Group).
 - (c) Except as set forth in Section 5.2(c) of the Disclosure Schedule, all Contracts with customers in the PRC, Taiwan, Hong Kong and Macau in the conduct of the Principal Business, and to which IMAX Corp is currently a party, which shall include, among others, all theatre agreements with exhibitors, have been duly and properly assigned by IMAX Corp or its Affiliates (other than the Group) to the relevant Group Company in accordance with the terms of such Contracts. All Assigned Contracts and Delegated Contracts are direct sale agreements and not revenue-sharing agreements (whether it is on full revenue-sharing or partial revenue-sharing basis).
- 5.3 Real Property. No Group Company owns any land, land use rights, buildings or real property.
- 5.4 Personal Property. All material tangible personal property used by any Group Company in, or in connection with, the Principal Business are in good repair and condition (taking into account their age, fair wear and tear and level of use), are in satisfactory working order and have been regularly and properly serviced and maintained.
- 5.5 Leases. Each of the Group Companies has good and valid leasehold interests in each parcel of leased real property, free and clear of any Encumbrances other than Permitted Encumbrances. All of the Group Company's real property leases (the "Leases") are in full force and effect, are valid and effective in accordance with their respective terms, subject to bankruptcy,

insolvency, fraudulent transfer, reorganization, moratorium and similar laws of generally applicability relating to or affecting creditors' rights and to general principles of equity, and there is no material default or event of default (or event which, with notice or lapse of time, or both, would constitute a default) by any Group Company or, to the Knowledge of the Company, by the other party to any such Lease.

5.6 Intellectual Property Rights.

- (a) All of the Intellectual Property required for the conduct of the Principal Business is (i) owned by IMAX Corp (and licensed to the relevant Group Company) or the relevant Group Company as the sole legal and beneficial owner free from Encumbrances (the "Owned IP") or (ii) used by such Group Company in accordance with the terms of a current license from the owner of that Intellectual Property (the "IP Licenses"). None of such Intellectual Property has been wrongfully or unlawfully acquired by the relevant Group Company and no such claim has been made or threatened, nor, to the Knowledge of the Company, are there any grounds on which such a claim could be made.
- (b) Other than generally available or shrinkwrap licenses, the material particulars as to registration (and applications therefor) of the Owned IP, including priority and renewal dates, and true copies of all IP Licenses have been made available to the Investors. Except as provided in the IP Licenses, no Group Company is obligated to pay any royalties or other payments to any Person in respect of Intellectual Property used by the Group. No Group Company is in breach of any IP License or of any agreement under which any confidential business information was or is to be made available to it, save for those matters that would not result in a Material Adverse Effect.
- (c) Except in the ordinary course of business (including the entering into of trademark license agreements with theater exhibitors and distributors), no Group Company has entered into any agreement, arrangement or understanding for the licensing, or otherwise permitting the use or exploitation by any third party, of the Owned IP or which prevents, restricts or otherwise inhibits any Group Company's freedom to use and exploit the Owned IP.
- (d) To the Knowledge of the Company, the processes and methods employed, the services provided, the businesses conducted and the products manufactured, used or dealt in by each Group Company does not, or at the time of being employed, provided, conducted, manufactured, used or dealt in did not, infringe the rights of any other Person in any Intellectual Property, save for those matters that would not result in a Material Adverse Effect.
- (e) To the Knowledge of the Company, there is not, nor has there been at any time, any unauthorized use or infringement by any Person of any of the Intellectual Property owned, licensed, used or otherwise required for the business of any Group Company, and, to the Knowledge of the Company, no Person has threatened any such infringement, save for those matters that would not result in a Material Adverse Effect.

- (f) The Owned IP, and the validity or subsistence of IMAX Corp or the Group's right, title and interest therein, is not the subject of any current, pending or threatened challenge, claim or proceedings, including for opposition, cancellation, revocation or rectification, and there are no facts or matters which might give rise to any such challenge, claim or proceedings, except for such challenges, claims or proceedings which would not result in a Material Adverse Effect.
- (g) Each of the Group Companies has taken all reasonable steps open to it to preserve its Owned IP. All renewal fees regarding its Intellectual Property have been paid in full, except for non-payment of such renewal fees which would not result in a Material Adverse Effect.

