

# IMAX CORPORATION

## CORPORATE GOVERNANCE GUIDELINES

### *Role of Board*

The role of the Board of Directors is to supervise the management of the business and affairs of the Company, which are conducted by its officers and employees under the direction of the chief executive officer (“CEO”), to enhance the long-term value of the Company. The Board is elected by the shareholders to oversee management and to ensure that the best interests of the Company are advanced, including by enhancing shareholder value, in a manner that recognizes the interests of all stakeholders in the Company including its shareholders, employees, suppliers, customers and the communities in which it operates.

### *Authority and Responsibilities*

The Board of Directors meets regularly to review reports by management on the performance of the Company. In addition to the general supervision of management, the Board is responsible for performing, or delegating the performance of, the following functions to Committees of the Board:

1. Strategic and Business Planning – overseeing the strategic and business planning process within the Company and reviewing, approving and monitoring the annual and long-term operating plans for the Company including fundamental financial and business strategies and objectives;
2. Risk Assessment – reviewing and assessing the major risks facing the Company and reviewing, approving and monitoring the Company’s approach to addressing such risks;
3. CEO Performance and Succession Planning – developing and reviewing the CEO’s corporate objectives, annually evaluating the performance of the CEO against these objectives, determining the CEO’s performance-based compensation annually and developing appropriate succession plans, from time to time; and
4. Maintaining Integrity – reviewing and monitoring the controls and procedures within the Company to maintain its integrity, including its disclosure controls and procedures, its internal controls and procedures for financial reporting and its compliance with its Code of Business Conduct and Ethics, as well as satisfying itself as to the integrity of the CEO and other executive officers and their fostering of a culture of integrity throughout the Company.

### *Composition and Procedures*

1. Size of Board and Nominating Process – The Board determines the number of directors on the Board, subject to a minimum of one and a maximum of 15. The directors of the Company are elected by the shareholders at meetings of shareholders. Between annual shareholder meetings, the Board may appoint directors to serve until the next annual meeting in accordance with the *Canada Business Corporation Act* (“CBCA”) and the Company’s articles. The Governance Committee is responsible for identifying and recommending candidates for election to the Board from time to time. The Board

evaluates potential candidates in light of opportunities and risks facing the Company, and the competencies, skills, personal and professional qualities that are desirable to add value and to contribute to the effective governance of the Company. Candidates are formally nominated for election by a majority of the independent directors. Any shareholder may propose a nominee for election to the Board either by means of a shareholder proposal upon compliance with the requirements prescribed by the CBCA or at the annual shareholder meeting in accordance with the advance notice provisions of the Company's by-laws.

2. Qualifications – Directors should have the highest personal and professional ethics and values and be committed to effectively representing the interests of the shareholders of the Company.
3. Independence of the Board – The Board shall be comprised of a majority of directors who qualify as independent directors under the applicable legal, regulatory and stock exchange requirements. When the Chairman of the Board is not an independent director, the independent directors shall appoint a Lead Independent Director pursuant to a charter that has been approved by the Board.
4. Director Orientation and Continuing Education – On joining the Board, each new director will be provided with various corporate information and will be invited to attend briefings and/or meetings with senior management on the Company's current operating plan, major risks and other key business matters. The Company also provides continuing education for directors, including presentations by senior management and occasional visits to the Company's facilities. The Company will also encourage and support the activities of its directors in attending corporate governance and other professional development and training programs designed for board members of publicly held companies.
5. Meetings – The Board has at least four scheduled meetings a year which directors are expected to make every reasonable effort to attend in person. The Chairman of the Board together with the Secretary to the Board are responsible for determining meeting agendas. Materials for each meeting will be distributed to the directors in advance, to the extent practicable.

At each scheduled quarterly meeting, the directors have the opportunity to meet “in camera” without management present. In addition, the independent directors may periodically meet in executive session without management present, in any event not less than annually.

6. Committees – The Board has established the following permanent committees to assist the Board in discharging its responsibilities: Audit; Governance; and Compensation. Each such committee operates under charters which have been approved by the Board. *Ad hoc* committees may be established from time to time to assist the Board in connection with specific matters. The chair of each committee reports to the Board following meetings of the committee. The charter of each permanent committee is periodically reviewed by the committee and approved by the Board. Each of the Audit, Governance and Compensation Committees shall be composed entirely of independent directors, satisfying any applicable legal, regulatory and stock exchange requirements necessary for an assignment to any such committee.
7. Evaluation – The Governance Committee oversees an annual evaluation of the

effectiveness of the Board as a whole and of the Board Committees.

8. Review of Corporate Governance Guidelines – The Governance Committee shall review these Corporate Governance Guidelines periodically and report to the Board.
9. Board Compensation – The form and amount of director compensation will be recommended by the Governance Committee to the Board for approval. Employee directors will not be paid for Board membership in addition to their regular employee compensation. The Governance Committee will conduct a review of director compensation on a periodic basis to ensure compensation aligns director’s interests with the long-term interests of shareholders and to further ensure that the Company will be able to attract, retain and reward those who contribute to the success of the Company.
10. Access to Independent Advisors – The Board shall have the power to retain legal counsel, accounting professionals or other advisors as it deems appropriate, as shall any committee after prior consultation with the Board.
11. Access to Management – The Board has access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or other Company officer, including the Secretary of the Board. Members of senior management may be invited to attend part or all of the Board meeting in order to participate in discussions.

*October 2018*