

REGISTRATION NO. 333-

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

FORM S-4  
REGISTRATION STATEMENT  
UNDER THE SECURITIES ACT OF 1933

IMAX CORPORATION  
(Exact name of registrant as specified in its charter)

CANADA (State or other jurisdiction of incorporation or organization) 3861 (Primary Standard Industrial Classification Code Number) 98-0140269 (I.R.S. Employer Identification No.)

IMAX CORPORATION  
2525 SPEAKMAN DRIVE,  
MISSISSAUGA, ONTARIO L5K 1B1  
(905) 403-6500  
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

SEE TABLE OF ADDITIONAL REGISTRANTS

ROBERT D. LISTER  
IMAX U.S.A. INC.  
110 E. 59TH STREET, SUITE 2100,  
NEW YORK, NEW YORK 10022  
(212) 821-0100  
(Name, address, including zip code, and telephone number, including area code, of agent for service)

WITH COPIES TO:

BRICE T. VORAN  
SHEARMAN & STERLING LLP  
199 BAY STREET  
COMMERCE COURT WEST  
SUITE 4405, P.O. BOX 247  
TORONTO, ONTARIO M5L 1E8

PHILIP C. MOORE  
MCCARTHY TETRAULT LLP  
55 KING STREET WEST  
TORONTO DOMINION BANK TOWER  
SUITE 4700, TD CENTRE  
TORONTO, ONTARIO M5K 1E6

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE OF THE SECURITIES TO THE PUBLIC: As soon as practicable after the effectiveness of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. [ ]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

CALCULATION OF REGISTRATION FEE

- PROPOSED MAXIMUM  
PROPOSED MAXIMUM  
AMOUNT OF TITLE OF  
EACH CLASS OF AMOUNT  
TO BE OFFERING PRICE  
AGGREGATE  
REGISTRATION  
SECURITIES TO BE

REGISTERED  
REGISTERED PER  
SECURITY(1) OFFERING  
PRICE(1) FEE - -----  
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--- 9 5/8% Senior  
Notes due 2010....  
\$160,000,000 100%  
\$160,000,000 \$20,272  
Guarantees of 9 5/8%  
Senior Notes due  
2010.....  
---(2)-----  
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- (1) Estimated solely for purposes of calculating the registration fee in accordance with Rules 457(a) and 457(f) under the Securities Act.
- (2) Pursuant to Rule 457(n) under the Securities Act, no separate fee is payable for the guarantees of the notes being registered.

THE REGISTRANTS HEREBY AMEND THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANTS SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

-----  
-----

TABLE OF ADDITIONAL REGISTRANTS

JURISDICTION OF IRS  
 EMPLOYER EXACT NAME OF  
 ADDITIONAL REGISTRANT\*  
 FORMATION IDENTIFICATION  
 NO. PRINCIPAL EXECUTIVE  
 OFFICE - -----  
 -----  
 -----  
 ----- 1329507 ONTARIO  
 INC. .... Ontario  
 -- 2525 Speakman Drive,  
 Mississauga, Ontario L5K  
 1B1 phone: (905) 403-6500  
 924689 ONTARIO INC.  
 ..... Ontario --  
 2525 Speakman Drive,  
 Mississauga, Ontario L5K  
 1B1 phone: (905) 403-6500  
 DAVID KEIGHLEY  
 PRODUCTIONS 70MM INC.  
 .....  
 Delaware 95-3996963 110  
 E. 59th Street, Suite  
 2100 New York, New York  
 10022 phone: (212) 821-  
 0100 IMAX (TITANIC) INC.  
 ..... Delaware  
 98-0123185 110 E. 59th  
 Street, Suite 2100 New  
 York, New York 10022  
 phone: (212) 821-0100  
 IMAX (TITANICA) LTD.  
 ..... Ontario --  
 2525 Speakman Drive,  
 Mississauga, Ontario L5K  
 1B1 phone: (905) 403-6500  
 IMAX CHICAGO THEATRE  
 LLC..... Delaware 82-  
 0565362 110 E. 59th  
 Street, Suite 2100 New  
 York, New York 10022  
 phone: (212) 821-0100  
 IMAX FILM HOLDING CO.  
 ..... Delaware --  
 110 E. 59th Street, Suite  
 2100 New York, New York  
 10022 phone: (212) 821-  
 0100 IMAX FORUM RIDE,  
 INC. .... Nevada  
 88-0360462 110 E. 59th  
 Street, Suite 2100 New  
 York, New York 10022  
 phone: (212) 821-0100  
 IMAX II U.S.A. INC.  
 ..... Delaware  
 51-0373323 110 E. 59th  
 Street, Suite 2100 New  
 York, New York 10022  
 phone: (212) 821-0100  
 IMAX INDIANAPOLIS  
 LLC..... Indiana -  
 - 110 E. 59th Street,  
 Suite 2100 New York, New  
 York 10022 phone: (212)  
 821-0100 IMAX MINNESOTA  
 HOLDING CO. ....  
 Delaware 52-2254901 110  
 E. 59th Street, Suite  
 2100 New York, New York  
 10022 phone: (212) 821-  
 0100 IMAX MUSIC LTD.  
 ..... Ontario  
 -- 2525 Speakman Drive,  
 Mississauga, Ontario L5K  
 1B1 phone: (905) 403-6500  
 IMAX PICTURES  
 CORPORATION.....  
 Delaware 98-0153647 110  
 E. 59th Street, Suite  
 2100 New York, New York  
 10022 phone: (212) 821-  
 0100

JURISDICTION OF IRS EMPLOYER  
EXACT NAME OF ADDITIONAL  
REGISTRANT\* FORMATION  
IDENTIFICATION NO. PRINCIPAL  
EXECUTIVE OFFICE - -----  
-----  
-----

IMAX PROVIDENCE GENERAL  
PARTNER CO.

.....  
Delaware 52-2054994 110 E.  
59th Street, Suite 2100 New  
York, New York 10022 phone:  
(212) 821-0100 IMAX PROVIDENCE  
LIMITED PARTNER CO.

.....  
Delaware 52-2054995 110 E.  
59th Street, Suite 2100 New  
York, New York 10022 phone:  
(212) 821-0100 IMAX RHODE  
ISLAND LIMITED

PARTNERSHIP.....  
Rhode Island 98-0176677 110 E.  
59th Street, Suite 2100 New  
York, New York 10022 phone:  
(212) 821-0100 IMAX SANDDE  
ANIMATION INC. .... Ontario

-- 2525 Speakman Drive,  
Mississauga, Ontario L5K 1B1  
phone: (905) 403-6500 IMAX  
SCRIBE INC. ....

Delaware 51-0373325 110 E.  
59th Street, Suite 2100 New  
York, New York 10022 phone:  
(212) 821-0100 IMAX SPACE LTD.  
..... Ontario --  
2525 Speakman Drive,  
Mississauga, Ontario L5K 1B1  
phone: (905) 403-6500 IMAX  
THEATRE HOLDING (BROSSARD)  
INC.

.....  
Canada -- 2525 Speakman Drive,  
Mississauga, Ontario L5K 1B1  
phone: (905) 403-6500 IMAX  
THEATRE HOLDING (CALIFORNIA I)  
CO.

.....  
Delaware 52-2054998 110 E.  
59th Street, Suite 2100 New  
York, New York 10022 phone:  
(212) 821-0100 IMAX THEATRE  
HOLDING (CALIFORNIA II) CO.

.....  
Delaware 52-2054999 110 E.  
59th Street, Suite 2100 New  
York, New York 10022 phone:  
(212) 821-0100 IMAX THEATRE  
HOLDING (NYACK I) CO.

.....  
Delaware 52-2055001 110 E.  
59th Street, Suite 2100 New  
York, New York 10022 phone:  
(212) 821-0100 IMAX THEATRE  
HOLDING (NYACK II) CO.

.....  
Delaware 52-2055002 110 E.  
59th Street, Suite 2100 New  
York, New York 10022 phone:  
(212) 821-0100 IMAX THEATRE  
HOLDING CO. .... Delaware  
52-2054997 110 E. 59th Street,  
Suite 2100 New York, New York  
10022 phone: (212) 821-0100  
IMAX THEATRE HOLDINGS (OEI)  
INC. ... Delaware 52-2054993  
110 E. 59th Street, Suite 2100  
New York, New York 10022  
phone: (212) 821-0100

JURISDICTION OF IRS  
EMPLOYER EXACT NAME OF  
ADDITIONAL REGISTRANT\*  
FORMATION IDENTIFICATION  
NO. PRINCIPAL EXECUTIVE  
OFFICE - -----  
-----  
-----

----- IMAX THEATRE  
MANAGEMENT (SCOTTSDALE),  
INC. .... Arizona  
86-0686026 110 E. 59th  
Street, Suite 2100 New  
York, New York 10022  
phone: (212) 821-0100  
IMAX THEATRE MANAGEMENT  
COMPANY.. Delaware 52-  
2054996 110 E. 59th  
Street, Suite 2100 New  
York, New York 10022  
phone: (212) 821-0100  
IMAX THEATRE SERVICES  
LTD. .... Ontario --  
2525 Speakman Drive,  
Mississauga, Ontario L5K  
1B1 phone: (905) 403-6500  
IMAX U.S.A. INC.

..... Delaware  
98-0159490 110 E. 59th  
Street, Suite 2100 New  
York, New York 10022  
phone: (212) 821-0100  
IMMERSIVE ENTERTAINMENT  
INC. .... Delaware 98-  
0153646 110 E. 59th  
Street, Suite 2100 New  
York, New York 10022  
phone: (212) 821-0100  
MIAMI THEATRE LLC

..... Delaware  
65-0888857 110 E. 59th  
Street, Suite 2100 New  
York, New York 10022  
phone: (212) 821-0100  
MITEY CINEMA INC.

..... Ontario -  
- 2525 Speakman Drive,  
Mississauga, Ontario L5K  
1B1 phone: (905) 403-6500  
MOUNTAINVIEW THEATRE  
MANAGEMENT LTD.

.....  
Alberta -- 2525 Speakman  
Drive, Mississauga,  
Ontario L5K 1B1 phone:  
(905) 403-6500 NYACK  
THEATRE LLC

..... New York  
98-0202278 110 E. 59th  
Street, Suite 2100 New  
York, New York 10022  
phone: (212) 821-0100  
PANDA PRODUCTIONS INC.

..... Delaware 95-  
4785483 110 E. 59th  
Street, Suite 2100 New  
York, New York 10022  
phone: (212) 821-0100  
RIDEFILM

CORPORATION.....  
Delaware 04-3222960 110  
E. 59th Street, Suite  
2100 New York, New York  
10022 phone: (212) 821-  
0100 RPM PICTURES LTD.

..... Ontario -  
- 2525 Speakman Drive,  
Mississauga, Ontario L5K  
1B1 phone: (905) 403-6500  
SACRAMENTO THEATRE LLC

..... Delaware 68-  
0432572 110 E. 59th  
Street, Suite 2100 New  
York, New York 10022  
phone: (212) 821-0100

JURISDICTION OF  
IRS EMPLOYER  
EXACT NAME OF  
ADDITIONAL  
REGISTRANT\*  
FORMATION  
IDENTIFICATION  
NO. PRINCIPAL  
EXECUTIVE  
OFFICE - -----  
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-----  
-----  
-----  
-----  
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SONICS  
ASSOCIATES,  
INC. ....  
Alabama 63-  
0623302 110 E.  
59th Street,  
Suite 2100 New  
York, New York  
10022 phone:  
(212) 821-0100  
STARBOARD  
THEATRES LTD.  
.....

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

STRATEGIC  
SPONSORSHIP  
CORPORATION...  
Delaware 52-  
1723753 110 E.  
59th Street,  
Suite 2100 New  
York, New York  
10022 phone:  
(212) 821-0100  
TANTUS FILMS  
LTD.  
.....

Canada -- 2525  
Speakman Drive,  
Mississauga,  
Ontario L5K 1B1  
phone: (905)  
403-6500 TANTUS  
II FILMS LTD.  
.....

Ontario -- 2525  
Speakman Drive,  
Mississauga,  
Ontario L5K 1B1  
phone: (905)  
403-6500 WIRE  
FRAME FILMS  
LTD.  
.....

Ontario -- 2525  
Speakman Drive,  
Mississauga,  
Ontario L5K 1B1  
phone: (905)  
403-6500

- -----

\* The address and telephone number of the agent for service in the United States of each of the additional registrants is c/o IMAX U.S.A. Inc., 110 E. 59th Street, Suite 2100, New York, New York 10022, phone: (212) 821-0100, attention: Robert D. Lister. The primary standard industrial classification numbers for the additional registrants are 3861, 7822 and 7830.

PART I  
INFORMATION REQUIRED IN THE PROSPECTUS

I-1

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT EXCHANGE THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE NOTES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE NOTES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED FEBRUARY 27, 2004

PROSPECTUS

(IMAX LOGO)

OFFER TO EXCHANGE ALL OUTSTANDING 9 5/8% SENIOR NOTES DUE 2010  
ISSUED ON DECEMBER 4, 2003 FOR  
UP TO \$160,000,000 AGGREGATE PRINCIPAL AMOUNT OF  
REGISTERED 9 5/8% SENIOR NOTES DUE 2010

THE OLD NOTES:

\$160,000,000 aggregate principal amount of 9 5/8% Senior Notes due December 1, 2010, referred to in this prospectus as the old notes, were originally issued and sold by IMAX Corporation on December 4, 2003 in a transaction that was exempt from registration under the Securities Act of 1933, as amended, and resold to qualified institutional buyers in compliance with Rule 144A.

THE NEW NOTES:

The terms of the new notes, referred to in this prospectus as the notes, are substantially identical to the terms of the old notes, and evidence the same indebtedness as the old notes, except that the notes will be registered under the Securities Act, will not contain restrictions on transfer or provisions relating to special interest under circumstances related to the timing of the exchange offer, will bear a different CUSIP number from the old notes and will not entitle their holders to registration rights.

SEE "RISK FACTORS" BEGINNING ON PAGE 14 FOR A DISCUSSION OF CERTAIN RISKS THAT YOU SHOULD CONSIDER IN CONNECTION WITH TENDERING YOUR OLD NOTES IN THE EXCHANGE OFFER.

EXCHANGE OFFER:

Our offer to exchange old notes for notes will be open until 5:00 p.m., New York City time, on \_\_\_\_\_, 2004, unless we extend the offer.

Notes will be issued in exchange for an equal principal amount of outstanding old notes accepted in the exchange offer. The exchange offer is not conditioned upon any minimum principal amount of old notes being tendered for exchange. However, the obligation to accept old notes for exchange pursuant to the exchange offer is subject to certain customary conditions set forth herein. See "The Exchange Offer -- Conditions."

No public market currently exists for the notes and we do not intend to apply for their listing on any securities exchange or to arrange for them to be quoted on any quotation system.

Each broker-dealer that receives notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of notes received in exchange for old notes where the old notes were acquired as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the expiration date of the exchange offer, we will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

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NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE NOTES OR PASSED UPON THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is \_\_\_\_\_, 2004.



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YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN OR INCORPORATED BY  
REFERENCE INTO THIS DOCUMENT OR TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT  
AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT. THIS  
DOCUMENT MAY ONLY BE USED WHERE IT IS LEGAL TO SELL THESE SECURITIES. THE  
INFORMATION IN THIS DOCUMENT AND THE DOCUMENTS INCORPORATED BY REFERENCE MAY  
ONLY BE ACCURATE ON THE DATE OF SUCH DOCUMENTS.

THIS PROSPECTUS INCORPORATES BY REFERENCE DOCUMENTS THAT CONTAIN IMPORTANT  
BUSINESS AND FINANCIAL INFORMATION ABOUT THE COMPANY THAT IS NOT INCLUDED OR  
DELIVERED WITH THIS PROSPECTUS. THESE DOCUMENTS ARE AVAILABLE WITHOUT CHARGE TO  
HOLDERS OF THE NOTES UPON WRITTEN OR ORAL REQUEST TO IMAX CORPORATION AT THE  
ADDRESS AND PHONE NUMBER SPECIFIED UNDER "WHERE YOU CAN FIND MORE INFORMATION."  
TO OBTAIN TIMELY DELIVERY, HOLDERS OF THE NOTES MUST REQUEST THESE DOCUMENTS NO  
LATER THAN FIVE BUSINESS DAYS BEFORE THE EXPIRATION DATE. UNLESS EXTENDED, THE  
EXPIRATION DATE IS , 2004.

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Unless the context requires otherwise or otherwise as expressly stated, the  
terms "IMAX," "we," "our," "us," and the "company" refer to IMAX Corporation  
and, unless the context otherwise requires or otherwise as expressly stated, its  
consolidated subsidiaries. Unless otherwise indicated, all references to "\$" or  
"US\$" are to United States dollars.

WHERE YOU CAN FIND MORE INFORMATION

We file annual reports, quarterly reports, proxy statements and other information with the U.S. Securities and Exchange Commission, or the SEC, under the Securities Exchange Act of 1934, as amended (referred to in this prospectus as the "Exchange Act"). You may read and copy this information, or obtain copies of the information by mail, at the following location of the SEC:

Public Reference Room  
450 Fifth Street, N.W.  
Room 1024  
Washington, DC 20549

You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

The SEC also maintains a web site that contains reports, proxy statements and other information about issuers, like IMAX, who file electronically with the SEC. The address of the site is [www.sec.gov](http://www.sec.gov).

In addition, we are subject to the filing requirements prescribed by the securities legislation of all Canadian provinces. These filings are available electronically from the Canadian System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com), which is commonly known by the acronym "SEDAR."

We are "incorporating by reference" into this prospectus certain information contained in documents we file with the SEC, which means that we are disclosing important information to you by referring you to those documents. The information incorporated by reference is deemed to be part of this prospectus. The following information and documents, which have been filed by us with the SEC, are incorporated by reference into this prospectus:

- quarterly reports on Form 10-Q/A for the fiscal quarters ended March 31, 2003, June 30, 2003 and September 30, 2003;
- annual report on Form 10-K/A (Amendment No. 2) for the fiscal year ended December 31, 2002;
- definitive proxy statement on Schedule 14A, dated April 30, 2003; and
- current reports on Form 8-K, dated April 23, 2003, May 6, 2003, June 19, 2003, November 10, 2003, November 13, 2003 and November 21, 2003.

All documents that we file with the SEC under Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act from the date of this prospectus until all the securities being offered under this prospectus are sold shall also be deemed to be incorporated by reference into and will automatically update information in this prospectus. Current reports on Form 8-K containing only Regulation FD disclosure furnished pursuant to Item 9 of Form 8-K or disclosure regarding a completed quarterly or annual fiscal period furnished pursuant to Item 12 of Form 8-K shall not be deemed to be incorporated by reference into this prospectus except to the extent we specifically state in such Form 8-K that the disclosure in such report is to be incorporated by reference into this prospectus.