SECTION 6 MATERIAL CONTRACTS

- 6.1 **Material Contracts.** True and complete copies of all of the Material Contracts have been made available to the Investors. No Group Company is a party to or bound by or has any material liability under any Material Contract other than the Material Contracts that are set forth in the Disclosure Schedule. Each Material Contract set forth in the Disclosure Schedule and the Assigned Contracts and Delegated Contracts have been duly authorized, executed and delivered by such Group Company, is in full force and effect, constitutes the valid and binding obligation of such Group Company enforceable against such Group Company and, to the Knowledge of the Company, constitutes the valid and binding obligation of such other party enforceable against such other party in accordance with its terms, except where such enforceability may be limited by applicable bankruptcy, insolvency reorganization, moratorium or similar laws affecting creditors' rights generally.
- 6.2 **No Breach.** None of the Group Companies or IMAX Corp, as applicable, and, to the Knowledge of the Company, no counter party thereto is in default in the performance, observance or fulfillment of any material obligation, covenant or condition contained in any Material Contract set forth in the Disclosure Schedule, nor is any Group Company or IMAX Corp, as applicable, in receipt of any claim (written or otherwise) of default. None of the Group Companies or IMAX Corp, as applicable, and, to the Knowledge of the Company, no counter party thereto is in default in the performance, observance or fulfillment of any material obligation, covenant or condition contained in the Assigned Contracts or Delegated Contracts, nor is any Group Company or IMAX Corp, as applicable, in receipt of any claim (written or otherwise) of default. To the Knowledge of IMAX Corp or the Company, as applicable, there is no invalidity or grounds for termination, avoidance, rescission or repudiation of any Material Contract, Assigned Contract or Delegated Contract to which any Group Company or IMAX Corp, as applicable, is a party.

- 6.3 Related Party Transactions. Save as set forth in Section 6.3 of the Disclosure Schedule, there are no contracts, understandings or transactions between any Group Company on the one hand and any Related Party of any Group Company on the other hand and no Related Party of any Group Company is indebted to any Group Company.

**SECTION 7
EXHIBITORS, FILM STUDIOS AND DISTRIBUTORS**

- 7.1 Exhibitors, Film Studios and Distributors. A list of the (a) ten (10) largest exhibitors under theatre agreements with the Group (determined on the basis of aggregate revenues recognized by the Group over the fiscal year ended December 31, 2013) (each, a "Major Exhibitor"), (b) five (5) largest film studios under DMR production services agreements with the Group (determined on the basis of aggregate revenues recognized by the Group over the fiscal year ended December 31, 2013) (each, a "Major Studio"), and five (5) largest distributors under distribution agreements with the Group (determined on the basis of aggregate revenues recognized by the Group over the fiscal year ended December 31, 2013) (each, a "Major Distributor") has been provided to the Investors. None of the Group Companies has received any written notice or communication from any Major Exhibitor, Major Studio or Major Distributor that it intends to terminate, or not renew, its relationship with such Group Company.

**SECTION 8
TAX MATTERS**

8.1 Tax Matters.

- (a) All Taxes due and payable by the Group Companies in respect of all periods ending on or prior to the First Completion Date, have been paid in accordance with applicable tax laws. The liability for Taxes of the Group Companies as of the First Completion Date reflected in the Management Accounts will be sufficient in all material respects to provide for (i) all interest, penalties, assessments or deficiencies, if any, which are due and unpaid and (ii) the appropriate accrual for other unpaid Taxes not yet due.
- (b) All Tax Returns filed or required to be filed with respect to any period up to the First Completion Date by or on behalf of the Group Companies have been made in accordance with applicable law and are true, correct and complete in all material respects and none of them is the subject of any open dispute with the relevant Taxing Authority as of the date of this Agreement, except for any defaults in filing which are not material.
- (c) There are no material liabilities of Taxes in respect of which a Tax claim or assertion of deficiency has been made against any Group Company from a Tax Authority. To the Knowledge of the Company, no Tax Return of any Group Company is currently being examined or audited by any Taxing Authority or is the subject of any administrative

or judicial proceeding, no such audit or examination or other administrative or judicial proceeding is threatened by any Taxing Authority, and there are no outstanding agreements or waivers extending the statute of limitations applicable to any Tax Return. Each Group Company has kept and preserved all material records and information, according to the requirements of the relevant laws, as may be needed to enable it to deliver correct and complete Tax Returns to all relevant Taxing Authorities for all periods for which such Tax Returns and declarations are required by relevant Tax laws.

