

IMAX CORPORATION

AUDIT COMMITTEE CHARTER

Purpose

The Audit Committee assists the Board in fulfilling its responsibility for oversight of (1) the quality and integrity of the Company's financial statements and related disclosure, (2) the Company's compliance with legal and regulatory requirements, (3) the independent auditor's qualifications and independence and (4) the performance of the Company's internal audit function, internal controls and procedures, and performance of the independent auditor. It may also have other duties as may from time to time be assigned to it by the Board.

Committee Composition

1. Members. The Committee shall consist of as many members as the Board shall determine, but in any event not fewer than three members. The members of the Committee shall be appointed annually by the Board.
2. Qualifications. Each member of the Committee shall meet all independence, financial literacy and all other applicable legal, regulatory and stock exchange requirements. At least one member must meet the applicable Securities and Exchange Commission definition of "financial expert."
3. Chair. The Chair of the Committee shall be appointed by the Board.
4. Removal and Replacement. The members of the Committee may be removed or replaced, and any vacancies on the Committee shall be filled, by the Board. In addition, membership on the Committee shall automatically end for a particular member at such time as the Board determines that the member ceases to meet the qualifications required of each member as set forth above.

Committee Meetings

1. Meetings. The Chair of the Committee, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet at least four times per year. The Committee shall, on a periodic basis, meet separately with management, the Chief Legal Officer, the internal auditor and the independent auditor. The Committee shall also periodically meet separately without management, and shall meet with the independent auditor at every meeting of the Committee at which the independent auditor is present.

2. Holding and Recording Meetings. Committee meetings may be held in person or telephonically, or action may be taken by written consent. The Committee may act by a majority vote at a meeting of the Committee or by a writing or writings signed by all of its members without a meeting.
3. Operation. A majority of members holding office at the time shall constitute a quorum for the transaction of business. The Committee shall meet at the call of the Chair of the Committee, on not less than forty-eight (48) hours' prior notice to each member of the Committee.
4. Agenda. The Chair of the Committee shall develop and set the Committee's agenda, in consultation with the other members of the Committee, the Board and management. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the members of the Committee in advance of the meeting.

Report to the Board. The Committee shall report regularly to the Board and submit to the Board the minutes of the Committee's meetings, and in any event, all acts or proceedings of the Committee shall be reported to the Board at or before the next meeting thereof.

Authority and Duties

Independent Auditor's Qualifications and Independence

1. The Committee shall be directly responsible for the appointment, retention and replacement of the independent auditor employed by the Company to audit its financial statements, subject to any required shareholder approval. The Committee shall be responsible for establishing the compensation of the independent auditor and for overseeing its work.
2. The Committee shall have the sole authority to preapprove any non-audit services to be provided by the independent auditor. The Committee shall review with the lead audit partner whether any of the audit team members receive any discretionary compensation from the audit firm with respect to non-audit services performed by the independent auditor.
3. The Committee shall review with the lead audit partner and/or a more senior representative of the independent auditor, annually or more frequently as the Committee considers appropriate, the independent auditor's system of quality controls.
4. The Committee shall, at least annually, obtain and review a report by the independent auditor describing: the firm's quality control procedures; any material issues raised by the most recent quality control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent auditor and the Company.

5. The Committee shall review the performance of the senior members of the independent auditor team.
6. The Committee shall set clear hiring policies for employees or former employees of the independent auditor for senior positions within the Company in accordance with the *Sarbanes-Oxley Act of 2002*.

Financial Statements and Related Disclosure

1. The Committee shall review the annual audited financial statements and quarterly unaudited financial statements with management and the independent auditor, and will also review the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," before the filing of the Company's Form 10-K and Form 10-Q.
2. The Committee shall review, or may appoint one of its members to review, with management earnings press releases before they are issued. The Committee shall review generally with management the nature of the financial information and earnings guidance provided to analysts and rating agencies.
3. The Committee shall review with the independent auditor: (a) all critical accounting policies and practices to be used by the Company in preparing its financial statements, (b) all alternative treatments of financial information that have been discussed with management, ramifications of the use of these alternative disclosures and treatments, and the independent auditors' judgement as to the quality, not just the acceptability, of the accounting principles applied, and (c) other material communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences. In addition, the Committee shall review with the independent auditor any audit problems or difficulties and management's response.
4. The Committee shall review with management, and any outside professionals as the Committee considers appropriate, the effectiveness of the Company's disclosure controls and procedures.
5. The Committee shall review with management and any outside professionals as the Committee considers appropriate, important trends and developments in financial reporting practices and requirements and their effect on the Company's financial statements.
6. The Committee shall prepare the report for the Company's proxy statement that is required by the Securities and Exchange Commission.

Internal Controls and Procedures

1. The Committee shall review with management and the independent auditor the scope, planning and staffing of the proposed audit for the upcoming year.

2. The Committee shall review with management, the quality, adequacy and effectiveness of the Company's internal controls and any significant deficiencies or material weaknesses in internal controls and procedures.
3. The Committee shall review the Company's policies on risk assessment and risk management, including the adequacy of the Company's insurance coverage, the effectiveness of the Company's cybersecurity measures and its practices and procedures to monitor and control major business, operational and financial risks.

Internal Audit Function

1. The Committee shall be responsible for the oversight of the performance of the Company's internal audit function, including annually reviewing the Company's internal audit plan and internal audit charter.

Compliance with Legal and Regulatory Requirements

1. The Committee shall review with management and any internal or external counsel as the Committee considers appropriate, any legal matters (including the status of pending litigation) that may have a material impact on the Company, any material reports or inquiries from regulatory or governmental agencies, and any communications between the Company and the SEC, OSC, or other securities regulators.
2. The Committee shall review the adequacy and effectiveness of the Company's procedures to meet its compliance responsibilities, including the staffing, budget, responsibilities, plans, and results of the internal audit department. In addition, management shall consult with the Committee on the appointment, replacement, reassignment or dismissal of the Chief Legal Officer.
3. The Committee shall be responsible for the oversight of the Company's whistleblower program, and shall establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters or potential violations of law and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters or potential violations of law.
4. The Committee shall obtain reports from management on compliance with all applicable legal and regulatory requirements, including the Foreign Corrupt Practices Act and the Corruption of Foreign Public Officials Act.
5. The Committee shall periodically review and assess the adequacy of this Charter and recommend any changes to the Board.
6. The Committee shall periodically, and at least annually, conduct a review and evaluation of its operating effectiveness and shall report to the Board the results of the evaluation.

The foregoing list of duties is not exhaustive, and the Committee may, in addition, perform any other functions it may find necessary or appropriate for the performance of its oversight function. The Committee shall have the power to delegate its authority and duties to subcommittees or individual members of the Committee as it deems appropriate. In discharging its oversight role, the Committee shall have full access to all Company books, records, facilities and personnel. The Committee shall have the power to retain legal counsel, accounting professionals or other advisors as it deems appropriate, after prior consultation with the Board.

Clarification of Audit Committee's Role

The Committee's responsibility is one of oversight. It is the responsibility of the Company's management to prepare financial statements in accordance with applicable law and regulations and of the Company's independent auditor to audit those financial statements. Therefore, each member of the Committee shall be entitled to rely, to the fullest extent permitted by law, on the integrity of those persons and organizations within and outside the Company from whom he or she receives information, and the accuracy of the financial and other information provided to the Committee members by those persons or organizations.

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