Any statement made in this prospectus or in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in any other subsequently filed document that is also incorporated or deemed to be incorporated by reference into this prospectus modifies or supersedes the original statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You may request a copy of these filings, at no cost, by writing or calling us at the following address or telephone number:

G. Mary Ruby  
Senior Vice President, Legal Affairs and Corporate Secretary  
IMAX Corporation  
2525 Speakman Drive  
Sheridan Park  
Mississauga, Ontario, L5K 1B1  
Tel: (905) 403-6500

Exhibits to the filings will not be sent unless those exhibits have specifically been incorporated by reference into this prospectus.

Except as provided above, no other information, including information on our website, is incorporated by reference into this prospectus.

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SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

Some of the statements contained in this prospectus and the documents incorporated by reference constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, references to future capital expenditures (including the amount and nature of the expenditures), business strategies and measures to implement strategies, competitive strengths, goals, expansion and growth of our business and operations, plans and references to our future success and expectations regarding future operating results. These forward-looking statements are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. However, whether actual results and developments will conform with our expectations and predictions is subject to a number of risks and uncertainties, many of which are beyond our control, including, but not limited to, general economic, market or business conditions; the opportunities (or lack thereof) that may be presented to and pursued by us; competitive actions by other companies; conditions in the out-of-home entertainment industry; changes in laws or regulations; conditions in the commercial movie exhibition industry; the acceptance of our new technologies; risks associated with investments and operations in foreign jurisdictions and any future international expansion, including those related to economic, political and regulatory policies of local governments and laws and policies of the United States and Canada; and the potential impact of increased competition in the markets we operate within. Consequently, all the forward-looking statements made in this prospectus and the documents incorporated by reference are qualified by these cautionary statements, including the factors discussed under "Risk Factors" in this prospectus. Our actual results or anticipated developments may not be realized or, even if substantially realized, they may not have the expected consequences to, or effects on, us. We undertake no obligation to update publicly or otherwise revise any forward-looking information, whether as a result of new information, future events or otherwise.

This prospectus and the documents incorporated by reference contain information regarding market share, market position and industry data pertaining to our business based on data and reports compiled by professional industry organizations and analysts, and our knowledge of our revenue and markets. Although we believe these sources are reliable, we have not independently verified this market data. This market data includes projections that are based on a number of assumptions. If any one or more of those assumptions turns out to be incorrect, actual results may differ materially from the projections based on these assumptions.

## SUMMARY

The following summary highlights selected information contained elsewhere in, or incorporated by reference into, this prospectus and does not contain all of the information that you should consider before exchanging your old notes for the notes. You should read this summary together with the more detailed information that is contained in, or incorporated by reference into, this prospectus, including the risk factors, financial data and financial statements and notes thereto. In this prospectus, the terms "IMAX," "we," "our," "us" and the "company" refer to IMAX Corporation and, unless the context otherwise requires or otherwise expressly stated, its consolidated subsidiaries.

## IMAX CORPORATION

We are one of the world's leading entertainment technology companies, specializing in large-format and three-dimensional, or 3D, film presentations. Our theatre systems use 15 perforation, 70mm, or 15/70 film, the largest commercially available film format, which allows IMAX theatres to present stunning images of exceptional quality and clarity on screens up to one-hundred feet wide and eight stories tall. These images fill a viewer's peripheral vision and, together with our proprietary 6-channel digital sound systems and unique theatre designs, create "The IMAX Experience," which makes audiences feel as if they are "in the movie." IMAX films have taken viewers to the bottom of the ocean, in space to the International Space Station and, most recently, inside some of Hollywood's most exciting blockbuster movies such as Star Wars Episode II: Attack of the Clones, The Matrix Reloaded and The Matrix Revolutions. The IMAX brand is world famous and stands for the highest-quality, most immersive filmed entertainment. It is one of our most valuable assets and it attracts audiences to IMAX theatres, thereby increasing demand for leases of our theatre systems. We generate the majority of our revenue through upfront and recurring payments received in connection with the leasing of our theatre systems to third party operators. We generally do not own IMAX theatres. For the nine months ended September 30, 2003, we generated revenue of \$90.2 million, earnings from operations of \$11.2 million and net earnings from continuing operations of \$0.1 million.

IMAX created the large-format theatre industry more than 35 years ago. We estimate that IMAX theatres represent a significant majority of the large-format theatres in operation and almost all of 15/70 theatres in operation. At September 30, 2003, there were 239 IMAX theatre systems operating in 36 countries. For the nine months ended September 30, 2003, IMAX systems revenue from these theatres totaled \$56.0 million. Our sales backlog, which represented contracts for 61 theatre systems, totaled \$139.5 million at September 30, 2003. We are also a producer and distributor of large-format films and the largest provider of large-format post-production services. In addition, we engage in other related businesses, including renting camera equipment for large-format film production and owning and operating seven IMAX theatres.

IMAX theatres are found in some of the most prestigious educational institutions and destination entertainment centers in the world. However, we believe that commercial markets, including multiplex theatres and entertainment destinations, offer the greatest potential for growth of the IMAX network. We believe that our expansion into these markets will result from the favorable economics that IMAX theatres can provide to commercial theatre-owners and filmmakers. These economics have been enhanced by two recent developments:

- IMAX DMR, our new proprietary film conversion technology, which allows us to digitally re-master virtually any 35mm live-action film into our 15/70 film format at a cost of approximately \$2 million to \$4 million per film and gives us the ability to benefit from Hollywood event film releases and their large marketing budgets.
- IMAX MPX, our new theatre projection system designed specifically for use in multiplex auditoriums, which reduces the capital and operating costs required to run an IMAX theatre, while still offering consumers the image and sound quality of The IMAX Experience.

## OUR REVENUE MODEL

Our long-term lease arrangements with customers provide us with significant upfront cash payments received and predictable recurring cash flow in the form of ongoing rent and maintenance fees over the lease durations. We also have a substantial sales backlog of orders under contract. This backlog represents future revenue and will also increase our recurring rental and maintenance payments received when these theatre systems are installed. We also participate in the upside of successful films released to the IMAX theatre network at no additional expense because ongoing rental payments received are equal to the greater of a fixed minimum amount per annum and a percentage of box office receipts.

Our customers generally fall into three categories:

- museums, science centers and other institutions, such as the Smithsonian Institution in Washington, D.C., the New England Aquarium in Boston, Massachusetts and the Shanghai Science and Technology Museum in China;
- multiplex theatres, such as the Loews Cineplex Lincoln Square in New York City and National Amusement's THE BRIDGE cinema de lux in Los Angeles; and
- theme parks, tourist destination sites, fairs, expositions and other entertainment destination centers, such as the Grand Canyon IMAX Theatre in Arizona.

The institutional and entertainment destination markets, both domestic and foreign, have provided consistent demand for our theatre systems. The operators of multiplex theatres have been our fastest growing customer segment since 1997. The commercial exhibition industry went through significant financial difficulties in 2000 and 2001, when numerous theatre chains filed for bankruptcy protection due to over-building of multiplexes and over-leverage. While this had a significant impact on our business and reported financial results for those years, most of these companies have now emerged from such proceedings and have successfully recapitalized. With the development of our commercial strategy featuring IMAX DMR technology and the IMAX MPX system, we expect that these exhibitors will be a significant source of growth for us in the future.

## OUR COMPETITIVE ADVANTAGE

We believe that IMAX has a significant competitive advantage because of:

- Brand -- IMAX is one of the few widely recognized brands in filmed entertainment, and the only such brand in large-format theatres.
- The IMAX Experience -- We believe IMAX theatre systems provide a unique and immersive film experience with the highest-quality images and sound available.
- Films -- IMAX theatres have exclusive access to our library of 15/70 format films, the largest such library in the world. They will also have exclusive access to Hollywood films converted to 15/70 film format using our new and proprietary IMAX DMR technology, such as the last two films of the Matrix trilogy.
- Innovation -- We have a tradition of innovation and continue to invest in research and development. In North America, we currently have 43 patents issued with 16 more pending. From the first large-format projector to 3D projection to IMAX DMR and IMAX MPX, we have a record of developing new technologies that improve our viewers' entertainment experience and increase our customers' profitability.
- Reliability -- IMAX theatre systems have historical operating uptimes of approximately 99.9% based on scheduled shows.

## OUR BUSINESS STRATEGY

We expect growth in our revenue will be primarily driven by new IMAX theatre system leases to commercial exhibitors. We remain committed to our historical roots in museums and science centers, but we believe that the size of that market is relatively limited compared to the potential in the commercial multiplex market. There are approximately 1,900 multiplexes in North America, of which fewer than 35 have IMAX theatres, a penetration rate below 2%. Internationally, the penetration rate is even lower. To expand our theatre network we intend to:

- increase the revenue potential of commercial IMAX theatres and Hollywood studios by using our proprietary IMAX DMR technology which converts live-action films into IMAX-quality images and sound;
- reduce the capital and operating costs of leasing an IMAX theatre for commercial exhibitors with our IMAX MPX theatre system; and
- continue to grow in our existing, traditional customer base of educational and institutional centers.

### INCREASE REVENUE POTENTIAL OF COMMERCIAL IMAX THEATRES AND HOLLYWOOD STUDIOS

The motion picture industry is increasingly producing large-scale Hollywood blockbuster event films, which have proven to be significant revenue generators worldwide. IMAX DMR allows us to digitally re-master virtually any 35mm live-action film into IMAX's 15/70 film format at a cost of approximately \$2 million to \$4 million per film. We developed IMAX DMR to enable IMAX theatres to become an additional distribution channel for commercial films developed and produced by Hollywood studios and we believe that this new proprietary technology will significantly expand the commercially attractive content available for exclusive release to IMAX theatres and will increase their revenues. While IMAX DMR gives us the ability to bring previously released Hollywood classics to the IMAX network, the centerpiece of the IMAX strategy is the contemporaneous release of event films in IMAX and 35mm theatres, such as the November 5, 2003 release of *The Matrix Revolutions*. This allows the IMAX release to take advantage of the considerable marketing campaigns studios traditionally launch in connection with their biggest event films. It is our primary goal that viewers will want to see these types of event films in IMAX theatres and pay a premium price for the enhanced experience. In the North American multiplexes that showed *The Matrix Reloaded* in 35mm and in IMAX's 15/70 film format, the average ticket price for the IMAX screening was \$10.68 versus \$8.65 for the 35mm screening. At its release, the average North American ticket price for the IMAX screening of *The Matrix Revolutions* was \$11.20 versus \$8.66 for the 35mm screening. We believe that the meaningful expansion of Hollywood content available to IMAX theatres will result in increased attendance and revenue at IMAX theatres and increased demand for IMAX theatre systems. We also believe that such increased demand for our theatre systems will encourage studios to release more films to the expanded IMAX theatre network, and that this additional film product should further increase demand for IMAX theatre systems.

Since our IMAX DMR technology was introduced 16 months ago, we have released four digitally re-mastered films to the IMAX network, all of which have been favorably received by patrons according to independent research commissioned by us. The first film released was *Apollo 13: The IMAX Experience* in September 2002, which demonstrated the appeal of the IMAX DMR technology. This was followed by the release of *Star Wars Episode II: Attack of the Clones* -- The IMAX Experience, which generated more revenue per screen in its opening weekend than any other film in North America during that period. On April 22, 2003, we announced an agreement with Warner Bros. Pictures to convert *The Matrix Reloaded* and *The Matrix Revolutions*, the last two films of the *Matrix* trilogy that began with the 1999 blockbuster film *The Matrix*, to IMAX's format. The IMAX DMR version of *The Matrix Reloaded* ran exclusively on over 70 IMAX screens beginning June 6, 2003, approximately four weeks after the domestic release of the film to conventional 35mm theatres. Since the IMAX release, IMAX screens have accounted for 27% of the film's total box office receipts in North America to October 31, 2003 despite accounting for just 7.3% of the screens exhibiting the film in North America. On November 5, 2003, *The Matrix Revolutions*

became the first-ever live-action Hollywood film released simultaneously to both IMAX theatres and 35mm theatres. In North America, the film grossed approximately \$3.0 million in the first five days of its release on 48 IMAX screens, representing approximately \$63,000 in per screen revenue. In addition, on December 18, 2003, we announced a further agreement with Warner Bros. Pictures to convert Harry Potter and the Prisoner of Azkaban, the third installment of the Harry Potter film series, to IMAX's 15/70 format. The film is scheduled to be released to 35mm theatres and IMAX theatres in June 2004. We believe that these events position IMAX theatres as a unique and separate release window for Hollywood films similar to the type created when Hollywood studios began including the pay TV and home video industries as release windows for their films.

#### REDUCE THE CAPITAL AND OPERATING COSTS FOR COMMERCIAL EXHIBITORS

We have consistently sought to improve the profitability of an IMAX theatre by reducing theatre capital and operating costs. In the past, we have successfully reduced our customers' costs by introducing innovations such as the IMAX SR theatre system, which was designed for smaller markets. Continued reduction of capital and operating costs remains a focus of our research and development team. Our most recent achievement has been the development of the IMAX MPX system, our new lower cost theatre projection system designed specifically for use in multiplex auditoriums. The IMAX MPX system reduces the per-seat capital cost of an IMAX theatre by approximately 35% as compared to the IMAX SR system and increases the potential market size for IMAX theatres. The IMAX MPX system also reduces the operating costs required to run an IMAX theatre by eliminating the need for a specialized projectionist. However, it still offers consumers the image and sound quality of The IMAX Experience. The IMAX MPX system can be installed as part of a newly constructed multiplex, as an add-on to an existing multiplex, or as a retrofit of two existing stadium seat multiplex auditoriums. We believe that this innovative retrofit option represents a significant opportunity for commercial operators to both reduce the capital costs of building an IMAX theatre and improve the profitability of the two multiplex auditoriums being retrofitted. Since its launch, we have entered into sales or lease agreements for nine IMAX MPX systems in 11 months. The first IMAX MPX system is expected to be installed in the first half of 2004.

#### CONTINUED GROWTH IN OUR EXISTING CUSTOMER SEGMENT

We continue to sell and lease IMAX theatre systems to educational and institutional centers, particularly in international markets such as China. The last two years have seen the successful release and development of numerous traditional large-format films, particularly 3D films, which continue to perform well in institutional, educational and commercial venues. Our fourth space film, SPACE STATION, has generated approximately \$67 million of gross box office receipts since its release in April 2002, and continues to generate gross box office receipts of close to \$250,000 per week. Our 2002 holiday film, Santa vs. the Snowman, had a successful run in IMAX theatres during the 2002 holiday season and was shown on 79 IMAX screens during the 2003 holiday season. We currently have other notable films in production or development, including NASCAR The IMAX Experience 3D, scheduled for release in March 2004, and Magnificent Desolation, a film about the men of the Apollo missions who walked on the moon, in collaboration with Playtone and its principals, Tom Hanks and Gary Goetzman.

#### RECENT DEVELOPMENTS

##### REDEMPTION AND REPURCHASE OF 7 7/8% SENIOR NOTES DUE 2005

In December 2003, we concluded a tender offer and consent solicitation for \$152.8 million outstanding principal amount of our 7 7/8% senior notes due 2005 in which we purchased approximately \$123.6 million of such senior notes. On January 2, 2004, we redeemed all the senior notes not acquired in the tender offer pursuant to the optional redemption provisions of the senior notes. The net proceeds from the offering of the old notes, together with cash on hand, was used to fund the purchase and redemption of the 7 7/8% senior notes due 2005.

NEW CREDIT FACILITY

On February 6, 2004, we entered into a new \$20.0 million credit facility which is secured by all of the assets of IMAX Corporation and certain of its subsidiaries. See "Description of New Credit Facility."

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IMAX Corporation is organized under the Canada Business Corporations Act. Our head and principal office address is 2525 Speakman Drive, Mississauga, Ontario, Canada L5K 1B1. Our telephone number is (905) 403-6500.

IMAX(R), IMAX(R) Dome, IMAX(R) 3D, IMAX (R) 3D Dome, The IMAX Experience(R), An IMAX Experience(R), IMAX(R) DMR(R), IMAX(R) MPX(TM), IMAX Think Big (TM) and Think Big(TM) are our most significant trademarks and trade names that are registered or otherwise protected under laws of various jurisdictions. We also own the service mark IMAX Theatre(TM).



THE EXCHANGE OFFER

On December 4, 2003, IMAX Corporation completed a private placement of \$160,000,000 principal amount of 9 5/8% Senior Notes due 2010 to a group of initial purchasers. In this prospectus, we refer to (1) the notes sold in that original offering as the old notes and (2) the notes offered in this prospectus in exchange for the old notes as the notes.

Exchange Offer..... You may exchange old notes for notes.

Terms of Notes..... The terms of the notes are substantially identical to the terms of the old notes, and evidence the same indebtedness as the old notes, except that the notes:

- will be registered under the Securities Act, and, consequently, will be freely tradeable by persons not affiliated with us;
- will not bear any legend restricting transfer under the Securities Act;
- will not be entitled to the rights which are applicable to the old notes under the registration rights agreement;
- will not contain provisions relating to the payment of special interest under circumstances related to the timing of the exchange offer; and
- will bear a different CUSIP number from the old notes.

See "Description of the Notes."

Resale of Notes..... We believe you may offer the notes for resale, resell and otherwise transfer them without compliance with the registration or prospectus delivery provisions of the Securities Act if:

- you are acquiring the notes in the ordinary course of your business;
- you are not participating or engaged in, do not intend to participate or engage in, and have no arrangement or understanding with any person to participate in, the distribution of the notes issued to you; and
- you are not a broker-dealer or an "affiliate" of ours within the meaning of Rule 405 under the Securities Act.

You should read the discussion under the heading "The Exchange Offer" for further information regarding the exchange offer and resale of the notes.

Registration Rights Agreement..... We have undertaken this exchange offer pursuant to the terms of a registration rights agreement entered into with the initial purchasers of the old notes. See "The Exchange Offer."

Consequences of Failure to Exchange Old Notes..... You will continue to hold old notes that remain subject to their existing transfer restrictions if:

- you do not tender your old notes; or
- you tender your old notes and they are not accepted for exchange.

Subject to certain limited exceptions, we will have no obligation to register the old notes after we consummate the exchange offer. See "The Exchange Offer -- Terms of the Exchange Offer" and " -- Consequences of Failure to Exchange."