- (d) All material transactions between the Group Companies have been and are on fully arm's length terms.
- (e) All material Taxes that the Group Companies are obligated to withhold or collect from amounts owing to any employee, creditor or third party have been, within the time and in the manner prescribed by applicable law, withheld or collected and paid over to the proper Taxing Authority and the Group Companies have complied in all material respects with applicable law relating to the payment and withholding of Taxes and Tax information reporting, collection and retention. No Group Company is currently, or has been, party to any Tax Sharing Agreement.
- (f) No claim has been made by a Taxing Authority in any jurisdiction where any Group Company does not file Tax Returns that such Group Company is or may be subject to taxation by that jurisdiction or required to file Tax Returns in that jurisdiction.
- (g) No Group Company will be a "passive foreign investment company" as defined in the U.S. Internal Revenue Code of 1986, as amended, in the taxable year that includes the First Completion Date.
- (h) No Group Company has requested or received any Tax ruling, transfer pricing agreement, or similar agreement or entered into any closing agreement with any Taxing Authority.
- (i) Save as Disclosed, no Group Company has effected any transactions in respect of which any consent or clearance from any Taxing Authority was required or required to be sought.
- (j) All documents to which each Group Company is a party or which form part of such Group Company's title to any asset or in the enforcement of which such Group Company is or may be interested which are subject to stamp or similar duty have been duly stamped and, where appropriate or necessary, adjudicated, except for any defaults in stamping which are not material.
- (k) Each Group Company has been resident for Tax purposes in its jurisdiction of incorporation and nowhere else at all times since its incorporation and will be so resident at the First Completion Date.

**SECTION 9
EMPLOYEE MATTERS**

9.1 Employee and Labor Relations.

Save as Disclosed:

- (a) Each Group Company has conducted, and conducts, the Principal Business with respect to its employees in a manner that complies, in all material respects, with all applicable laws relating to employment and employment practices, terms and conditions of employment, immigration and wages and hours and no claims, disputes, actions or proceedings are pending or threatened with respect to the employees or former employees of any Group Company under such laws or the employment of the employees.
- (b) There has not been in the last two years any strike, slowdown, work stoppage or lockout or similar activity or, to the Knowledge of the Company, threat thereof, involving the Principal Business.
- (c) No Group Company is a party to or bound by any collective bargaining agreement or other labor union contract applicable to any employees of the Group Companies. There are no labor unions or other organizations representing, purporting to represent or attempting to represent any of the employees.
- (d) Except for the ESOP, no Group Company is a party to, or has issued any shares or options over any shares to any of its employees pursuant to, any plan providing incentives to any of its employees involving securities or which are securities based, in which any employees can participate, including share option plans, long term incentive plans, restricted share plans and share incentive plans.

9.2 Employees. A complete list of the employees of the Group, whether as a secondee or employee, has been made available to the Investors. Other than the employees disclosed in the Disclosure Schedule or pursuant to the Intercompany Agreements, no individual works for, whether as an employee or secondee, any of the Group Companies.

9.3 ESOP. The Company has furnished or made available to the Investors a true and complete copy of the ESOP. The ESOP has been administered in all material respects in accordance with its terms. The Company has paid all amounts required or has made adequate provision in the Management Accounts for the ESOP.

**SECTION 10
FINANCIAL MATTERS**

10.1 Pro Forma Accounts. The Company has made available or delivered to the Investors copies of the Management Accounts. The Management Accounts have been prepared in accordance with agreed-upon procedures between the

Company and the Investors and in accordance with U.S. GAAP (except as otherwise agreed between the Company and the Investors), applied on a consistent basis, timely and properly recorded and fairly present in all material respects the financial condition and operating results of the Company as of the dates, and for the periods, identified therein. The Management Accounts are complete, accurate and not materially misleading and do not materially misstate the assets and liabilities of the Group as of September 30 or December 31 (as applicable) of the relevant year or the profit or loss of the Group as of the periods covered thereby. The profits or losses of the Company for the periods covered by the Management Accounts have not in any material way been affected by any unusual or non-recurring or exceptional items or by any other matter which has rendered such profits or losses unusually high or low.

- 10.2 Financial Books and Records. The financial books and records of the Group Companies have been maintained in accordance with customary business practices and fairly and accurately reflect, in all material respects, on a basis consistent with past periods and throughout the periods involved, (i) the consolidated financial position of the Group Companies and (ii) all transactions of the Group Companies. The Company has not received any advice or notification from its independent accountants that the Company has used any improper accounting practice that would have the effect of not reflecting or incorrectly reflecting in the books and records of any Group Company any properties, assets, liabilities, revenues, expenses, equity accounts or other accounts.
- 10.3 Provision for Liabilities. Full provision has been made in the Management Accounts for all actual liabilities of the Group and full provision (or note) in accordance with the applicable generally accepted accounting principles and practices and has been made therein for all other liabilities of the Group then outstanding whether contingent, un-quantified or disputed or capital or burdensome commitments and deferred or provisional Tax, other than immaterial liabilities incurred in the ordinary course of business. The year-end balance sheet of the Company as of December 31, 2013 delivered pursuant to Section 4.2(a)(ix) is true and accurate in all material respects.
- 10.4 Provision for Taxes. Full provision or reserve has been made in the Management Accounts for all Tax including deferred or provisional Tax in respect of all accounting periods ending on or before the Management Accounts Date for which the Group was then or might at any time thereafter become or have become liable including Tax liable to be assessed, charged, or imposed:
- (a) on or in respect of or by reference to the profits, gains or income (as computed for Tax purposes) arising or accruing or deemed to arise or accrue for any period ended on or before the Management Accounts Date; or
 - (b) in respect of any event occurring or deemed to occur before the Management Accounts Date including distributions made or deemed to be made before, and charges on profits, income or assets on or before, such date.

- 10.5 Undisclosed Liabilities. The Group has no material liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise, except (a) those which are adequately reflected or reserved against in the Management Accounts as of the Management Accounts Date, and (b) those which have been incurred in the ordinary course of business consistent with past practice since the Management Accounts Date and which are not, individually or in the aggregate, material in amount.

SECTION 11 ACTIONS

11.1 Actions.

- (a) No Group Company is engaged in or the subject of any litigation, arbitration, suit, claim, action, demand letter, or any judicial, administrative, regulatory or criminal proceeding, hearing or investigation (collectively, "Action"), whether as plaintiff, defendant or otherwise involving an amount in excess of US\$1 million. No Action which would result in a Material Adverse Effect is pending, or, to the Knowledge of the Company, threatened or expected by or against any Group Company and there is no fact or circumstance likely to give rise to any Action which would result in a Material Adverse Effect.
- (b) None of the Group Companies nor any material property or Asset of any Group Company is subject to any continuing order of, consent decree, settlement agreement or other similar written agreement with, any Governmental Authority, or any writ, judgment, injunction, determination or award of any Governmental Authority.

- 11.2 No Insolvency. No order has been made and no resolution has been passed for the winding up of any Group Company or for a provisional liquidator to be appointed in respect of any Group Company and no petition has been presented and no meeting has been convened for the purpose of winding up or dissolving any Group Company. No receiver has been appointed in respect of any Group Company or all or any of its assets. No Group Company is insolvent or unable to pay its debts as they fall due.

SECTION 12 INSURANCE

- 12.1 Insurance. True and complete copies of all insurance policies in respect of the Group have been made available to the Investors. Such insurance policies are in full force and effect and shall remain in full force and effect following the consummation of the transactions contemplated by this Agreement. All such insurance policies (a) are valid and binding in accordance with their terms; (b) are of the type and in the amounts customarily carried by Persons conducting a business similar to the Group and are sufficient for compliance with all

applicable laws and Contracts to which any of the Group Companies is a party or by which the Assets are bound; and (c) have not been subject to any lapse in coverage. There are no claims related to the Principal Business pending under any such insurance policies as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights.

SCHEDULE 4

INVESTOR WARRANTIES

Each Investor represents, warrants and covenants to the Company that the representations and warranties set forth in this Schedule 4 are true with respect to itself as of the date hereof and as of the First Completion Date:

1. Authorization. The Investor has been duly incorporated and organized, and is validly existing in good standing, under the laws of its place of incorporation. The Investor has full power and authority to enter into this Agreement and the other Basic Documents to which it is a party, and to consummate the transactions contemplated hereby and thereby, and, assuming due and valid execution and delivery hereof, this Agreement constitutes its valid and legally binding obligation, enforceable in accordance with its terms except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (b) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies. All corporate action on the part of the Investor necessary for (a) the authorization, execution, delivery of and the performance of all of the obligations of the Investor under this Agreement and the other Basic Documents to which it is a party, and (b) the subscription for the Subscribed Shares has been taken.
2. No Breach. The execution and delivery by the Investor of this Agreement and the other Basic Documents to which it is a party and the performance by the Investor of its obligations under this Agreement and the other Basic Documents to which it is a party do not:
 - (a) breach, or constitute a default under its charter or constitutional documents;
 - (b) result in a material breach of, or constitute a material default under, any Contract to which it is a party or by which it or its real property or assets are bound;
 - (c) result in a material violation, breach of or default under any law applicable to it; or
 - (d) require the consent or approval of any Person, save for those consents or approvals where failure to obtain such consents or approvals would prevent or materially delay, or would reasonably be expected to prevent or materially delay, consummation of the transactions contemplated hereby or the performance by the Investor of any of its obligations under this Agreement.
3. Purchase Entirely for Own Account. The Class C Shares to be acquired pursuant to this Agreement will be acquired by the Investor for investment for the Investor's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and the Investor has no present intention of selling, granting any participation in, or otherwise distributing the same.