Expiration Date.....	The "expiration date" for the exchange offer is 5:00 p.m., New York City time, on , 2004, unless we extend it, in which case "expiration date" means the latest date and time to which the exchange offer is extended.
Accrued Interest on the Notes and the Old Notes.....	The notes will bear interest from the most recent date to which interest has been paid on the old notes or, if no interest has been paid on the old notes, from December 4, 2003.
Conditions to the Exchange Offer.....	The exchange offer is subject to certain customary conditions which we may waive. See "The Exchange Offer -- Conditions."
Procedures for Tendering Old Notes.....	If you wish to exchange your old notes for notes pursuant to the exchange offer, you must submit the required documentation and effect a tender of old notes pursuant to the procedures for book-entry transfer (or other applicable procedures) all in accordance with the instructions described in this prospectus and in the relevant letter of transmittal. See "The Exchange Offer -- Procedures for Tendering," "-- Book-Entry Transfer," "-- Exchanging Book-Entry Notes" and "-- Guaranteed Delivery Procedures."
Special Procedures for Beneficial Owners.....	If you own a beneficial interest in old notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee or custodian, and you wish to tender your old notes in the exchange offer, you should contact the registered holder as soon as possible and instruct the registered holder to tender on your behalf.
Guaranteed Delivery Procedures.....	If you wish to tender your old notes, but cannot properly do so prior to the expiration date, you may tender your old notes according to the guaranteed delivery procedures described in "The Exchange Offer -- Guaranteed Delivery Procedures."
Withdrawal Rights.....	Tenders of old notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the expiration date. To withdraw a tender of old notes, a written or facsimile transmission notice of withdrawal must be received by the exchange agent at its address set forth in the letter of transmittal prior to 5:00 p.m., New York City time, on the expiration date. See "The Exchange Offer -- Withdrawal Rights."
Acceptance of Old Notes and Delivery of Notes.....	Subject to certain conditions, any and all old notes that are validly tendered in the exchange offer prior to 5:00 p.m., New York City time, on the expiration date will be accepted for exchange. The notes issued pursuant to the exchange offer will be delivered as promptly as practicable after the expiration date. See "The Exchange Offer -- Terms of the Exchange Offer."

Certain U.S. Federal Income Tax Considerations..... We believe that the exchange of the old notes for notes should not constitute a taxable exchange for U.S. federal income tax purposes. See "Certain Federal Income Tax Considerations -- U.S. Federal Income Tax Considerations." You should consult your own tax advisor to determine the tax consequences of your decision to participate in the exchange offer.

Certain Canadian Federal Income Tax Considerations..... Holders will not be subject to tax under the Income Tax Act (Canada) on the exchange of old notes for notes. See "Certain Federal Income Tax Considerations -- Canadian Federal Income Tax Considerations." You should consult your own tax advisor to determine the tax consequences of your decision to participate in the exchange offer.

Use of Proceeds..... We will not receive any cash proceeds from the issuance of the notes in the exchange offer. See "Use of Proceeds."

Exchange Agent..... U.S. Bank National Association is serving as the exchange agent.

#### THE NOTES

The summary below describes the principal terms of the notes. Some of the terms and conditions below are subject to important limitations and exceptions. The "Description of the Notes" section of the prospectus contains a more detailed description of the terms and conditions of the notes.

Issuer..... IMAX Corporation

Notes Offered..... \$160.0 million aggregate principal amount of 9 5/8% Senior Notes due 2010.

Maturity Date..... December 1, 2010.

Interest Rate and Payment Dates..... Interest on the notes will accrue at the rate of 9 5/8% per annum, payable semiannually in cash in arrears on each June 1 and December 1, commencing on June 1, 2004.

Subsidiary Guarantees..... The payment of principal, premium, if any, and interest on the notes will be unconditionally guaranteed, jointly and severally, by each of our current and future North American subsidiaries. See "Description of the Notes -- Note Guarantees."

Optional Redemption..... On or after December 1, 2007, we may redeem the notes at the redemption prices listed in "Description of the Notes -- Optional Redemption." Prior to December 1, 2006, we may redeem up to 35% of the notes with the proceeds of certain equity offerings at the price specified in "Description of the Notes -- Optional Redemption."

Change of Control..... If we experience a change of control, we will be required to make an offer to repurchase the notes at a purchase price of 101% of the principal amount of the notes, plus accrued and unpaid interest to the date of the repurchase. See "Description of the Notes -- Certain Covenants -- Offer to Repurchase Notes Upon a Change of Control."

Additional Amounts..... All payments made by or on behalf of IMAX with respect to the notes will be made without withholding or deduction for

Canadian taxes unless required by law. If we are required by law to withhold or deduct for Canadian taxes with respect to a payment to the holders of notes, we will pay the additional amounts necessary so that the net amount received by the holders of notes after the withholding is not less than the amount that they would have received in the absence of the withholding. See "Description of the Notes -- Additional Amounts."

Tax Redemption..... We may also redeem the notes, in whole but not in part, at any time at 100% of the principal amount of the notes plus accrued and unpaid interest, if any, to the date of redemption in the event of changes affecting Canadian withholding taxes that would require us to pay additional amounts to holders of the notes. See "Description of the Notes -- Optional Redemption."

Ranking..... The notes will be unsecured obligations. The notes will rank:

- equally with any of our existing and future senior indebtedness; and
- senior to all our existing and future subordinated indebtedness.

The notes will be effectively subordinated to all existing and future indebtedness and other liabilities of our subsidiaries that have not guaranteed the notes. As at September 30, 2003, excluding intercompany liabilities, our subsidiaries that are not guarantors of the notes had approximately \$1.0 million of outstanding indebtedness and other liabilities, as to which the notes would have been effectively subordinated.

Covenants..... We will issue the notes under an indenture with U.S. Bank National Association, as trustee. The indenture governing the notes, among other things, restricts our ability to:

- incur additional indebtedness;
- make distributions or certain other restricted payments;
- grant liens;
- create dividend and other payment restrictions affecting our subsidiaries;
- sell certain assets or merge with or into other companies; and
- enter into transactions with affiliates.

For more details, see "Description of the Notes -- Certain Covenants."

Absence of an Established Market for the Notes..... The old notes are not presently listed on any securities exchange nor are they quoted on any quotation system. The notes are a new issue of securities, and currently there is no market for them. We do not intend to apply for the notes to be listed on any securities exchange or to arrange for any quotation system to quote them. The initial purchasers have advised us that they intend to make a market for the notes, but they are not obligated to do so. The initial purchasers may discontinue any market-making in the notes or any exchange notes at any time in their sole discretion. Accordingly, we cannot assure you that a liquid market will develop for the notes.

RISK FACTORS

OWNING THE NOTES INVOLVES RISKS. YOU SHOULD REFER TO THE SECTION ENTITLED "RISK FACTORS" ON PAGE 14 OF THIS PROSPECTUS FOR AN EXPLANATION OF THE MATERIAL RISKS BEFORE TENDERING YOUR OLD NOTES IN THE EXCHANGE OFFER.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth certain summary consolidated financial information derived from our audited consolidated financial statements for the years ended December 31, 2000, 2001 and 2002. It also sets forth summary consolidated financial information from our unaudited interim consolidated financial statements for the nine months ended September 30, 2002 and 2003 which, in the opinion of our management, include all adjustments necessary for fair presentation of our financial position, operating results and changes in financial position at such dates and for such periods. Interim results are not necessarily indicative of the results that may be expected for any other interim period or for a full year.

You should read the following information in conjunction with the section in our quarterly and annual reports entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," the audited consolidated financial statements and the related notes and the unaudited interim consolidated financial statements and the related notes, all incorporated by reference in this prospectus.

	NINE MONTHS ENDED		YEARS ENDED		DECEMBER 31, SEPTEMBER 30,	
					2000	
	2001	2002	2002	2003		
	----- (IN THOUSANDS) STATEMENTS OF OPERATIONS DATA:					
REVENUE IMAX						
systems(1).....	\$113,226	\$ 76,582	\$ 70,959	\$50,671	\$55,913	
Films.....	41,711	29,923	40,556	29,050	19,570	
Other.....	18,179	12,154	19,135	13,584	14,676	
	----- Total					
revenue.....	173,116	118,659	130,650	93,305	90,159	Costs of goods and services(2)..... 112,655 97,391
	78,438	54,427	51,075	-----		
	----- Gross					
margin.....	60,461	21,268	52,212	38,878	39,084	Selling, general and administrative expenses(3)..... 42,079 46,690
	34,906	26,672	24,864	Research and development..... 6,497		
	3,385	2,362	1,701	2,833 Amortization of intangibles(4)..... 2,948 3,005		
	1,418	1,067	473	Loss (income) from equity-accounted investees(5)..... 4,811 (73) (283) (88) (501)		
	Receivable provisions (recoveries), net..... 13,086 17,262 (1,233) 53 264					
	Restructuring costs and asset impairments (recoveries) (6)... 11,152 46,235 (121) (497) -----					
	----- Earnings (loss) from operations(1)..... (20,112) (95,236)					
	15,163	9,970	11,151	Interest income..... 3,285		
	847	413	295	Interest expense.....		
	(21,961)	(22,020)	(17,570)	(13,048)	(11,949)	Gain (loss) on retirement of notes(7)..... --
	55,577	11,900	12,005	(333)	Recovery on (impairment of) long-term investments(8)..... (4,133) (5,584) -- --	
	355	----- Earnings (loss) from continuing operations before income taxes.....				
	(42,921)	(66,416)	9,906	9,222	(261)	Recovery of (provision for) income taxes(9)..... 13,139
	(27,848)	--	400	-----		
	----- Net earnings (loss) from continuing operations(10)..... (29,782) (94,264) 9,906 9,222					
	139	Net earnings (loss) from discontinued operations..... (2,055) (50,850) 2,066 2,066 599				
	Cumulative effect of changes in accounting principles, net of income taxes(11)..... (61,110)					
	-----					
	Net earnings (loss)..... \$(92,947)					
	\$ (145,114)	\$ 11,972	\$ 11,288	\$ 738	=====	=====
	=====	=====	=====	=====	=====	=====

NINE MONTHS ENDED YEARS ENDED DECEMBER 31, SEPTEMBER 30,									
									2000
2001	2002	2002	2003						
----- (IN THOUSANDS, EXCEPT SYSTEMS DATA) OTHER DATA: -----									
Total systems signed(12): North									
America.....									6 5
									7 1 6
International.....									
									26 7 14 9 12
New systems installed: North									
America.....									9 8
									6 5 10
International.....									
									15 7 10 6 5
Total systems in operation, (period									
end)..... 221 227 232 229 239									
Capital expenditures..... \$									
									47,308 \$ 9,388 \$ 3,982 \$ 3,488 \$ 2,266

AS AT SEPTEMBER 30, 2003 -----									
ACTUAL AS ADJUSTED(13) ----- (IN									
THOUSANDS) BALANCE SHEETS DATA: Cash and cash									
equivalents.....									\$
									23,595 \$ 21,121
Total									
assets.....									
									219,041 221,209
Total long-term									
indebtedness.....									168,475
									160,000

- (1) In circumstances where customers are not in compliance with the terms of their leases for theatre systems not yet installed, the leases are in default. There is typically deferred revenue associated with these leases, representing upfront lease payments received prior to the default. These upfront lease payments received are recognized as revenue when we exercise our rights to terminate the lease and we are released legally or by virtue of an agreement with the customer from our obligations under the lease arrangement. Included in systems revenue is \$1.4 million, \$5.5 million and \$5.1 million in 2000, 2001, and 2002, respectively, and \$5.3 million and \$7.6 million for the nine months ended September 30, 2002 and 2003, respectively, for amounts recognized under terminated lease agreements.
- (2) During the year ended December 31, 2000, we recognized an \$8.6 million charge in costs of goods and services which relates to the write-down of certain films in distribution. Costs of goods and services during the year ended December 31, 2001 included charges of \$4.1 million and \$16.5 million relating to a reduced realizable value of our inventories and reduced fair values of our film assets, respectively.
- (3) Selling, general and administrative expenses for the year ended December 31, 2001 included a \$2.6 million non-cash charge for incurred compensation resulting from a stock grant issuance.
- (4) Effective January 1, 2002, we adopted FASB Financial Accounting Standard No. 142, "Goodwill and other Intangibles" ("FAS 142"), under which goodwill and intangible assets with indefinite lives are no longer amortized but are reviewed at least annually for impairment. In accordance with FAS 142, the effect of this change in accounting principle is reflected prospectively. Included in amortization of intangibles is goodwill amortization of \$1.8 million and \$2.3 million for 2000 and 2001, respectively.
- (5) In 2000, loss (income) from equity-accounted investees included a \$4.0 million provision related to the guarantee of a term loan undertaken by the Forum Ride Associates joint venture, the principal business of which is the operation of the "Race for Atlantis" ride in Las Vegas.
- (6) In 2000, restructuring costs and asset impairments (recoveries) included charges of \$11.2 million relating to fixed assets. In 2001, restructuring costs and asset impairments (recoveries) included \$16.3 million related to efforts to rationalize the business by reducing our overall corporate workforce and consolidation of our operations, which included relocating our sound-system facility to near

Toronto, Canada. In the assessment of the assets, we recorded charges of \$26.7 million of fixed assets, and \$3.3 million of other assets.

- (7) During the year ended December 31, 2001, we and one of our wholly-owned subsidiaries purchased and cancelled an aggregate of \$70.4 million principal amount of our convertible subordinated notes for \$13.7 million, consisting of \$12.5 million in cash from the subsidiary and common shares issued by us valued at \$1.2 million. We recorded a gain of \$55.6 million in connection with this transaction. During 2002, we and one of our wholly-owned subsidiaries purchased and cancelled an additional aggregate of \$20.5 million principal amount of our convertible subordinated notes for \$8.1 million, consisting of \$6.0 million in cash from the subsidiary and common shares issued by us valued at \$2.1 million. We recorded a gain of \$11.9 million in connection with this transaction. For the nine months ended September 30, 2002, we and one of our wholly-owned subsidiaries purchased and cancelled an additional aggregate of \$20.5 million principal amount of our convertible subordinated notes for \$8.2 million, consisting of \$6.1 million in cash from the subsidiary and common shares issued by us valued at \$2.1 million. We recorded a gain of \$12.0 million, net of expenses, in connection with this transaction.
- (8) Recovery on (impairment of) long-term investments represents charges of \$4.1 million and \$5.6 million relating to the impairment of certain of our long-term investments, for the years ended December 31, 2000 and 2001, respectively.
- (9) In 2001, the recovery of (provision for) income taxes included a \$41.2 million increase in the valuation allowance to reflect uncertainty associated with realization of our deferred income tax asset.
- (10) Net earnings (loss) from discontinued operations consists of our subsidiary Digital Projection International which was acquired in September 1999 and sold in December 2001.
- (11) In the year ended December 31, 2000, we recognized a charge of \$54.5 million, net of income tax benefit of \$33.4 million, in accordance with the interpretive guidance of SEC Staff Accounting Bulletin No. 101 ("SAB 101"), "Revenue Recognition in Financial Statements," effective January 1, 2000. We also adopted AICPA Statement of Position 00-2 ("SOP 00-2"), "Accounting by Producers or Distributors of Film," and recorded a charge of \$6.6 million, net of income tax benefit of \$3.9 million, to reflect the adoption of this new pronouncement.
- (12) Represents the number of theatre systems which were the subject of sale or lease agreements (including joint ventures) we entered into in the periods indicated.
- (13) As adjusted to reflect the exchange in October 2003 of \$15.7 million aggregate principal amount of our 7 7/8% senior notes due 2005 for our common shares and the offering of the old notes and the application of the net proceeds from the offering of the old notes as described under "Use of Proceeds." Excludes the payment of approximately \$6.3 million of interest on the 7 7/8% senior notes due 2005 in December 2003 and January 2004, but includes \$3.5 million of cash collateralized in support of our letters of credit.



## RISK FACTORS

Investing in the notes involves a high degree of risk. Before deciding whether to exchange the old notes for notes, you should carefully consider the following risks in addition to the other information in this prospectus and the documents incorporated by reference. If any of the risks described below occurs, our business, operating results and financial condition could be materially adversely affected.

The risks described below are not the only ones we face. Additional risks not presently known to us or that we currently deem immaterial, may also impair our business or operations.

### RISKS RELATED TO THE NOTES

**WE ARE HIGHLY LEVERAGED, AND THIS IMPAIRS OUR ABILITY TO OBTAIN FINANCING AND LIMITS CASH FLOW AVAILABLE FOR OUR OPERATIONS.**

We are highly leveraged. As at September 30, 2003, as adjusted to reflect the retirement in October 2003 of an aggregate principal amount of \$15.7 million of our 7 7/8% senior notes due 2005, the offering of the old notes and the purchase and redemption of our outstanding 7 7/8% senior notes due 2005, our total long-term indebtedness would be \$160.0 million. At September 30, 2003, our shareholders' deficiency was \$68.9 million. Our high leverage has important possible consequences. It may:

- make it more difficult for us to satisfy our financial obligations;
- limit our ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes;
- require us to dedicate all or a substantial portion of our cash flow from operations to the payment of principal and interest on our indebtedness, resulting in less cash available for our operations and other purposes;
- limit our ability to rapidly adjust to changing market conditions; and
- increase our vulnerability to downturns in our business or in general economic conditions.

Our ability to satisfy our obligations and to reduce our total debt depends on our future operating performance. Our future operating performance is subject to many factors, including economic, financial and competitive factors, which may be beyond our control. As a result, we may not be able to generate sufficient cash flow, and future financings may not be available to provide sufficient net proceeds, to meet these obligations or to execute our business strategy successfully.

**WE MAY STILL BE ABLE TO INCUR MORE INDEBTEDNESS, WHICH COULD FURTHER EXACERBATE THE RISKS ASSOCIATED WITH OUR SUBSTANTIAL INDEBTEDNESS.**

We may be able to incur substantial additional indebtedness in the future. Although the indenture governing the notes and the agreement governing our new credit facility contain restrictions on the incurrence of additional indebtedness, debt incurred in compliance with these restrictions could be substantial. If additional indebtedness is added to our current indebtedness levels, the related risks that we face would be magnified. In addition, the indenture does not prevent us from incurring obligations that do not constitute indebtedness such as operating leases.

**WE MAY NOT GENERATE CASH FLOW SUFFICIENT TO SERVICE ALL OF OUR OBLIGATIONS, INCLUDING OUR OBLIGATIONS RELATED TO THE NOTES.**

Our ability to make payments on and to refinance our indebtedness, including the notes, and to fund our operations, working capital and capital expenditures, depends on our ability to generate cash in the future. Our cash flow is subject to general economic, industry, financial, competitive, operating, regulatory and other factors, many of which are beyond our control. Our business may not generate cash flow in an amount sufficient to enable us to repay our indebtedness, including the notes, or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness, including the notes, on or before

maturity. Our ability to refinance our indebtedness or obtain additional financing will depend on, among other things:

- our financial condition at the time;
- restrictions in the indenture governing the notes; and
- the condition of the market and industries in which we operate.

As a result, we may not be able to refinance any of our indebtedness, including the notes, on commercially reasonable terms, or at all. If we do not generate sufficient cash flow from operations, and additional borrowings or refinancings or proceeds of asset sales are not available to us, we may not have sufficient cash to enable us to meet all of our obligations, including payments on the notes.

THE OLD NOTES ARE, AND THE NOTES WILL BE, UNSECURED AND EFFECTIVELY SUBORDINATED TO OUR SECURED INDEBTEDNESS AND THE LIABILITIES OF OUR SUBSIDIARIES THAT ARE NOT GUARANTORS OF THE NOTES.