4. Restricted Securities. The Investor understands that the Class C Shares it is subscribing for are characterized as “restricted securities” under U.S. federal securities laws in as much as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act of 1933, as amended (the “Act”) only in certain limited circumstances. In this connection, the Investor represents that it is familiar with SEC Rule 144, as presently in effect, and understands the resale limitations imposed thereby and by the Act.
5. Status of Investor. The Investor is (i) subscribing and purchasing the Class C Shares outside the United States in reliance on an exemption from the registration requirements of U.S. federal and state securities laws under Regulation S under the Act or (ii) an “accredited investor” within the meaning of Securities and Exchange Commission (“SEC”) Rule 501 of Regulation D, as presently in effect, under the Act.
6. No restriction. There is no restriction upon the Investor with respect to the applicable laws of the jurisdiction where the Investor is incorporated preventing it from subscribing for or purchasing the Class C Shares.

EXHIBIT A

FORM OF RESTATED ARTICLES

EXHIBIT B

FUNDS FLOW MEMORANDUM

[see attached]



**IMAX SELLS 20 PERCENT STAKE IN IMAX CHINA
TO STRATEGIC CHINESE INVESTORS**

*Sale of Shares in IMAX's China Subsidiary to CMC Capital Partners, FountainVest Partners
Expected to Further Strengthen Company's Position in Greater China*

NEW YORK – April 8, 2014 – IMAX Corporation (NYSE:IMAX; TSX:IMX) today announced the investment in its Greater China business by CMC Capital Partners (CMC), China's leading investment fund that is run by Ruigang Li and focused on media and entertainment, and FountainVest Partners (FountainVest), a leading China-focused private equity firm. The investment provides for the sale and issuance of 20 percent of the shares in IMAX China (Holding), Inc., with the intent of further strengthening IMAX's competitive position in China.

The purchase price for the 20 percent investment is \$80 million, to be paid by the investors in two equal installments. The first installment is expected to close today and the second installment will close in early 2015. IMAX China will continue to be a consolidated subsidiary of IMAX Corp.

By introducing Chinese ownership into its China subsidiary, IMAX expects the transaction to lead to an eventual initial public offering of IMAX China. Some of the key goals of the transaction include the continued expansion of IMAX's theatre network in China, the sustained performance in the marketplace of IMAX's Hollywood and Chinese titles, and the further strengthening of government and industry relationships within China, all of which, the Company believes, will benefit from the strong presence of the investors, including Ruigang Li's knowledge of the Chinese media and entertainment industry.

"China is an enormously complex market in which we have accomplished quite a bit over the last 15 years," said IMAX Corp. CEO Richard L. Gelfond. "At this juncture, it makes sense to bring in Chinese investors to help us better address local market dynamics and further optimize our business in China, including both our core theatre business as well as new business initiatives such as the home theatre joint venture we announced last year with TCL. We believe Ruigang Li and CMC, as well as FountainVest, are ideal partners whose status, leadership and expertise will be invaluable in helping us accomplish these goals.

"We expect this strategic alliance, along with the strength of our existing relationships with Chinese partners like Wanda and TCL, will help us usher in the next phase of growth for IMAX in China," Gelfond continued. "Today's agreement represents a joint commitment to further develop China's movie industry by offering premium entertainment experiences, fostering the development of Chinese content and continually focusing on innovation."

"China's movie and entertainment industry is at a critical point of its development," Ruigang Li, Chairman of CMC Capital Partners said. "As the preeminent investment platform in China dedicated to the media and

entertainment sector, CMC is excited to be able to forge this strategic alliance with IMAX – the world’s leading innovator of entertainment technology under the leadership of CEO Richard L. Gelfond. Based on our common understanding of market opportunities, industry evolution trends, and effective strategy, CMC and FountainVest look forward to working together with IMAX towards accelerating the growth of China’s movie and entertainment sector and increasing the presence of premium China entertainment content throughout the global market.”

IMAX already enjoys strong brand recognition as a leading premium entertainment option in the Chinese market, and has become the preferred way to experience both Chinese and Hollywood blockbusters in the region. In the last several years, China has enjoyed robust economic growth and a consumer spending boom, as well as regulatory policies supportive of growth in the cinema and film sectors. Assisted by these trends, IMAX’s screen count in China has doubled since 2011 to 173 screens open with an additional 237 in backlog as of Dec. 31, 2013.

Through its subsidiaries, IMAX China will continue to have the right to conduct the IMAX business in Greater China. A nine-member Board of Directors will be established for IMAX China comprising six IMAX executives, one representative each from CMC and FountainVest and an independent member to be nominated by the newly formed board.

The Raine Group LLC acted as exclusive financial adviser to IMAX for the transaction.

Conference Call

The Company will host a conference call today at 8:00 AM ET to discuss this transaction. To access the call via telephone, interested parties in the US and Canada should dial (800) 820-0231 approximately 5 to 10 minutes before the call begins. International callers should dial (416) 640-5926. The conference ID for the call is 8935125. A replay of the call will be available via webcast on the ‘Investor Relations’ section of www.imax.com or via telephone by dialing (888) 203-1112 (US and Canada), or (719) 457-0820 (international). The Conference ID for the telephone replay is 8935125.

About CMC Capital Partners

CMC Capital Partners is the first media-and-entertainment-sector-focused fund approved by the NDRC (National Development and Reform Commission) to dedicate to media and entertainment investments in China and global markets. Ruigang Li is the Chairman. CMC has made a series of successful investments which have caught the keen attention of the media and entertainment industry within China and internationally. CMC acquired the controlling stake in Star China, formerly News Corporation’s China assets, which include three nationally and regionally distributed TV channels – Star (Xing Kong), Star (Xing Kong) International and Channel V (China) – as well as the largest contemporary Chinese language film library Fortune Star. Canxing under Star China is now the #1 TV production brand and created a series of top TV entertainment shows including The Voice of China and China’s Got Talent, achieving record-setting ratings and commercial returns. CMC earlier announced that it together with Star China management team will acquire 21 Century Fox’s entire stake in Star China. CMC set up the joint venture Oriental DreamWorks (ODW) in a partnership with Hollywood animation powerhouse DreamWorks Animation. The JV is well positioned to be China’s leading family entertainment brand with animation-centered businesses to encompass production and distribution of feature films and TV programming for China and global markets, consumer product licensing, gaming, live entertainment and location-based entertainment. CMC also launched TVB China, a joint venture with the Hong Kong-based TVB – one of the world’s largest Chinese-language TV content supplier and broadcaster – to dedicate to building a media and entertainment group with content-based comprehensive business scope. CMC invested in OCJ, China’s #1 TV shopping business with a customer base of 30 million households. CMC’s investment portfolio also covers sectors such as advertising, film, sports, gaming and Internet. CMC has strategic partnerships with global leaders in content creation including Time Warner and RatPac.

About FountainVest Partners

FountainVest is a leading China-focused private equity firm. FountainVest focuses on long term oriented investments and targets high growth industry leaders in China in the consumer, media and technology, and new industrial and healthcare sectors. FountainVest works closely with management teams to create value in the areas of strategy, operations, finance, industry consolidation and governance.

About IMAX Corporation

IMAX, an innovator in entertainment technology, combines proprietary software, architecture and equipment to create experiences that take you beyond the edge of your seat to a world you've never imagined. Top filmmakers and studios are utilizing IMAX theatres to connect with audiences in extraordinary ways, and, as such, IMAX's network is among the most important and successful theatrical distribution platforms for major event films around the globe.

IMAX is headquartered in New York, Toronto and Los Angeles, with offices in London, Tokyo, Shanghai and Beijing. As of Dec. 31, 2013, there were 837 IMAX theatres (701 commercial multiplexes, 19 commercial destinations and 117 institutions) in 57 countries.

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This press release contains forward looking statements that are based on IMAX management's assumptions and existing information and involve certain risks and uncertainties which could cause actual results to differ materially from future results expressed or implied by such forward looking statements. These risks and uncertainties are discussed in IMAX's most recent Annual Report on Form 10-K and most recent Quarterly Reports on Form 10-Q.

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