The old notes are, and the notes will be, our general unsecured obligations, ranking effectively junior in right of payment to all our existing and future secured debt to the extent of the collateral securing such debt. As at September 30, 2003, after giving effect to the offering of the old notes and the purchase and redemption of our 7 7/8% senior notes due 2005, we would have had no secured debt outstanding. On February 6, 2004, we entered into a new \$20.0 million credit facility, which is secured by all of the assets of IMAX Corporation and certain of its subsidiaries. In addition, the indenture governing the notes permits the incurrence of additional debt, some of which may be secured debt.

In the event that we are declared bankrupt, become insolvent or are liquidated or reorganized, any secured indebtedness will be entitled to be paid in full from our assets securing such indebtedness before any payment may be made with respect to the notes. Holders of the notes will participate ratably in our remaining assets with all holders of our unsecured indebtedness that is deemed to rank equally with the notes, and potentially with all of the other general creditors (including trade creditors), based upon the respective amounts owed to each holder or creditor. In any of the foregoing circumstances, there may be insufficient assets to pay amounts due on the notes. As a result, holders of the notes may receive less, ratably, than holders of our secured indebtedness.

In addition, the old notes are, and the notes will also be, effectively subordinated to any existing and future liabilities of our subsidiaries that are not guarantors of the notes. As at September 30, 2003, such subsidiaries had \$1.0 million of liabilities (excluding intercompany liabilities).

THE AGREEMENTS GOVERNING OUR INDEBTEDNESS CONTAIN SIGNIFICANT RESTRICTIONS THAT LIMIT OUR OPERATING AND FINANCIAL FLEXIBILITY AND MAY AFFECT OUR ABILITY TO MAKE PAYMENTS ON THE NOTES.

The indenture governing the notes and the agreement governing our new credit facility contain covenants that, among other things, limit our ability to:

- incur additional indebtedness;
- pay dividends and make distributions;
- repurchase stock;
- make certain investments;
- transfer or sell assets;
- create liens;
- enter into transactions with affiliates;
- issue or sell stock of subsidiaries;
- create dividend or other payment restrictions affecting restricted subsidiaries; and
- merge, consolidate, amalgamate or sell all or substantially all of our assets to another person.

These restrictions may limit our ability to execute our business strategy. Moreover, if operating results fall below current levels, we may be unable to comply with these covenants. If that occurs, our lenders, including you, could accelerate our indebtedness. If our indebtedness is accelerated, we may not be able to repay all of our indebtedness, in which case your notes may not be fully repaid, if they are repaid at all.

**WE MAY BE UNABLE TO PURCHASE NOTES IN THE EVENT OF A CHANGE OF CONTROL.**

Upon the occurrence of a change of control, as defined in the indenture, we will be required to make an offer to purchase notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase. We may not have sufficient funds to make the required offer to purchase at the time of such event. Any future debt that we incur may also contain restrictions on the purchase of the notes.

**CERTAIN BANKRUPTCY AND INSOLVENCY LAWS MAY IMPAIR THE TRUSTEE'S ABILITY TO ENFORCE REMEDIES UNDER THE NOTES.**

We are incorporated under the laws of Canada, and substantially all of our assets are located in Canada. Under bankruptcy laws in the United States, courts typically have jurisdiction over a debtor's property, wherever located, including property situated in other countries. There can be no assurance, however, that courts outside the United States would recognize the U.S. bankruptcy court's jurisdiction. Accordingly, difficulties may arise in administering a U.S. bankruptcy case involving a Canadian debtor like us with property located outside the United States, and any orders or judgments of a bankruptcy court in the United States may not be enforceable in Canada against us.

The rights of the trustee to enforce remedies may be significantly impaired by the restructuring provisions of applicable Canadian federal bankruptcy, insolvency and other restructuring legislation if the benefit of such legislation is sought with respect to us. For example, both the Bankruptcy and Insolvency Act (Canada) and the Companies' Creditors Arrangement Act (Canada) contain provisions enabling an "insolvent person" to obtain a stay of proceeding as against its creditors and others and to prepare and file a proposal for consideration by all or some of its creditors to be voted on by the various classes of its creditors. Such a restructuring proposal, if accepted by the requisite majorities of creditors and approved by the court, may be binding on persons, such as holders of the notes, who may not otherwise be willing to accept it. Moreover, this legislation permits, in certain circumstances, an insolvent debtor to retain possession and administration of its property, even though it may be in default under the applicable debt instrument.

The powers of the court under the Bankruptcy and Insolvency Act and particularly under the Companies' Creditors Arrangement Act have been exercised broadly to protect a restructuring entity from actions taken by creditors and other parties. Accordingly, if we were to seek protection under such Canadian insolvency legislation following commencement of or during such a proceeding, payments under the notes may be discontinued, the trustee may be unable to exercise its rights under the indenture and holders of the notes may not be compensated for any delays in payments, if any, of principal and interest and may have their claims under the notes compromised as part of a restructuring proposal.

**APPLICABLE STATUTES ALLOW COURTS, UNDER SPECIFIC CIRCUMSTANCES, TO VOID THE GUARANTEES OF THE NOTES PROVIDED BY CERTAIN OF OUR SUBSIDIARIES.**

Our creditors or the creditors of one or more guarantors of the notes could challenge the guarantees as fraudulent transfers, conveyances or preferences or on other grounds under applicable U.S. federal or state law or applicable Canadian federal or provincial law. While the relevant laws vary from one jurisdiction to another, the entering into the guarantees by certain of our subsidiaries could be found to be a fraudulent transfer, conveyance or preference or otherwise void if a court were to determine that:

- a guarantor delivered its guarantee with the intent to defeat, hinder, delay or defraud its existing or future creditors; or

- the guarantor did not receive fair consideration for the delivery of the guarantee and the guarantor was insolvent at the time it delivered the guarantee; or
- the guarantor was rendered insolvent by reason of the guarantee; or
- the guarantor was engaged, or was about to engage, in a business or transaction for which its remaining assets constituted unreasonably small capital to carry on its business; or
- the guarantor intended to incur, or believed it would incur, debts beyond its ability to pay the debts as they matured.

To the extent a court voids a guarantee as a fraudulent transfer, preference or conveyance or holds it unenforceable for any other reason, holders of notes would cease to have any direct claim against the guarantor that delivered a guarantee. If a court were to take this action, the guarantor's assets would be applied first to satisfy the guarantor's liabilities, including trade payables and preferred stock claims, if any, before any portion of its assets could be distributed to us to be applied to the payment of the notes. We cannot assure you that a guarantor's remaining assets would be sufficient to satisfy the claims of the holders of notes relating to any voided portions of the guarantees.

In addition, the corporate statutes governing the guarantors of the notes may also have provisions that serve to protect each guarantor's creditors from impairment of its capital from financial assistance given to its corporate insiders where there are reasonable grounds to believe that, as a consequence of this financial assistance, the guarantor would be insolvent or the book value, or in some cases the realizable value, of its assets would be less than the sum of its liabilities and its issued and paid-up share capital. While the applicable corporate laws may not generally prohibit financial assistance transactions and a corporation is generally permitted flexibility in its financial dealings, the applicable corporate laws may prohibit or restrict each guarantor's ability to give financial assistance in certain circumstances.

**IF YOU DO NOT PROPERLY TENDER YOUR OLD NOTES, YOU WILL NOT RECEIVE NOTES IN THE EXCHANGE OFFER, AND YOU MAY NOT BE ABLE TO SELL YOUR OLD NOTES.**

We registered the notes, but not the old notes, under the Securities Act. The old notes may not be offered or sold except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws or pursuant to an effective registration statement. We will issue notes only in exchange for old notes that are timely received by the exchange agent, together with all required documents, including a properly completed and duly signed letter of transmittal. Therefore, you should allow sufficient time to ensure timely delivery of the old notes, and you should carefully follow the instructions on how to tender your old notes.

Neither we nor the exchange agent is required to tell you of any defects or irregularities with respect to your tender of the old notes. If you do not tender your old notes or if we do not accept your old notes because you did not tender your old notes properly then, after we consummate the exchange offer, you will continue to hold old notes that are subject to the existing transfer restrictions. In general, you may not offer or sell the old notes unless they are registered under the Securities Act or offered or sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Although we may in the future seek to acquire unexchanged old notes in open market or privately negotiated transactions, through subsequent exchange offers or otherwise, we have no present plans and are not required to acquire any unexchanged old notes or to file with the SEC a shelf registration statement to permit resales of any unexchanged old notes. In addition, holders of old notes other than the initial purchasers or holders who are prohibited by applicable law or SEC policy from participating in the exchange offer or who may not resell the notes acquired in the exchange offer without delivering a prospectus, will not have any further registration rights and will not have the right to receive special interest on their old notes.

THE MARKET FOR THE OLD NOTES MAY BE SIGNIFICANTLY MORE LIMITED AFTER THE EXCHANGE OFFER.

Because we anticipate that most holders of old notes will elect to exchange their old notes, we expect that the liquidity of the market for any old notes remaining after the completion of the exchange offer may be substantially limited. Any old notes tendered and exchanged in the exchange offer will reduce the aggregate principal amount of the old notes outstanding. Accordingly, the liquidity of the market for any old notes could be adversely affected and you may be unable to sell them. The extent of the market for the old notes and the availability of price quotations would depend on a number of factors, including the number of holders of old notes remaining outstanding and the interest of securities firms in maintaining a market in the old notes. An issue of securities with a smaller number of units available for trading may command a lower, and more volatile, price than would a comparable issue of securities with a larger number of units available for trading. Therefore, the market price for the old notes that are not exchanged may be lower and more volatile as a result of the reduction in the aggregate principal amount of the old notes outstanding.

THERE IS CURRENTLY NO ACTIVE TRADING MARKET FOR THE NOTES. IF AN ACTIVE TRADING MARKET DOES NOT DEVELOP FOR THE NOTES, YOU MAY NOT BE ABLE TO RESELL THEM.

No active trading market currently exists for the notes and an active trading market may not develop in the future. The notes will not be listed on any securities exchange. If an active trading market does not develop, it could have an adverse effect on the market price of, and your ability to sell, the notes. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the notes. The market for the notes, if any, may be subject to similar disruptions. The trading price may depend upon prevailing interest rates, the market for similar securities, and other factors, including general economic conditions and our financial condition, performance and prospects. These factors could adversely affect you as a holder of notes.

NON-U.S. HOLDERS OF THE NOTES ARE SUBJECT TO RESTRICTIONS ON THE RESALE OF THE NOTES.

We sold the old notes in reliance on exemptions from the laws of other jurisdictions where the notes were offered and sold, and therefore the old notes may be transferred and resold, including pursuant to the exchange offer, only in compliance with the laws of those jurisdictions to the extent applicable to the transaction, the transferor and/or the transferee. Although we registered the notes under the Securities Act, we did not, and do not intend to, qualify the notes for distribution in Canada by prospectus and, accordingly, the notes will remain subject to restrictions on resale in Canada. In addition, non-U.S. holders will remain subject to restrictions imposed by the jurisdiction in which the holder is resident. See "The Exchange Offer."

#### RISKS RELATED TO OUR BUSINESS

OUR THEATRE SYSTEM REVENUE CAN VARY SIGNIFICANTLY FROM OUR CASH FLOWS UNDER THEATRE SYSTEM SALES AND LEASE AGREEMENTS.

Our theatre system revenue can vary significantly from the associated cash flows. We generally provide our theatre systems to customers on a long-term lease basis with initial lease terms of typically 10 to 20 years. Our lease agreements typically provide for three major sources of cash flow:

- initial rental fees, which are paid in installments commencing upon the signing of the lease agreement until installation of the system;
- ongoing rental payments, which are paid monthly after system installation and are generally equal to the greater of a fixed minimum amount per annum and a percentage of box office receipts; and
- annual maintenance fees, which are generally payable commencing in the second year of theatre operations.

Initial rental payments generally make up a majority of cash received for a theatre system lease.

Theatre system leases that transfer substantially all of the benefits and risks of ownership to customers are classified as sales-type leases. Revenue from sales-type leases is recorded at the time installation is complete and other revenue recognition conditions are satisfied. The revenue recorded is equal to the sum of initial rental payments and the present value of minimum additional rental fees due under the lease agreement. Cash received from initial rental fees in advance of installation is recorded as deferred revenue.

Leases that do not transfer substantially all of the benefits and risks of ownership to the customer are classified as operating leases. For these leases, initial rental fees and minimum ongoing rental payments are recognized as revenue on a straight-line basis over the lease term.

Periodically, we sell our theatre systems to customers. These sales generally provide for initial cash receipts and the receipt of payments over time, typically 10 to 20 years.

THERE IS COLLECTION RISK ASSOCIATED WITH LEASE PAYMENTS TO BE RECEIVED OVER THE TERMS OF OUR THEATRE SYSTEM LEASES.

We are dependent in part on the viability of the North American commercial exhibitor market for collections under long-term leases. In recent years, many of the North American commercial exhibitor chains faced financial difficulties. We cannot assure you that commercial exhibitors to whom we lease theatre systems will not experience financial difficulties in the future. We may not collect all of our contracted future lease payments. Our revenue can vary significantly from our cash flows under theatre system sales and lease agreements, and there is collection risk associated with rental payments to be received over the terms of our leases.

WE MAY NOT CONVERT ALL OF OUR BACKLOG INTO REVENUE AND CASH FLOWS.

We list signed contracts for theatre system sales and sales-type leases as sales backlog prior to the time of revenue recognition. Sales backlog represents the total value of all signed system sales and lease agreements that are expected to be recognized as revenue in the future and includes initial rental fees along with the present value of contractual minimum rents due over the lease term, but excludes maintenance revenues as well as rents in excess of contractual minimums that might be received in the future. All of our customers with which we have signed contracts may not accept delivery of theatre systems that are included in our backlog. Moreover, if we litigate to enforce a customer's contractual obligations, there are no guarantees that such obligations will ultimately be deemed to be enforceable. This could adversely affect our future revenues. We have litigated in the past and are litigating presently with customers who have refused to honor all of their backlog obligations. In addition, customers with system obligations in backlog sometimes request that we agree to modify or reduce such obligations. We have in the past, under certain circumstances, and are presently, negotiating to restructure backlog obligations of certain customers. The backlog obligations of other customers may also be modified, reduced or otherwise restructured in the future, which can adversely affect our future revenues and cash flows.

WE DEPEND ON COMMERCIAL MOVIE EXHIBITORS TO LEASE OUR IMAX THEATRE SYSTEMS AND TO PROVIDE ADDITIONAL REVENUES AND VENUES IN WHICH TO EXHIBIT OUR IMAX DMR FILMS.

A number of our commercial exhibition customers have emerged from bankruptcy protection in recent years. We are unable to predict if or when they or other exhibitors will lease or continue to lease IMAX theatre systems from us or whether other commercial movie exhibitors will experience significant financial difficulties in the future. A number of the IMAX theatres operated by commercial exhibitors have been unprofitable in the past. If exhibitors choose to reduce their levels of expansion or decide not to lease IMAX theatre systems for their existing or new theatres, our revenues would not increase at an anticipated rate and motion picture studios may be less willing to reformat Hollywood 35mm films into our 15/70 film format for exhibition in commercial IMAX theatres. As a result, our future revenues could be adversely affected.

OUR OPERATING RESULTS AND CASH FLOW CAN VARY SUBSTANTIALLY FROM QUARTER TO QUARTER AND COULD INCREASE THE VOLATILITY OF OUR SHARE PRICE.

Our operating results and cash flow can fluctuate substantially from quarter to quarter. In particular, fluctuations in theatre system installations can materially affect operating results. In addition, theatre system contract signings are not related to the timing of revenue recognition, and can have a significant impact on our cash flow. This can make it difficult to accurately forecast sales and profits or losses. Factors that have affected our operating results and cash flow in the past, and are likely to affect our operating results and cash flow in the future include, among other things:

- the timing of signing and installation of new theatre systems;
- demand for, and acceptance of, our products and services;
- revenue recognition of sales and sales-type leases;
- classification of leases as sales-type versus operating leases;
- volume of orders received and that can be fulfilled in the quarter;
- the level of our sales backlog;
- the timing and commercial success of films produced and distributed by us and others;
- the signing of film distribution agreements;
- the financial performance of IMAX theatres operated by our customers and by us; and
- the financial difficulties, including bankruptcies, faced by our customers, particularly our customers in the commercial exhibition industry.

Most of our operating expenses are fixed in the short term. We may be unable to rapidly adjust our spending to compensate for any unexpected sales shortfall, which would harm quarterly operating results. The results of any quarterly period are not necessarily indicative of our results for any other quarter or for a full fiscal year.

WE MAY NOT BE ABLE TO GENERATE PROFITS IN THE FUTURE.

We may not be able to generate profits in any future period. Although we generated a net profit for the year ended December 31, 2002 and the nine months ended September 30, 2003, for the years ended December 31, 2000 and 2001, we had significant net losses and experienced a decline in our sales and leases of theatre systems and backlog. If we do not generate profits in future periods, we may be unable to finance the operations of our business or meet our debt obligations.

OUR STRATEGY OF RE-MASTERING 35MM FILMS INTO THE 15/70 FILM FORMAT IS IN ITS EARLY STAGES OF IMPLEMENTATION AND EXPOSES US TO RISK.

We have released four live-action 35mm films which have been reformatted using our IMAX DMR technology and have contracted for the release of a fifth such film in June 2004; the first live-action film formatted with IMAX DMR technology into our 15/70 film format was released in September 2002. The development of our IMAX DMR technology may not translate into additional Hollywood films being distributed to the IMAX theatre network or additional demand for IMAX systems. First, motion picture studios could find either the technology or the potential revenues insufficient to justify reformatting existing or new films into the 15/70 film format. Second, even if motion picture studios agree to reformat their films with our IMAX DMR technology, such studios may be reluctant to release reformatted films to IMAX theatres contemporaneously with the initial release of such films to commercial 35mm theatres, which is an important element of our commercial strategy. Third, even the most successful existing or new films may prove to be unsuccessful when exhibited in IMAX theatres.

In addition, motion picture studios could insist upon significant capital contributions by us to go toward either the costs of reformatting a film, the marketing of the reformatted film or both. Moreover, actual costs may exceed their budgets and resulting revenues.

Even though our IMAX DMR technology is patent-pending, such patents may not be granted or the technology may prove to have low barriers to entry for others. Other parties could develop similar or superior technology and release reformatted Hollywood films to IMAX theatres or our competitors, without our receiving any of the distribution or royalty revenue.

THE SUCCESS OF THE IMAX THEATRE NETWORK IS DIRECTLY RELATED TO THE AVAILABILITY AND SUCCESS OF 15/70 FORMAT FILMS, OF WHICH WE PRODUCE A SMALL PERCENTAGE.

An important factor affecting the growth and success of the IMAX theatre network is the availability of 15/70 format films. We produce only a small number of 15/70 format films and, as a result, we rely principally on 15/70 format films produced by third party filmmakers or converted from 35mm format using our IMAX DMR technology. Third party filmmakers may not have sufficient capital or other resources to continue to produce 15/70 format films or the 15/70 format films they produce may not be commercially successful.

THE PRODUCTION OF 15/70 FORMAT FILMS REQUIRES SIGNIFICANT CAPITAL AND INVOLVES SUBSTANTIAL RISKS.

The production, completion and distribution of 15/70 format films require a significant amount of capital and involve substantial financial risks. Actual costs may exceed budgets and factors such as technology changes, labor disputes or other disruptions affecting aspects of production may affect third party filmmakers, IMAX or our co-production partners and cause significant cost overruns and delay or hamper completion of a production. We are continually discussing the production or co-production of 15/70 format films, as well as the reformatting of Hollywood films in connection with our IMAX DMR technology, with various motion picture studios. However, we may not be able to complete production or co-production arrangements with motion picture studios, and we may not earn an adequate return on capital on these investments.

OUR REVENUES FROM EXISTING CUSTOMERS ARE DERIVED IN PART FROM FINANCIAL REPORTING PROVIDED BY OUR CUSTOMERS, WHICH MAY BE INACCURATE OR INCOMPLETE, RESULTING IN LOST OR DELAYED REVENUES.

A portion of our lease payments and our film license fees are based upon financial reporting provided by our customers. If such reporting is inaccurate, incomplete or withheld, our ability to invoice and receive the proper amount from our customers in a timely fashion will be impaired. Our contractual audits may not rectify payments lost or delayed as a result of customers not fulfilling their contractual requirements with respect to financial reporting.

OUR NEWEST THEATRE PROJECTION SYSTEM, IMAX MPX, WHICH IS AN IMPORTANT COMPONENT OF OUR PLANS TO EXPAND THE NETWORK OF COMMERCIAL IMAX THEATRES, HAS NOT YET BEEN INSTALLED IN ANY THEATRES AND COULD PERFORM INADEQUATELY, RESULTING IN THE LOSS OF EXISTING AND FUTURE CONTRACTS.

We depend on our theatre systems technology. In March 2003, we introduced the IMAX MPX, a new projection system designed for commercial multiplex operators which, together with IMAX DMR, is an important part of our expansion plans. While we have signed contracts for the installation of IMAX MPX systems, no such systems are scheduled to be installed until the first half of 2004 and while we believe these systems will operate adequately, there are no guarantees that they will do so. If for some reason a number of the IMAX MPX systems perform inadequately, it could result in our losing existing contracts and our inability to sign contracts for IMAX MPX systems in the future, which could adversely affect our plans to expand the network of commercial IMAX theatres and to have additional IMAX DMR films released to that network.



WE CONDUCT BUSINESS INTERNATIONALLY WHICH EXPOSES US TO UNCERTAINTIES AND RISKS THAT COULD NEGATIVELY AFFECT OUR OPERATIONS AND SALES.

A significant portion of our sales are made to customers located outside the United States and Canada. Approximately 47.2%, 35.2% and 36.6% of our revenues were derived outside of the United States and Canada in 2000, 2001 and 2002, respectively. We expect our international operations to continue to account for a significant portion of our revenues in the future and plan to expand into new markets in the future. We do not have significant experience in operating in certain foreign countries and are subject to the risks associated with operating in those countries. We currently have installation and sales activity projected in countries where economies have been unstable in recent years. The economies of other foreign countries important to our operations could also suffer slower economic growth or instability in the future. The following are among the risks that could negatively affect our operations and sales in foreign markets:

- new restrictions on access to markets;
- unusual or burdensome foreign laws or regulatory requirements or unexpected changes to those laws or requirements;
- fluctuations in the value of foreign currency versus the U.S. dollar and potential currency devaluations;
- new tariffs, trade protection measures, import or export licensing requirements, trade embargoes and other trade barriers;
- imposition of foreign exchange controls in such foreign jurisdictions;
- dependence on foreign distributors and their sales channels;
- difficulties in staffing and managing foreign operations;
- adverse changes in monetary and/or tax policies;
- poor recognition of intellectual property rights;
- inflation;
- requirements to provide performance bonds and letters of credit to international customers to secure system deliveries; and
- political, economic and social instability in foreign countries.

WE FACE RISKS IN CONNECTION WITH THE EXPANSION OF OUR BUSINESS IN CHINA AND OTHER PARTS OF ASIA.

The first IMAX projection system in a theatre in China was installed in December 2001 and seven additional IMAX theatre systems are scheduled to be installed in China by 2008. We moved our Asian headquarters to Shanghai and believe that China is an important market for our international expansion plans. These plans may be unsuccessful in China for a number of reasons including China's poor recognition of intellectual property rights and its restrictive regulations regarding the importation of film. Moreover, the geopolitical instability of the region comprising China, Taiwan, North Korea and South Korea could result in economic embargoes, disruptions in shipping or even military hostilities, which could interfere with both the fulfillment of our existing contracts and our pursuit of additional contracts in China.

In addition, the recent outbreak of severe acute respiratory syndrome, or SARS, which has had a particularly disruptive impact on business in China, Hong Kong and Singapore, could have a negative effect on our pursuit of business opportunities in Asia as a re-emergence of SARS could interfere with travel to and negotiations with parties in that continent.

THE INTRODUCTION OF NEW PRODUCTS AND TECHNOLOGIES AND CHANGES IN THE WAY OUR COMPETITORS OPERATE COULD HARM OUR BUSINESS.

The out-of-home entertainment industry is very competitive, and we face a number of challenges. We compete with other large-format film projection system manufacturers as well as conventional motion picture exhibitors. In addition to existing competitors, we may also face competition in the future from companies in the entertainment industry with substantially greater capital resources. We also face competition from a number of alternative motion picture distribution channels such as home video, pay-per-view, video-on-demand, DVD, and syndicated and broadcast television. We also compete for the public's leisure time and disposable income with other forms of entertainment, including sporting events, concerts, live theatre and restaurants.

Furthermore, the out-of-home entertainment industry in general is undergoing significant changes. Primarily due to technological developments and changing consumer tastes, numerous companies are developing, and are expected to continue to develop, new entertainment products for the out-of-home entertainment industry, which may compete directly with our products. Competitors may design products which are more attractive to the consumer and/or more cost effective than ours and may make our products less competitive. The products that we are currently developing may never be attractive to consumers or be competitive. As a result of this competition, we could lose market share as demand for our products declines, which could seriously harm our business and operating results.

The motion picture exhibition industry is in the early stages of conversion from film based media to electronic based media. We are similarly in the very early stages of developing a digital projection system that can be utilized in IMAX theatres. As any large scale conversion from film to digital, particularly in the large-format theatre industry, is most likely years away, it is difficult to assess the risks for us associated with such a conversion. Such risks could include the need for us to raise additional capital to finance remanufacturing of theatre systems and associated conversion costs, which capital may not be available to us on attractive terms, or at all.

AN ECONOMIC DOWNTURN COULD MATERIALLY AFFECT OUR BUSINESS BY REDUCING DEMAND FOR IMAX THEATRE SYSTEMS AND REVENUE GENERATED FROM BOX OFFICE SALES.

We depend on the sale and lease of IMAX theatre systems to commercial movie exhibitors to generate a significant portion of our revenues. Most of our lease agreements provide for additional revenues based on a percentage of theatre box office receipts when attendance at an IMAX theatre exceeds a minimum threshold. Commercial movie exhibitors generate revenues from consumer attendance at their theatres, which are subject to general political, social and economic conditions and the willingness of consumers to spend discretionary money at movie theatres. If theatre attendance declines as a result of a prolonged economic downturn, commercial movie exhibitors will be less willing to invest capital in new theatres resulting in a decline in demand for new IMAX theatre systems. In addition, any decline in attendance at commercial IMAX theatres will reduce the additional revenues we generate from a percentage of theatre box office receipts. Institutional exhibitors may also experience a decline in attendance given general political, social and economic conditions, which may result in reduced revenues generated from receipts attributed to IMAX theatres at such institutions and reduced film license fees.

WE MAY EXPERIENCE ADVERSE EFFECTS DUE TO EXCHANGE RATE FLUCTUATIONS.

A substantial portion of our revenues is denominated in U.S. dollars, while a substantial portion of our expenses is denominated in Canadian dollars. We also generate revenues in Euros and Japanese Yen. From time to time, we enter into forward contracts to hedge our exposure to exchange rate fluctuations. However, our strategy may not be successful in reducing our exposure to these fluctuations. Any material increase in the value of the Canadian dollar in relation to the U.S. dollar compared to historical levels could have a material adverse effect on our operating results.

WE ARE SUBJECT TO IMPAIRMENT LOSSES ON OUR ASSETS.

During the past five years, a substantial number of our theatre systems were leased to commercial movie exhibitors. During 2000 and 2001, we recorded significant restructuring costs and asset impairments related to the financial difficulties of commercial movie exhibitors and other related industry factors. Similar financial difficulties for commercial movie exhibitors and other industry factors may reoccur in the future which could result in further write-downs.

We amortize our film assets using the individual film forecast method whereby the costs of film assets are amortized and participation costs are accrued for each film in the ratio of revenues earned in the current period to management's estimate of total revenues ultimately expected to be received for that title. Management regularly reviews and revises when necessary its estimates of ultimate revenues on a title-by-title basis, which may result in a change in the rate of amortization of the film assets and write-downs to film assets. Results of operations in future years depend upon the amortization of our film assets and may be significantly affected by periodic adjustments in amortization rates. In 2000 and 2001, we recorded significant impairment charges against film assets due to reductions in estimates of ultimate future revenues that resulted in the fair values of some titles being less than their carrying values. Given the inherent difficulties in producing successful theatrical films for release in IMAX theatres, and the uncertainties inherent in the estimation process, additional impairment charges may be necessary in the future.

WE RELY ON OUR KEY PERSONNEL, AND THE LOSS OF ONE OR MORE OF THOSE PERSONNEL COULD HARM OUR ABILITY TO CARRY OUT OUR BUSINESS STRATEGY.

Our operations and prospects depend in large part on the performance and continued service of our senior management team. We may not find qualified replacements for any of these individuals if their services are no longer available. The loss of the services of one or more members of our senior management team could adversely affect our ability to effectively pursue our business strategy.

OUR ABILITY TO ADEQUATELY PROTECT OUR INTELLECTUAL PROPERTY IS LIMITED, AND COMPETITORS MAY MISAPPROPRIATE OUR TECHNOLOGY, WHICH COULD WEAKEN OUR COMPETITIVE POSITION.

We depend on our proprietary knowledge regarding IMAX theatre systems. We rely principally upon a combination of copyright, trademark, patent and trade secret laws, restrictions on disclosures and contractual provisions to protect our proprietary and intellectual property rights. These laws and procedures may not be adequate to prevent unauthorized parties from attempting to copy or otherwise obtain our technology or deter others from developing similar technology, which could weaken our competitive position. The protection provided to our proprietary technology by the laws of foreign jurisdictions may not protect us as fully as the laws of Canada or the United States. Some of the underlying technologies of our products and systems are not covered by patents or patent applications.

We have patents issued, provisional patents and patent applications pending, including those pending for our digital conversion technology, IMAX DMR. Our patents are filed in the United States often with corresponding patents or filed applications in other jurisdictions, such as Canada, Japan, Korea, France, Germany and the United Kingdom. The patents may not be issued or provide us with any competitive advantages. The patent applications may also be challenged by third parties. Several of our issued patents in the United States, Canada and Japan for improvements to IMAX projection systems, IMAX 3D Dome and sound systems expire between 2008 and 2018. Any claims or litigation initiated by us to protect our proprietary technology could be time consuming, costly and divert the attention of our technical and management resources.

WE ARE SUBJECT TO LAWSUITS THAT COULD DIVERT OUR RESOURCES AND RESULT IN THE PAYMENT OF SUBSTANTIAL DAMAGES.

Our industry is characterized by frequent claims and related litigation regarding breach of contract and related issues. We are subject to a number of legal proceedings and claims that arise in the ordinary course of our business. We cannot assure you that we will succeed in defending any claims, that judgments will not be entered against us with respect to any litigation or that reserves we may set aside will be adequate to cover any such judgments. If any of these actions or proceedings against us is successful, we may be subject to significant damages awards. In addition, we are the plaintiff in a number of material lawsuits in which we seek the recovery of substantial payments. We are incurring significant legal fees in prosecuting these lawsuits, and we may not ultimately prevail in such lawsuits or be able to collect on such judgments if we do. In addition, the defense and prosecution of these claims divert the attention of our management and other personnel for significant periods of time.

As the largest manufacturer of large-format theatre projection systems in the world, we have been the subject of anti-trust complaints and investigations in the past and at present. We may be unsuccessful in defeating the current claims or potential claims against us, and we may be sued or investigated on similar grounds in the future.

BECAUSE WE ARE INCORPORATED IN CANADA, IT MAY BE DIFFICULT FOR YOU TO ENFORCE AGAINST US LIABILITIES BASED SOLELY UPON U.S. FEDERAL SECURITIES LAWS.

We are incorporated under the federal laws of Canada, some of our directors and officers are residents of Canada and a substantial portion of our assets and the assets of such directors and officers are located outside the United States. As a result, it may be difficult for United States holders of the notes to effect service within the United States upon those directors or officers who are not residents of the United States, or to realize against them or us in the United States upon judgments of courts of the United States predicated upon the civil liability under the United States federal securities laws. In addition, it may be difficult for such holders to bring an original action outside of the United States against us to enforce liabilities based solely on U.S. federal securities laws.

#### USE OF PROCEEDS

We will not receive any cash proceeds from the exchange offer. Because we are exchanging the old notes for the notes, which have substantially identical terms and evidence the same indebtedness as the old notes, the issuance of the notes will not result in any increase in our indebtedness. The net proceeds from the offering of the old notes was \$154.0 million, after deducting the initial purchasers' commissions and offering expenses payable by us. The net proceeds from the offering of the old notes, together with cash on hand, was used to purchase and redeem the \$152.8 million outstanding principal amount of our 7 7/8% senior notes due 2005, and to pay for all related premiums, fees and expenses of approximately \$3.7 million.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as at September 30, 2003. Our capitalization is presented:

- on an actual basis; and
- on an adjusted basis to reflect the repurchase in October 2003 of \$15.7 million aggregate principal amount of our 7 7/8% senior notes due 2005 in exchange for 1,864,077 of our common shares and the issuance and sale of the old notes and the application of the net proceeds as described under "Use of Proceeds."

You should read this table in conjunction with the section in our quarterly and annual reports entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," the audited consolidated financial statements and the related notes and the unaudited interim consolidated financial statements and the related notes.

AS AT SEPTEMBER 30, 2003 -----	
ACTUAL	AS ADJUSTED ----- (IN THOUSANDS)
	Cash and cash equivalents(1)..... \$
23,595	\$ 21,121 =====
	Long-term debt: 7 7/8% senior notes due 2005..... \$168,475 \$ -- 9
	5/8% senior notes offered hereby..... -- 160,000 -----
	Total long-term debt..... 168,475
	Total shareholders' deficiency(2)..... (68,902)
	(57,764) ----- Total capitalization.....
	\$ 99,573 \$102,236 =====

- (1) Excludes the payment of approximately \$6.3 million of interest on the 7 7/8% senior notes due 2005 in December 2003 and January 2004, but includes \$3.5 million of cash collateralized in support of our letters of credit.
- (2) Total shareholders' deficiency as adjusted includes \$1.4 million of pretax charges related to the write-off of deferred financing costs, \$0.4 million of premiums in connection with the issuance of 1,864,077 common shares for a value of \$16.6 million related to the repurchase of our 7 7/8% senior notes due 2005 in October 2003 and \$3.7 million for the premiums, fees and expenses paid in connection with the purchase and redemption of such senior notes.



1,800	25,680	(29,782)	(94,264)	9,906	9,222
139 Net earnings (loss) from discontinued operations(11).....					
--	(447)	(2,055)	(50,850)	2,066	2,066 599 --
-----					
----- Net earnings (loss) before cumulative effect of changes in accounting principles.....					
	1,800	25,233			
	(31,837)	(145,114)	11,972	11,288	738
Cumulative effect of changes in accounting principles, net of income taxes(12).....					
--	--	(61,110)	--	--	--
-----					
----- Net earnings (loss) (1).....					
	\$ 1,800	\$ 25,233	\$ (92,947)	\$ (145,114)	\$ 11,972
	\$ 11,288	\$ 738	=====	=====	=====
	=====	=====	=====	=====	=====



NINE MONTHS ENDED YEARS ENDED DECEMBER 31, SEPTEMBER 30, -----

----- 1998 1999 2000 2001 2002 2002 2003 -----

--- (IN THOUSANDS, EXCEPT SYSTEMS AND RATIO DATA)

OTHER DATA: Total systems signed(13): North

America..... 16  
                   16 6 5 7 1 6

International.....

27 28 26 7 14 9 12 New systems installed: North  
 America..... 22

20 9 8 6 5 10

International.....

19 15 15 7 10 6 5 Total systems in operation,  
 (period end)..... 183 208 221 227 232 229  
                   239 Capital

expenditures.....  
 \$35,213 \$40,516 \$47,301 \$ 9,388 \$ 3,982 \$ 3,488 \$

2,266 Cash provided by (used in) operating  
 activities..... 2,755 (2,589) (54,089) 2,680

20,357 6,963 (4,559) Ratio of earnings to fixed  
 charges(14)..... 2.23x 2.84x -- -- 1.51x

1.65x -- Pro forma ratio of earnings to fixed  
 charges(15)..... 1.32x --

AS AT DECEMBER 31, AS AT SEPTEMBER 30, --

----- 1998 1999 -----

2000 2001 2002 2002 2003 -----

----- (IN THOUSANDS) BALANCE SHEETS DATA:

Cash and cash

equivalents.....  
 \$143,566 \$ 32,470 \$ 29,781 \$ 26,388 \$

37,136 \$ 25,203 \$ 23,595 Total

assets(16).....

490,091 538,237 492,100 261,512 242,976

238,308 219,041 Total long-term

indebtedness..... 300,000

300,000 300,000 229,643 209,143 209,143

168,475

(1) In accordance with the interpretive guidance of SEC Staff Accounting Bulletin No. 101 ("SAB 101"), "Revenue Recognition in Financial Statements," effective January 1, 2000, we recognize revenue on theatre system sales and sales-type leases at the time that installation is complete. Prior to January 1, 2000, we recognized revenue on theatre systems at the time of delivery. Pro forma revenue and net earnings (loss) as if SAB 101 had been applied during 1999 would have been \$166.6 million and \$7.7 million, respectively, and during 1998 would have been \$144.4 million and (\$17.6 million), respectively. As the SAB 101 adjustment was reflected in the statement of operations through a one-time cumulative adjustment in 2000, certain line items in this table may reflect a revenue transaction twice.

(2) In circumstances where customers are not in compliance with the terms of their leases for theatre systems not yet installed, the leases are in default. There is typically deferred revenue associated with these leases, representing upfront lease payments received prior to the default. These upfront lease payments received are recognized as revenue when we exercise our rights to terminate the lease and we are released legally or by virtue of an agreement with the customer from our obligations under the lease arrangement. Included in systems revenue is \$1.2 million, \$0.7 million, \$1.4 million, \$5.5 million and \$5.1 million in 1998, 1999, 2000, 2001 and 2002, respectively, and \$5.3 million and \$7.6 million for the nine months ended September 30, 2002 and 2003, respectively, for amounts recognized under terminated lease agreements.

(3) The year ended December 31, 1998 includes a \$7.9 million charge related to rationalization of our motion simulation division and \$19.1 million related to the write-down of the value of some of the films in our library. During the year ended December 31, 2000, we recognized an \$8.6 million charge which relates to the write-down of certain films in distribution. Costs of goods and services during the year ended December 31, 2001 included charges of \$4.1 million and \$16.5 million relating to a reduced realizable value of our inventories and reduced fair values of our film assets, respectively. During the year ended December 31, 2002, we also recorded charges of \$1.2 million for inventories, due to a reduced net realizable value, and fixed assets of \$2.8 million as the carrying value for the fixed assets exceeded the discounted future cash flows expected from the assets.

(4) Selling, general and administrative expenses for the year ended December 31, 2001 included a \$2.6 million non-cash charge for incurred compensation resulting from a stock grant issuance.

- (5) Amortization of intangibles in 1998 included a \$3.3 million charge related to the write-off of goodwill associated with the Ridefilm business. Effective January 1, 2002, we adopted FAS 142, under which goodwill and intangible assets with indefinite lives are no longer amortized but are reviewed at least annually for impairment. In accordance with FAS 142, the effect of this change in accounting principle is reflected prospectively. Included in amortization of intangibles is goodwill amortization of \$5.9 million, \$2.6 million, \$1.8 million and \$2.3 million for 1998, 1999, 2000 and 2001, respectively.
- (6) In 1998, loss (income) from equity-accounted investees included our 50% share of the loss of Forum Ride Associates and a provision against the remaining carrying value of our equity investment in Forum Ride Associates totaling \$6.1 million and a \$0.5 million provision against an equity investment in a motion simulation ride. In 2000, loss (income) from equity-accounted investees included a \$4.0 million provision related to the guarantee of a term loan undertaken by the Forum Ride Associates joint venture, the principal business of which is the operation of the "Race for Atlantis" ride in Las Vegas.
- (7) In 2000, restructuring costs and asset impairments (recoveries) included charges of \$11.2 million relating to fixed assets. In 2001, restructuring costs and asset impairments (recoveries) includes \$16.3 million related to efforts to rationalize the business by reducing our overall corporate workforce and consolidation of our operations, which included relocating our sound-system facility to near Toronto, Canada. In the assessment of the assets, we recorded charges of \$26.7 million of fixed assets, and \$3.3 million of other assets.
- (8) In 1998, all of our 10% senior notes due 2001 were redeemed. The excess of the redemption price over the principal amount of the notes of \$2.8 million and the write-off of the unamortized deferred financing costs of \$0.9 million resulted in a loss of \$3.7 million. During the year ended December 31, 2001, we and one of our wholly-owned subsidiaries purchased and cancelled an aggregate of \$70.4 million principal amount of our convertible subordinated notes for \$13.7 million, consisting of \$12.5 million in cash from the subsidiary and common shares issued by us valued at \$1.2 million. We recorded a gain of \$55.6 million in connection with this transaction. During 2002, we and one of our wholly-owned subsidiaries purchased and cancelled an additional aggregate of \$20.5 million principal amount of our convertible subordinated notes for \$8.1 million, consisting of \$6.0 million in cash from the subsidiary and common shares by us valued at \$2.1 million. We recorded a gain of \$11.9 million, in connection with this transaction. For the nine months ended September 30, 2002, we and one of our wholly-owned subsidiaries purchased and cancelled an additional aggregate of \$20.5 million principal amount of our convertible subordinated notes for \$8.2 million, consisting of \$6.1 million in cash from the subsidiary and common shares issued by us valued at \$2.1 million. We recorded a gain of \$12.0 million, net of expenses, in connection with this transaction.
- (9) Recovery on (impairment of) long-term investments represents charges of \$4.1 million and \$5.6 million relating to the impairment of certain of our long-term investments, for the years ended December 31, 2000 and 2001, respectively.
- (10) In 2001, the provision for income taxes included a \$41.2 million increase in the valuation allowance to reflect uncertainty associated with realization of our deferred income tax asset.
- (11) Discontinued operations consisted of our Digital Projections subsidiary which was acquired in September 1999 and sold in December 2001.
- (12) In the year ended December 31, 2000, we recognized a charge of \$54.5 million, net of income tax benefit of \$33.4 million, in accordance with the interpretive guidance of SAB 101. We also adopted SOP 00-2, "Accounting by Producers or Distributors of Film," and recorded a charge of \$6.6 million, net of income tax benefit of \$3.9 million, to reflect the adoption of this new pronouncement.
- (13) Represents the number of theatre systems which were the subject of sale or lease agreements (including joint ventures) we entered into in the periods indicated. The number of signings indicated for 1999 includes one theatre in which we have an equity interest.
- (14) For the purpose of computing the ratios of earnings to fixed charges, "earnings" consist of earnings (loss) from continuing operations before income taxes and minority interest, loss (income) from equity-accounted investees, capitalized interest, amortization of capitalized interest and fixed charges.

"Fixed charges" consist of interest expense, amortization of expenses related to indebtedness (which are included in interest expense), capitalized interest and an estimate of the interest within rental expense, deemed to be one-third of rental expense. Due to the losses we incurred in 2000 and 2001, as well as the shortfall in earnings for the nine months ended September 30, 2003, the ratio coverage is less than 1:1. We would have had to generate additional earnings of \$39.0 million in 2000, \$65.1 million in 2001 and \$0.7 million for the nine months ended September 30, 2003 to achieve a ratio of 1:1 in those periods. This table shows how we calculate the ratio of earnings to fixed charges.

	NINE MONTHS ENDED		YEARS ENDED		DECEMBER	
	31, SEPTEMBER 30,		-----		-----	
	1998	1999	2000	2001	2002	2003
	----- (IN THOUSANDS)					
Earnings (loss) from continuing operations before income taxes and minority interest.....	\$11,917	\$43,529	\$(42,921)	\$(66,416)	\$9,906	\$9,222
investees.....	6,763	683	4,811	(73)	(283)	(88)
Capitalized interest.....	(1,393)	(511)	--	--	(754)	--
Amortization of capitalized interest....	1,853	26	20	20	44	500
	----- 18,680					
	43,502	(39,003)	(65,147)	9,649	9,154	(742)
	----- Fixed Charges:					
Interest expense.....	14,646	21,860	21,961	22,020	17,570	
Capitalized interest.....			13,048	11,949		
Estimate of the interest within rental expense.....	500	967	1,833	1,868	1,326	939
	----- 1,212					
	----- Total fixed charges.....					
	23,581	25,187	24,399	18,896	13,987	13,161
	-----					
Earnings.....	\$33,826	\$67,082	\$(13,816)	\$(40,748)		
	\$28,545	\$23,140	\$12,418	=====	=====	
	=====					
Ratio of earnings to fixed charges.....	2.23x	2.84x	--	--	1.51x	1.65x

(15) The following table shows how we calculate the pro forma ratio of earnings to fixed charges. The pro forma ratio of earnings to fixed charges reflects the effects of the issuance and sale of the old notes and the application of the net proceeds as described under "Use of Proceeds" on the ratio of earnings to fixed charges for the year ended December 31, 2002 and the nine months ended September 30, 2003. Due to the shortfall in earnings for the nine months ended September 30, 2003, the pro forma ratio coverage is less than 1:1. We would have had to generate additional earnings of \$2.9 million for the nine months ended September 30, 2003 to achieve a pro forma ratio of 1:1 in that period.

	NINE MONTHS YEAR ENDED		ENDED		DECEMBER 31, SEPTEMBER	
	30, 2002 2003		-----		-----	
	----- (IN THOUSANDS)					
Fixed charges, as above in note	14		\$18,896	\$13,161		
Adjustments: Estimated net increase in interest expense from refinancing(a).....	2,757	2,156				
	----- Total pro forma fixed charges.....					
	21,653	15,317				
	----- Earnings, as above in note					
	14		\$28,545	\$12,418		
	=====					
Pro forma ratio of earnings to fixed charges.....			1.32x			

(a) Does not reflect any change in interest expense of the repurchase in October 2003 of \$15.7 million aggregate principal amount of our 7 7/8% senior notes due 2005 in exchange for 1,864,077 of our common shares.

(16) Total assets as at December 31, 1999 and 2000 include the assets of discontinued operations, consisting of our Digital Projections subsidiary which was acquired in 1999 and sold in December 2001.

## OUR BUSINESS

We are one of the world's leading entertainment technology companies, specializing in large-format and three-dimensional, or 3D, film presentations. IMAX projection systems use the largest commercially available film format, which allows IMAX theatres to present images of exceptional quality and clarity. These images, projected on screens that are up to one-hundred feet wide and eight stories tall, are designed to fill a viewer's peripheral vision and immerse them in the film. We generate the majority of our revenue through upfront and recurring payments received in connection with the leasing of our theatre systems. While many of these theatre systems are located in some of the world's most prestigious museums and science centers, more recently the growth in the IMAX network has been most significant at multiplex theatres and other commercial venues, which we believe is the largest potential market for our theatre systems.

Our primary business is the design, manufacture and lease of projection and sound systems for IMAX theatres. The majority of IMAX theatre systems are operated by third parties under agreements with us. At September 30, 2003, there were 239 IMAX theatre systems operating in 36 countries. We are also a producer and distributor of large-format films and the largest provider of large-format post-production services. In addition, we engage in other related businesses, including renting camera equipment for large-format film production and owning and operating seven IMAX theatres.

## THE INDUSTRY

IMAX created the large-format theatre industry when we were founded in 1967. The large-format theatre industry includes several manufacturers of 5, 8 and 10 perforation, 70mm projection systems. We are the largest participant in the industry and we estimate that the IMAX theatres in operation represent a significant majority of the large-format theatres in operation. IMAX theatre systems exclusively use 15 perforation, 70mm, or 15/70, film, the largest commercially available film size, which is approximately 10 times larger than 35mm film. Film is measured on the basis of size in terms of millimeters and perforations. Projectors in conventional theatres use 4 perforation, 35mm film whereas large-format projectors use film ranging from 5 perforation, 70mm up to 15 perforation, 70mm allowing the use of larger screens and yielding higher quality images. The size of the film makes 15/70 projection systems difficult to make and consequently there are very few manufacturers of these projectors. We estimate that IMAX theatre systems represent almost all of the installed base of both 15/70 theatre systems and 3D 15/70 film format theatre systems in the world.

## OUR COMPETITIVE ADVANTAGE

We believe that IMAX has a significant competitive advantage because of:

- Brand -- IMAX is one of the few widely recognized brands in filmed entertainment, and the only such brand in large-format theatres.
- The IMAX Experience -- We believe IMAX theatre systems provide a unique and immersive film experience with the highest quality images and sound available.
- Films -- IMAX theatres have exclusive access to our library of 15/70 format films, the largest such library in the world. They will also have exclusive access to Hollywood films converted to 15/70 film format using our new and proprietary IMAX DMR technology, such as the last two films of the Matrix trilogy.
- Innovation -- We have a tradition of innovation and continue to invest in research and development. In North America, we currently have 43 patents issued with 16 more pending. From the first large-format projector to 3D projection to IMAX DMR and IMAX MPX, we have a

record of developing new technologies that improve our viewers' entertainment experience and increase our customers' profitability.

- Reliability -- IMAX theatre systems have historical operating uptimes of approximately 99.9% based on scheduled shows.

#### OUR BUSINESS STRATEGY

We expect growth in our revenue will be primarily driven by new IMAX theatre system leases to commercial exhibitors. We remain committed to our historical roots in museums and science centers, but we believe that the size of that market is relatively limited compared to the potential in the commercial multiplex market. There are approximately 1,900 multiplexes in North America, of which fewer than 35 have IMAX theatres, a penetration rate below 2%. Internationally, the penetration rate is even lower. To expand our theatre network, we intend to:

- increase the revenue potential of commercial IMAX theatres and Hollywood studios by using our proprietary IMAX DMR technology which converts live-action films into IMAX-quality images and sound;
- reduce the capital and operating costs of leasing an IMAX theatre for commercial exhibitors with our IMAX MPX theatre system; and
- continue to grow in our existing, traditional customer base of educational and institutional centers.

#### INCREASE REVENUE POTENTIAL OF COMMERCIAL IMAX THEATRES AND HOLLYWOOD STUDIOS

The motion picture industry is increasingly producing large-scale Hollywood blockbuster event films, which have proven to be significant revenue generators worldwide. IMAX DMR allows us to digitally re-master virtually any 35mm live-action film into IMAX's 15/70 film format at a cost of approximately \$2 million to \$4 million per film. We developed IMAX DMR to enable IMAX theatres to become an additional distribution channel for commercial films developed and produced by Hollywood studios and we believe that this new proprietary technology will significantly expand the commercially attractive content available for exclusive release to IMAX theatres and will increase their revenues. While IMAX DMR gives us the ability to bring previously released Hollywood classics to the IMAX network, the centerpiece of the IMAX strategy is the contemporaneous release of event films in IMAX and 35mm theatres, such as the November 5, 2003 release of *The Matrix Revolutions*. This allows the IMAX release to take advantage of the considerable marketing campaigns studios traditionally launch in connection with their biggest event films. It is our primary goal that viewers will want to see these types of event films in IMAX theatres and pay a premium price for the enhanced experience. In the North American multiplexes that showed *The Matrix Reloaded* in 35mm and in IMAX's 15/70 film format, the average ticket price for the IMAX screening was \$10.68 versus \$8.65 for the 35mm screening. At its release, the average North American ticket price for the IMAX screening of *The Matrix Revolutions* was \$11.20 versus \$8.66 for the 35mm screening. We believe that the meaningful expansion of Hollywood content available to IMAX theatres will result in increased attendance and revenue at IMAX theatres and increased demand for IMAX theatre systems. We also believe that such increased demand for our theatre systems will encourage studios to release more films to the expanded IMAX theatre network, and that this additional film product should further increase demand for IMAX theatre systems.

The first major studio film released to IMAX theatres, *Fantasia/2000: The IMAX Experience*, released by the Walt Disney Company in January 2000, generated more than \$91 million in theatre box office receipts to date and demonstrated that the IMAX theatre network was a viable distribution network for Hollywood films. The first film re-mastered with IMAX DMR technology was Universal Studios' *Apollo 13*. *Apollo 13: The IMAX Experience* was released in September 2002, which demonstrated the appeal of the IMAX DMR technology. This was followed by the release by 20th Century Fox of *Star Wars Episode II: Attack of the Clones* -- *The IMAX Experience*, which generated more revenue per screen in its opening weekend than any other film in North America during that period. On April 22, 2003, we

announced an agreement with Warner Bros. Pictures to convert The Matrix Reloaded and The Matrix Revolutions, the last two films of the Matrix trilogy that began with the 1999 blockbuster film The Matrix, to IMAX's format. The IMAX DMR version of The Matrix Reloaded ran exclusively on over 70 IMAX screens beginning June 6, 2003, approximately four weeks after the domestic release of the film to conventional 35mm theatres. Since the IMAX release, IMAX screens have accounted for 27% of the film's total box office receipts in North America to October 31, 2003 despite accounting for just 7.3% of the screens exhibiting the film in North America. On November 5, 2003, The Matrix Revolutions became the first-ever live-action Hollywood film released simultaneously to both IMAX theatres and 35mm theatres. In North America, the film grossed approximately \$3.0 million in the first five days of its release on 48 IMAX screens, representing approximately \$63,000 in per screen revenue. In addition, on December 18, 2003, we announced a further agreement with Warner Bros. Pictures to convert Harry Potter and the Prisoner of Azkaban, the third installment of the Harry Potter film series, to IMAX's 15/70 format. The film is scheduled to be released to 35mm theatres and IMAX theatres in June 2004. We believe that these events position IMAX theatres as a unique and separate release window for Hollywood films similar to the type created when Hollywood studios began including the pay TV and home video industries as release windows for their films.

During the release of The Matrix Reloaded: The IMAX Experience, we commissioned a third party research firm to quantify consumer response to IMAX DMR. The research showed that 88% of the patrons were either extremely or very satisfied with the experience, that 89% intended to recommend seeing the film at an IMAX theatre and that 31% had never been to an IMAX theatre before. These results are consistent with our primary goal of ensuring that consumers will want to see high-profile event films in IMAX theatres and pay a premium price for the enhanced experience. Early results from research conducted during the release of The Matrix Revolutions: The IMAX Experience revealed similar findings.

#### REDUCE THE CAPITAL AND OPERATING COSTS FOR COMMERCIAL EXHIBITORS

We have consistently sought to improve the profitability of an IMAX theatre by reducing theatre capital and operating costs. In the past, we have successfully reduced our customers' costs by introducing innovations such as the IMAX SR theatre system, which was designed for smaller markets. Continued reduction of capital and operating costs remains a focus of our research and development team. Our most recent achievement has been the development of the IMAX MPX system, our new lower cost theatre projection system, designed specifically for use in multiplex auditoriums. The IMAX MPX system reduces the per-seat capital cost of an IMAX theatre by approximately 35% as compared to the IMAX SR system and increases the potential market size for IMAX theatres. The IMAX MPX system also reduces the operating costs required to run an IMAX theatre by eliminating the need for a specialized projectionist. The IMAX MPX system can be installed as part of a newly constructed multiplex, as an add-on to an existing multiplex, or as a retrofit of two existing stadium seat multiplex auditoriums. We believe that this innovative retrofit option represents a significant opportunity for commercial operators to both reduce the capital costs of building an IMAX theatre and improve the profitability of the two multiplex auditoriums being retrofitted.

Since its launch, we have entered into sales or lease agreements for nine IMAX MPX systems in 11 months. The appeal of the IMAX MPX system has extended beyond the domestic market, with system deals signed in China, Russia and the Middle East as well as the United States. The first IMAX MPX system is expected to be installed in the first half of 2004. We believe that the combination of the IMAX MPX system with our IMAX DMR technology gives us the ability to significantly grow our commercial theatre network by offering multiplex exhibitors more and better film options for their theatres and an easier and more cost-efficient system with which to exhibit those films.

#### CONTINUED GROWTH IN OUR EXISTING CUSTOMER SEGMENT

We continue to sell and lease IMAX theatre systems to educational and institutional centers, particularly in international markets such as China. The last two years have seen the successful release and development of numerous traditional large-format films, particularly 3D films, which continue to perform

well in institutional, educational and commercial venues. Our fourth space film, SPACE STATION, has generated approximately \$67 million of gross box office receipts since its release in April 2002, and continues to generate gross box office receipts close to \$250,000 per week. Our 2002 holiday film, Santa vs. the Snowman, had a successful run in IMAX theatres during the 2002 holiday season and was shown on 79 IMAX screens during the 2003 holiday season. James Cameron's Ghosts of the Abyss, which was released by Disney to IMAX theatres in April 2003, also performed well. We currently have two other notable films in production or development, including NASCAR The IMAX Experience 3D, scheduled for release in March 2004, and Magnificent Desolation, a film about the men of the Apollo missions who walked on the moon, in collaboration with Playtone and its principals, Tom Hanks and Gary Goetzman.

## BUSINESS SEGMENTS

### THEATRE SYSTEM

Our primary products are our large-format theatre systems. All IMAX theatre systems include a unique rolling loop 15/70 projector that offers superior image quality and stability; a 6-channel, digital sound system delivering up to 12,000 watts; a screen with a proprietary coating technology; a digital theatre control system and extensive theatre planning, design and installation services. All theatre systems also come with a license for the use of the IMAX brand. We primarily offer four types of these theatre systems. Our GT theatre systems are for theatres from 300 seats to up to 550 seats and our SR theatre systems contain 270 to 300 seats. Our recently introduced IMAX MPX system is targeted for multiplex complexes and IMAX MPX theatres are expected to have approximately 350 seats. All three of these system types come with "flat" screens that have a minimum of curvature and tilt and can exhibit both 2D and 3D films. We also produce a fourth category of theatre systems featuring heavily curved and tilted screens that are used in dome shaped theatres. These theatre systems are generally 2D only and are popular with our institutional clients.

Screens in IMAX theatres are as large as one-hundred feet wide and eight stories tall and we believe are the largest cinema screens in the world. Unlike standard cinema screens, IMAX screens extend to the edge of a viewer's peripheral vision to create immersive experiences which, when combined with our superior sound system, make audiences feel as if they are a part of the on-screen action in a way that is more intense and exciting than in traditional theatres, a critical part of The IMAX Experience. Our IMAX 3D theatres further increase the audience's feeling of immersion in the film by bringing images off the screen.

Revenue from theatre systems are our largest source of revenue, representing 65.4%, 64.5% and 54.3% of our total revenue in 2000, 2001 and 2002, respectively, and 54.3% and 62.0% of our total revenue for the nine months ended September 30, 2002 and 2003, respectively. We generally lease our theatre systems to our clients for initial terms of 10 to 20 years. As part of the theatre systems leases, our clients make substantial initial rental payments ranging from \$1.0 million to \$3.0 million, the majority of which are paid to us before the theatre system is delivered. After the theatre opens additional rental payments, generally equal to the greater of 5% to 7% of theatre box office receipts or a minimum that ranges from \$50,000 to \$100,000 per theatre, are due each year. These terms vary in certain cases, particularly for some of our older theatres. We provide a maintenance-free period for one year and thereafter provide maintenance service in return for an annual fee that averages \$65,000-\$75,000 per year. The additional rental payments and maintenance fees represent ongoing cash flow for the duration of the lease.

### FILM PRODUCTION AND DISTRIBUTION

We are a producer and distributor of large-format films. Through our subsidiary David Keighley Productions 70MM Inc., we are also the largest provider of large-format post-production services, such as editing, quality control and developing film prints for both IMAX theatres and other large-format customers.

## OTHER

Our other sources of revenue primarily consist of IMAX theatres that we operate and revenue from businesses ancillary to our theatre systems business. These include the rental of 15/70 cameras and after-market sales of components for our projector and sound systems.

## THE IMAX BRAND

The IMAX brand is world famous and stands for the highest-quality, most immersive filmed entertainment that combines stunning images of exceptional quality and clarity on screens up to one-hundred feet wide and eight stories tall, our proprietary 6-channel digital sound systems and unique theatre designs. We believe that like Disney, IMAX is one of the few brands generally recognized by consumers in filmed entertainment. Our research shows that the IMAX brand is a significant factor in a consumer's decision to go to an IMAX theatre. In addition, we believe that our significant brand loyalty among consumers provides us with a strong, sustainable position in the large-format theatre industry. The IMAX brand name cuts across geographic and demographic boundaries.

With an increasing number of IMAX theatres based in multiplexes and a recent history of commercially successful films such as Everest, Fantasia/2000: The IMAX Experience and recent IMAX DMR releases including the Matrix sequels, IMAX is rapidly increasing its commercial presence. We believe the strength of the IMAX brand will be an asset as we seek to become a new release window for Hollywood event films. We believe that people will see the IMAX presentation of these films as a special, high-quality experience, and will be willing to pay a premium price for the enhanced experience.

## IMAX DMR

We have developed technology that makes it possible for virtually any 35mm live-action film to be transformed at a cost of approximately \$2 million to \$4 million per film into the unparalleled image and sound quality of The IMAX Experience. This patent-pending, proprietary system, known as IMAX DMR, opens the IMAX theatre network up to releases from Hollywood's vast library of films ranging from well-known classics to today's event films. The resulting images are as large and sharp as the classic IMAX films audiences associate with the IMAX brand.

The IMAX DMR process involves the following:

- scanning, at the highest resolution possible, each individual frame of the 35mm film and converting it into a digital image;
- optimizing the image using proprietary image enhancement tools developed and refined over many years;
- analyzing the information contained within a 35mm frame format and enhancing the digital image using techniques such as sharpening, color correction, grain removal and the elimination of unsteadiness; and
- recording the enhanced digital signal onto 15/70 film.

During the re-mastering process, IMAX's DMR technology introduces no perceptible digital artifacts and the highly automated system allows the process to meet rigorous film production schedules. We continue to improve the length of time it takes to reformat a film with our IMAX DMR technology. Apollo 13 was re-mastered in 16 weeks, Star Wars Episode II: Attack of the Clones was re-mastered in eight weeks and The Matrix Reloaded was re-mastered in less than four weeks. The IMAX DMR conversion of The Matrix Revolutions was done in parallel with the movie's filming and editing, which is necessary for the contemporaneous release of an IMAX DMR film.

For IMAX DMR releases, the original soundtrack of the 35mm film is re-mastered for IMAX's six-channel loudspeaker system. Unlike conventional theatre sound systems, IMAX sound systems are uncompressed, full fidelity and use proprietary loudspeaker systems that ensure every theatre seat is in a



good listening position with surround sound that puts audiences in the picture. With IMAX DMR we can create that immersive experience with clear, distortion-free soundtracks for films originally produced in 35mm. While we can only convert 35mm images into IMAX's 15/70 film format in 2D today, we have a research and development program underway focused on converting live-action 35mm film to IMAX 3D. However, we currently have the ability to convert computer generated animation to IMAX 3D and have done so successfully with our 1999 release of Cyberworld.

#### SALES BACKLOG

Signed contracts for theatre system leases and sales are listed as sales backlog prior to the time of revenue recognition. The value of the sales backlog represents the total value of all signed theatre system sales and sales-type lease agreements that are expected to be recognized as revenue in the future. The backlog includes initial rental fees along with the present value of contractual minimum rents due over the lease term, but excludes maintenance revenue as well as contingent rents in excess of contractual minimums that might be received in the future. Sales backlog does not include revenue from theatres in which we have an equity interest, agreements covered by letters of intent or conditional theatre commitments. At September 30, 2003, our sales backlog, which represented contracts for 61 theatre systems, totaled \$139.5 million.

#### MARKETING AND CUSTOMERS

We market our theatre systems through a direct sales force and marketing staff located in our offices in Canada, the United States, Europe, Singapore, Japan and Shanghai. We also use agents and consultants in certain locations, primarily Asia and South America. Because our clients have real estate development matters to consider before committing to an IMAX theatre system, the sales process from initial contact to contract signing can take three months to a year or longer. Theatre systems are typically installed within 36 months after the contract is signed.

We have experienced an increase in the number of commercial theatre signings and international signings since 1995. The commercial theatre portion of our theatre network is now our largest component with a total of 60% theatres opened or in backlog at September 30, 2003. At September 30, 2003, 46% of all opened and in backlog theatres are for locations outside the United States and Canada. Our institutional customers include science and natural history museums, zoos, aquaria and other educational and cultural centers. We also lease our theatre systems to theme parks, tourist destination sites, fairs and expositions. At September 30, 2003, no one customer represented more than 5.4% of our installed base of theatres or more than 13.1% of our backlog.

The institutional and entertainment destination markets, both domestic and foreign, provide what we believe to be consistent demand for our theatre systems. The operators of multiplex theatres have been our fastest growing customer segment since 1997. The commercial exhibition industry went through significant financial difficulties in 2000 and 2001, when numerous theatre chains filed for bankruptcy protection due to over-building of multiplexes and over-leverage. While this had a significant impact on our business and reported financial results in 2000 and 2001, most of the companies have now emerged from such proceedings and have successfully recapitalized. With the emergence of our commercial strategy featuring IMAX DMR technology and the IMAX MPX system, it is expected that these exhibitors will be a significant source of growth for us in the future.

#### COMPETITION

The out-of-home entertainment industry is very competitive, and we face a number of challenges. We compete with a number of manufacturers of large-format film projection systems, most of which utilize smaller film formats, including 8/70 and 10/70. We believe that IMAX theatre systems deliver an image that is superior to these smaller film format images. The IMAX theatre network and the number of 15/70 format films to which we have distribution rights are substantially larger than those of our competitors, and IMAX DMR reformatted films are available exclusively to the IMAX theatre network.

## RESEARCH AND DEVELOPMENT

We believe that through 36 years of research and development, we have developed the most technologically advanced and highest-quality theatre systems in the world. We have extensive knowledge and capabilities in analog and digital imaging and sound and are leaders in the development of new film technologies and techniques. We employ more than 22 people in research and development who work to enhance and maintain our technological skills.

We have an established record of innovation that has bolstered our leading industry position by offering enhanced entertainment experiences, reducing the cost of IMAX exhibition and serving as a barrier-to-entry to potential competitors. We introduced the revolutionary rolling loop projection system. The key to the IMAX projector's superior performance and reliability is our unique "rolling loop" film movement. The rolling loop advances the film horizontally in a smooth, wave-like motion, which enhances the stability of the image and greatly reduces wear on the film. In addition, we introduced the IMAX SR projector, which was designed to fit in small theatre spaces while still fully delivering The IMAX Experience, and IMAX MPX system, designed especially for multiplex theatre operators, which lowers the capital and operating costs of an IMAX theatre. Other notable innovations include our Personal Sound Environment, a sound technology compatible with 3D viewing; SANDDE, a 3D animation system using a magnetic wand; and the large-format industry's first laser film recorder, which transfers digital images files onto film at much greater speed and quality than the prior technology and is an important link to our IMAX DMR strategy.

IMAX DMR provides the means to convert Hollywood's vast library of films as well as new blockbuster releases, and since the invention of the rolling loop 15/70 projector, it may prove to be our most important innovation.

## MANUFACTURING AND SERVICE

We assemble our projection systems at our Corporate Headquarters and Technology Center in Mississauga, Canada (just outside Toronto). Most of the components for our theatre systems are purchased from outside vendors. We develop and design all the key elements for the proprietary technology involved in our projector and camera systems. Fabrication of these components is then subcontracted to a group of pre-qualified suppliers. Manufacture and supply contracts are signed for the delivery of components on an order-by-order basis.

We believe the quality of our theatre systems is extremely important to our customers, and we provide key services and support functions for the IMAX theatre network and for filmmakers. To support the IMAX theatre network, we have personnel stationed in major markets who provide periodic and emergency service and maintenance on existing theatre systems throughout the world. Our personnel typically visit each theatre every three months to service the projection and sound systems. We also provide theatre design expertise for both the visual and audio aspects of the theatre, as well as theatre system installation supervision and equipment training. IMAX theatre systems have had historical operating uptimes of approximately 99.9% based on scheduled shows.

## PATENTS AND TRADEMARKS

Our inventions cover various aspects of our proprietary technology and many are protected by patents or patent applications filed throughout the world, most significantly in the United States, Canada, Japan, Korea, France, Germany and the United Kingdom. The subject matter covered by these patents and applications encompasses electronic circuitry and mechanisms employed in film projectors and projection systems (including 3D projection systems) and a method for synchronizing digital data systems. We have been diligent in the protection of our proprietary interests.

In North America, we currently hold 43 patents and have 16 patents pending. We have corresponding patents or filed applications in many countries throughout the world.

We own or otherwise have rights to trademarks and trade names used in conjunction with the sale of our products, theatre systems and services. The following trademarks are considered most significant in terms of our current and contemplated operations: IMAX(R), IMAX(R) Dome, IMAX(R) 3D, IMAX(R) 3D Dome, The IMAX Experience(R), An IMAX Experience(R), IMAX(R) DMR(R), IMAX(R) MPX(TM), IMAX Think Big(TM) and Think Big(TM). These trademarks are widely protected by registration or common law throughout the world.

#### LEGAL MATTERS

We are subject to legal proceedings and claims that arise in the ordinary course of our business. Our current litigation is described in note 7 to our unaudited interim financial statements incorporated by reference into this prospectus.

#### EMPLOYEES

As of December 31, 2003, we had 339 employees not including hourly employees at our owned and operated theatres.

#### MANAGEMENT INFORMATION SYSTEMS

We utilize a number of management information systems. We anticipate no major changes to these systems in the near future.

MANAGEMENT

The following table sets forth information regarding our directors and executive officers.

NAME	AGE	POSITION
- Richard L.		
Gelfond	48	Co-Chairman and Co-Chief Executive Officer and Director Bradley J.
Wechsler	52	Co-Chairman and Co-Chief Executive Officer and Director Neil S.
Braun	50	Director Kenneth G.
Copland	65	Director Michael
Fuchs	57	Director Garth M.
Girvan	54	Director David W.
Leebron	48	Director Marc A.
Utay	44	Director Francis T.
Joyce	50	Chief Financial Officer Greg
Foster	41	President, Filmed Entertainment Robert D.
Lister	35	Executive Vice President, Business & Legal Affairs and General Counsel Brian
Bonnick	46	Senior Vice President, Technology David B.
Keighley	55	Senior Vice President & President, David Keighley Productions 70MM Inc. Larry
O'Reilly	41	Senior Vice President, Theatre Development & Film Distribution G. Mary
Ruby	45	Deputy General Counsel, Senior Vice President, Legal Affairs and Corporate Secretary Mary C.
Sullivan	40	Senior Vice President, Human Resources & Administration Mark
Welton	40	Senior Vice President, Theatre Operations Kathryn A.
Gamble	35	Vice President, Finance and Controller Edward
MacNeil	38	Vice President, Finance, Special Projects

Under our articles of incorporation, our board of directors is divided into three classes, each of which serves for a three year term. The term of Class III directors, currently composed of Richard L. Gelfond and Bradley J. Wechsler, expires in 2004. The term of Class II directors, currently composed of Kenneth G. Copland, Garth M. Girvan, Marc A. Utay and David W. Leebron, expires in 2005. The term of Class I directors, currently composed of Neil S. Braun and Michael Fuchs, expires in 2006.

RICHARD L. GELFOND has been our Co-Chairman since 1999 and Co-Chief Executive Officer since 1996. From March 1994 to June 1999, Mr. Gelfond served as Vice Chairman. Mr. Gelfond serves as Chairman of the Board of Trustees of the Stony Brook Foundations, Inc., affiliated with Stony Brook University, and is on the Board of Directors for Brookhaven Science Associates, the Management Company of Brookhaven National Laboratories. He is also a trustee and a member of the Executive Committee at the New York Historical Society.

BRADLEY J. WECHSLER has been our Chairman or Co-Chairman since 1994 and Co-Chief Executive Officer with Mr. Gelfond since 1996. Mr. Wechsler serves on the boards of NYU Hospital, the Kernochan Center for Law, Media and the Arts, and the American Museum of the Moving Image.

NEIL S. BRAUN has been a director since June 2003 and has been the President of Vanguard Animation Studio since 2001. He was the President of VastVideo Inc. prior to this and was President of iCast Corporation a wholly-owned subsidiary of CMGI, Inc. during 1999. From 1994 to 1998, Mr. Braun was President of NBC Television Network. Mr. Braun also sits on the Share our Strength and Westhampton Beach Performing Arts Center boards of directors and is a member of the University of Pennsylvania School of Arts and Sciences Board of Overseers, all non-profit organizations.

KENNETH G. COPLAND has been a director since 1999, and is the Chairman of KGC Ltd. Mr. Copland was the Vice-Chairman of BMO Nesbitt Burns Inc. from 1994 to May 2001. He is Chairman of Humber College Foundation and HC Educational Ventures Limited. Mr. Copland is a director of the Investment Dealers Association of Canada.

MICHAEL FUCHS has been a director since 2002; previously he was a director from May 1996 to June 1999. Mr. Fuchs is the Chairman and a director of Autobytel.com and a director of Salon.com. Mr. Fuchs held the position of Chairman and Chief Executive Officer of Home Box Office from October 1984 until November 1995. In May 1995, he also became chairman of Warner Music Group. Mr. Fuchs is also on the Board of Trustees of the Simon Wiesenthal Center and a member of the board of the Alzheimer Association.

GARTH M. GIRVAN has been a director since 1994. Mr. Girvan is a director of Corby Distilleries Limited and is a partner of McCarthy Tetraault LLP, our Canadian counsel.

DAVID W. LEEBRON has been a director since September 2003. Mr. Leebron has been the Dean and Lucy G. Moses Professor of Law at Columbia University School of Law since 1996 and is President, Columbia Community Services, a charitable organization at Columbia. Previously, Mr. Leebron was a Professor of Law at New York University School of Law, Adjunct Professor of Law at UCLA School of Law and an associate lawyer at Cleary, Gottlieb, Steen & Hamilton. Mr. Leebron is a member of the American Bar Association and is on the board of directors of the American Law Dean's Association.

MARC A. UTAY has been a director since 1996, and has been a Managing Partner of Clarion Capital Partners since November 1999. Prior to joining Clarion, Mr. Utay was a Managing Director of Wasserstein Perella & Co., Inc. and a member of Wasserstein Perella's Policy Committee. Mr. Utay was co-head of Wasserstein Perella's Leveraged Finance, Retailing and Media, Telecommunication and Entertainment groups. Until December 2002, Mr. Utay was also a Senior Advisor to Dresdner Kleinwort Wasserstein. Prior to his joining Wasserstein Perella, Mr. Utay was Managing Director at Bankers Trust Company where he specialized in leveraged finance and mergers and acquisitions. Mr. Utay is a director of P & F Industries, Inc. and FONS Corp.

FRANCIS T. JOYCE joined us in 2001 as Chief Financial Officer. Prior to joining us, Mr. Joyce held the position of Chief Financial Officer of the Internet company theglobe.com from 1998 until his employment with us. From 1997 to 1998, Mr. Joyce served as Chief Financial Officer of Reed Travel Group, a division of Reed Elsevier PLC and from 1994 to 1997 served as Chief Financial Officer of the Alexander Consulting Group, a division of Alexander and Alexander Services Inc., an international professional services firm. Mr. Joyce is a member of Financial Executive International and the American Institute of Certified Public Accountants.

GREG FOSTER joined us in 2001 as President, Filmed Entertainment. Prior to joining us, Mr. Foster was Executive Vice-President of Production at MGM/UA. Prior to that, Mr. Foster held other senior positions including Senior Vice-President of Motion Picture Marketing Research during his 15 years at MGM/UA. In 1999, Mr. Foster founded uMogul, a financial services company, and held the positions of Chairman, Co-founder and President.

ROBERT D. LISTER joined us in 1999 as Senior Vice President, Legal Affairs and General Counsel and was appointed Executive Vice President, Business & Legal Affairs in 2001. Prior to joining us, Mr. Lister was Vice President, General Counsel and Secretary of Clearview Cinemas, a film exhibitor, from March 1998 until his employment with us. Prior to that, Mr. Lister served as Associate General Counsel of Merit Behavioral Care Corporation, a behavioral healthcare company, from March 1996 through March 1998. Mr. Lister serves on the boards of Mainframe Entertainment, Inc. and the Giant Screen Theater Association. Mr. Lister is a member of the New York State Bar.

BRIAN BONNICK joined us in 1999 as Vice President, Research & Development and was appointed Senior Vice President, Technology in 2001. Prior to joining us, Mr. Bonnick was Vice President, Engineering and Operations for Electrohome Corporation. Prior to that, Mr. Bonnick was Vice President and General Manager at TSB International Inc. a telecommunications company. Mr. Bonnick is registered as a professional engineer by the Association of Professional Engineers of Ontario.

DAVID B. KEIGHLEY has been a Senior Vice President since 1997 and is President of David Keighley Productions 70MM Inc., an IMAX subsidiary. From 1995 to 1997, Mr. Keighley was a Vice President. He is responsible for motion picture and digital post-production and image quality assurance for 15/70-format films.

LARRY O'REILLY joined us in 1994 as the Sales Manager, Film Distribution and was appointed Senior Vice President, Theatre Development & Film Distribution in 2002. Mr. O'Reilly has held various positions within the company including Manager, Business Development: Film; Director, Strategic Partnerships; Director, Commercial Marketing: The Americas and Vice President, Sales, The Americas.

G. MARY RUBY joined us in 1987 as Associate General Counsel and was appointed Senior Vice President, Legal Affairs in 2001. Ms Ruby was General Counsel from 1989 to 1997. Ms. Ruby is Deputy General Counsel and acts as Corporate Secretary to our board of directors. Ms. Ruby is a member of the Ontario Bar Association.

MARY C. SULLIVAN joined us in 1996 as Director, Human Resources and was appointed Vice President, Human Resources and Administration in 1998 and Senior Vice President, Human Resources and Administration in 2000. Prior to joining us, Ms. Sullivan was Director, Human Resources of Central Park Lodges. Ms. Sullivan is a director of the Women's Legal Education and Action Fund Foundation.

MARK WELTON joined us in 1997 as Director, Business Affairs and was appointed Senior Vice President, Theatre Operations in October 2003. Previous to that Mr. Welton was Senior Vice President, Business Affairs, a position he held since September 2001. Prior to joining us, Mr. Welton was an associate lawyer at Stikeman, Elliot from 1994 until his employment with the company.

KATHRYN A. GAMBLE joined us in 2001 as Vice President, Finance and Controller. Prior to joining us, Ms. Gamble served as Vice President, Finance and Chief Financial Officer of an Internet company, Healthyconnect.com Inc. from 2000 until her employment with our company. From 1996 to 2000, Ms. Gamble served as Vice President and Chief Financial Officer of Med-emerg Inc., a healthcare company. Ms. Gamble is a member of the Canadian Institute of Chartered Accountants.

EDWARD MACNEIL joined us in 1994 as Director, Taxation & Treasury and was appointed Vice President, Finance, Special Projects in 2001. From 1999 to 2001, Mr. MacNeil held the position of Director and Senior Vice President, Digital Projection Limited, a former IMAX subsidiary. Prior to joining us, Mr. MacNeil was a Taxation Manager at PricewaterhouseCoopers LLP. Mr. MacNeil is a member of the Canadian Institute of Chartered Accountants.

#### EMPLOYMENT CONTRACTS

Our employment contracts with our two chief executive officers, Mr. Wechsler and Mr. Gelfond, are summarized in our management proxy circular which is incorporated by reference into this prospectus. Both agreements were renewed in April 2002 for a two year period on substantially the same terms. Each executive will receive a base salary of \$500,000 per year, plus a bonus of up to two times salary. The bonus is at the discretion of our board of directors and will be based upon our success in achieving the goals and objectives set by our board after consultation with the two executives. Mr. Wechsler and Mr. Gelfond will also each be entitled to stock options expiring April 2012 for 532,000 common shares at an exercise price of \$4.85 per share and stock options expiring June 2012 for 68,000 common shares at an exercise price of \$7.00 per share.

## THE EXCHANGE OFFER

### GENERAL

In connection with the issuance of the old notes, we and the subsidiary guarantors entered into a registration rights agreement, dated December 4, 2003, with the initial purchasers of the old notes. The following contains a summary of the provisions of the registration rights agreement. It does not contain all of the information that may be important to you. We refer you to the registration rights agreement, which has been filed as an exhibit to the registration statement of which this prospectus is a part.

Under the registration rights agreement, we and the subsidiary guarantors have agreed to (1) file with the SEC the registration statement of which this prospectus is a part with respect to a registered offer to exchange the old notes for the notes, (2) use reasonable best efforts to have the registration statement declared effective at the earliest possible time and (3) use reasonable best efforts to complete the exchange offer within 30 business days after the registration statement is declared effective. We will keep the exchange offer open for the period required by applicable law, but in any event for at least 20 business days after the date notice of the exchange offer is mailed to holders of the old notes. The exchange offer being made hereby, if commenced and consummated within the time periods described in this paragraph, will satisfy these requirements under the registration rights agreement.

Upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal, all old notes validly tendered and not withdrawn prior to 5:00 p.m., New York City time, on the expiration date will be accepted for exchange. Notes will be issued in exchange for an equal principal amount of outstanding old notes accepted in the exchange offer. Old notes may be tendered only in integral multiples of \$1,000. This prospectus, together with the letter of transmittal, is being sent to all holders as of \_\_\_\_\_, 2004. The exchange offer is not conditioned upon any minimum principal amount of old notes being tendered for exchange. However, the obligation to accept old notes for exchange pursuant to the exchange offer is subject to certain customary conditions as set forth herein under "--Conditions."

Old notes shall be deemed to have been accepted as validly tendered when, as and if we have given oral or written notice thereof to U.S. Bank National Association, the exchange agent. The exchange agent will act as agent for the tendering holders of old notes for the purposes of receiving the notes and delivering notes to such holders.

Based on interpretations by the Staff of the SEC as set forth in no-action letters issued to third parties (including Exxon Capital Holdings Corporation (available May 13, 1988), Morgan Stanley & Co. Incorporated (available June 5, 1991), K-III Communications Corporation (available May 14, 1993) and Shearman & Sterling (available July 2, 1993)), we believe that the notes issued pursuant to the exchange offer may be offered for resale, resold and otherwise transferred by any holder thereof (other than any such holder that is a broker-dealer or an "affiliate" of us within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that:

- such notes are acquired in the ordinary course of business;
- at the time of the commencement of the exchange offer such holder is not participating or engaged in, does not intend to participate or engage in, and has no arrangement or understanding with any person to participate in, a distribution of such notes; and
- such holder is not engaged in, and does not intend to engage in, a distribution of such notes.

We have not sought, and do not intend to seek, a no-action letter from the SEC with respect to the effects of the exchange offer, and we cannot assure you that the Staff of the SEC would make a similar determination with respect to the notes as it has in such no-action letters.

By tendering old notes in exchange for notes and executing the letter of transmittal, each holder will represent to us that:

- any notes to be received by it will be acquired in the ordinary course of business;
- it has no arrangements or understandings with any person to participate in the distribution of the old notes or notes within the meaning of the Securities Act; and
- it is not our "affiliate" as defined in Rule 405 under the Securities Act.

If such holder is a broker-dealer, it will also be required to represent that the old notes were acquired as a result of market-making activities or other trading activities and that it will deliver a prospectus in connection with any resale of notes. See "Plan of Distribution." Each holder, whether or not it is a broker-dealer, shall also represent that it is not acting on behalf of any person that could not truthfully make any of the foregoing representations contained in this paragraph. If a holder of old notes is unable to make the foregoing representations, such holder may not rely on the applicable interpretations of the Staff of the SEC and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any secondary resale transaction unless such sale is made pursuant to an exemption from such requirements.

Each broker-dealer that receives notes for its own account in exchange for old notes where such notes were acquired by such broker-dealer as a result of market making activity or other trading activity, must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act and that it has not entered into any arrangement or understanding with us or an affiliate of ours to distribute the notes in connection with any resale of such notes. See "Plan of Distribution."

Upon consummation of the exchange offer, any old notes not tendered will remain outstanding and continue to accrue interest but, subject to certain limited exceptions, holders of old notes who do not exchange their old notes for notes in the exchange offer will no longer be entitled to registration rights and will not be able to offer or sell their old notes, unless such old notes are subsequently registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Subject to limited exceptions, we will have no obligation to effect a subsequent registration of the old notes.

#### EXPIRATION DATE; EXTENSIONS; AMENDMENTS; TERMINATION

The expiration date shall be \_\_\_\_\_, 2004 unless we, in our sole discretion, extend the exchange offer, in which case the expiration date shall be the latest date to which the exchange offer is extended.

To extend the expiration date, we will notify the exchange agent of any extension by oral or written notice and will notify the holders of old notes by means of a press release or other public announcement prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. Such announcement may state that we are extending the exchange offer for a specified period of time.

We reserve the right:

- to delay acceptance of any old notes, to extend the exchange offer or to terminate the exchange offer and not permit acceptance of old notes not previously accepted if any of the conditions set forth under "-- Conditions" shall have occurred and shall not have been waived by us prior to the expiration date, by giving oral or written notice of such delay, extension or termination to the exchange agent; or
- to amend the terms of the exchange offer in any manner deemed by us to be advantageous to the holders of the old notes.

Any such delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by oral or written notice to the exchange agent. If the exchange offer is amended in a manner



determined by us to constitute a material change, we will disclose such amendment by means of a prospectus supplement.

Without limiting the manner in which we may choose to make public announcement of any delay, extension, amendment or termination of the exchange offer, we shall have no obligations to publish, advertise, or otherwise communicate any such public announcement, other than by making a timely release to an appropriate news agency.

#### INTEREST ON THE NOTES

The notes will accrue interest at the rate of 9 5/8% per annum from the last interest payment date on which interest was paid on the old notes surrendered in exchange therefor or, if no interest has been paid on such old notes, from the issue date of such old notes, provided, that if old notes are surrendered for exchange on or after a record date for an interest payment date that will occur on or after the date of such exchange and as to which interest will be paid, interest on the new notes received in exchange therefor will accrue from the date of such interest payment date. Interest on the notes is payable on June 1 and December 1, beginning on June 1, 2004.

#### PROCEDURES FOR TENDERING

To tender in the exchange offer, a holder must complete, sign and date the letter of transmittal, or a facsimile thereof, have the signatures thereon guaranteed if required by the letter of transmittal, and mail or otherwise deliver such letter of transmittal or such facsimile, together with any other required documents, to the exchange agent prior to 5:00 p.m., New York City time, on the expiration date. In addition, either:

- certificates of such old notes must be received by the exchange agent along with the letter of transmittal; or
- a timely confirmation of a book-entry transfer of such old notes, if such procedure is available, into the exchange agent's account at the book-entry transfer facility, The Depository Trust Company, pursuant to the procedure for book-entry transfer described below, must be received by the exchange agent prior to the expiration date with the applicable letter of transmittal; or
- the holder must comply with the guaranteed delivery procedures described below.

The method of delivery of old notes, letters of transmittal and all other required documents is at the election and risk of the noteholders. If such delivery is by mail, it is recommended that registered mail, properly insured, with return receipt requested, be used. In all cases, sufficient time should be allowed to assure timely delivery. No old notes, letters of transmittal or other required documents should be sent to us. Delivery of all old notes, if applicable, letters of transmittal and other documents must be made to the exchange agent at its address set forth in the letter of transmittal. Holders may also request their respective brokers, dealers, commercial banks, trust companies or nominees to effect such tender for such holders.

The tender by a holder of old notes will constitute an agreement between such holder and us in accordance with the terms and subject to the conditions set forth herein and in the applicable letter of transmittal. Any beneficial owner whose old notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact such registered holder promptly and instruct such registered holder to tender on its behalf.

Signatures on a letter of transmittal or a notice of withdrawal, as the case may be, must be guaranteed by any member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States or an "eligible guarantor" institution within the meaning of Rule 17Ad-15 under the Exchange Act, or an eligible institution unless the old notes tendered pursuant thereto are tendered (1) by

a registered holder of old notes who has not completed the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" on the letter of transmittal or (2) for the account of an eligible institution.

If a letter of transmittal is signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such person should so indicate when signing, and unless waived by us, evidence satisfactory to us of their authority to so act must be submitted with such letter of transmittal.

All questions as to the validity, form, eligibility, time of receipt and withdrawal of the tendered old notes will be determined by us in our sole discretion, which determination will be final and binding. We reserve the absolute right to reject any and all old notes not properly tendered or any old notes which, if accepted, would, in the opinion of counsel for us, be unlawful. We also reserve the absolute right to waive any irregularities or conditions of tender as to particular old notes. Our interpretation of the terms and conditions of the exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of old notes must be cured within such time as we shall determine. Neither we, the exchange agent nor any other person shall be under any duty to give notification of defects or irregularities with respect to tenders of old notes, nor shall any of them incur any liability for failure to give such notification. Tenders of old notes will not be deemed to have been made until such irregularities have been cured or waived. Any old note received by the exchange agent that is not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned without cost to such holder by the exchange agent, unless otherwise provided in the letter of transmittal, promptly following the expiration date.

In addition, we reserve the right, in our sole discretion, subject to the provisions of the indenture pursuant to which the notes are issued:

- to purchase or make offers for any old notes that remain outstanding subsequent to the expiration date or, as described under "-- Conditions," to terminate the exchange offer;
- to redeem old notes as a whole or in part at any time and from time to time, as described under "Description of the Notes -- Optional Redemption;" and
- to the extent permitted under applicable law, to purchase old notes in the open market, in privately negotiated transactions or otherwise.

The terms of any such purchases or offers could differ from the terms of the exchange offer.

#### ACCEPTANCE OF OLD NOTES FOR EXCHANGE; DELIVERY OF NOTES

Upon satisfaction or waiver of all of the conditions to the exchange offer, all old notes properly tendered will be accepted promptly as practicable after the expiration date, and the notes will be issued promptly as practicable after acceptance of the old notes. See "-- Conditions." For purposes of the exchange offer, old notes shall be deemed to have been accepted as validly tendered for exchange when, as and if we have given oral or written notice thereof to the exchange agent. For each old note accepted for exchange, the holder of such old note will receive a new note having a principal amount equal to that of the surrendered old note.

In all cases, issuance of notes for old notes that are accepted for exchange pursuant to the exchange offer will be made only after timely receipt by the exchange agent of:

- certificates for such old notes or a timely book-entry confirmation of such old notes into the exchange agent's account at the book-entry transfer facility;
- a properly completed and duly executed letter of transmittal; and
- all other required documents.

If any tendered old notes are not accepted for any reason described in the terms and conditions of the exchange offer, such unaccepted or such nonexchanged old notes will be returned promptly without

expense to the tendering holder thereof (if in certificated form) or credited to an account maintained with such book-entry transfer facility after the expiration or termination of the exchange offer.

#### BOOK-ENTRY TRANSFER

The exchange agent has established an account with respect to the old notes at the book-entry transfer facility for purposes of the exchange offer. Any financial institution that is a participant in the book-entry transfer facility's systems may make book-entry delivery of old notes by causing the book-entry transfer facility to transfer such old notes into the exchange agent's account at the book-entry transfer facility in accordance with such book-entry transfer facility's procedures for transfer. However, although delivery of old notes may be effected through book-entry transfer at the book-entry transfer facility, the letter of transmittal or facsimile thereof with any required signature guarantees and any other required documents must, in any case, be transmitted to and received by the exchange agent at the address set forth in the letter of transmittal on or prior to the expiration date or the guaranteed delivery procedures described below must be complied with.

#### EXCHANGING BOOK-ENTRY NOTES

The exchange agent and the book-entry transfer facility have confirmed that any financial institution that is a participant in the book-entry transfer facility may utilize the book-entry transfer facility Automated Tender Offer Program, or ATOP, procedures to tender old notes.

Any participant in the book-entry transfer facility may make book-entry delivery of old notes by causing the book-entry transfer facility to transfer such old notes into the exchange agent's account in accordance with the book-entry transfer facility's ATOP procedures for transfer. However, the exchange for the old notes so tendered will only be made after a book-entry confirmation of the book-entry transfer of old notes into the exchange agent's account, and timely receipt by the exchange agent of an agent's message and any other documents required by the letter of transmittal. The term "agent's message" means a message, transmitted by the book-entry transfer facility and received by the exchange agent and forming part of a book-entry confirmation, which states that the book-entry transfer facility has received an express acknowledgment from a participant tendering old notes that are the subject of such book-entry confirmation that such participant has received and agrees to be bound by the terms of the letter of transmittal, and that we may enforce such agreement against such participant.

#### GUARANTEED DELIVERY PROCEDURES

Holders of old notes whose certificates are not immediately available, or who are unable to deliver the required confirmations and other documents in a timely manner on or prior to the expiration date, may effect a tender if:

- the tender is made through an eligible institution;
- prior to the expiration date, the exchange agent receives by facsimile transmission, mail or hand delivery from such eligible institution a properly completed and duly executed letter of transmittal and notice of guaranteed delivery, substantially in the form provided by us, which:
  - (i) sets forth the name and address of the holder of old notes and the amount of old notes tendered;
  - (ii) states that the tender is being made thereby; and
  - (iii) guarantees that within three New York Stock Exchange, or NYSE, trading days after the date of execution of the notice of guaranteed delivery, the certificates for all physically tendered old notes, in proper form for transfer, or a book-entry confirmation, as the case may be, and any other documents required by the letter of transmittal will be deposited by the eligible institution with the exchange agent; and

- the certificates for all physically tendered old notes, in proper form for transfer, or a book-entry confirmation, as the case may be, and all other documents required by the letter of transmittal are received by the exchange agent within three NYSE trading days after the date of execution of the notice of guaranteed delivery.

#### WITHDRAWAL OF TENDERS

Tenders of old notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the expiration date.

For a withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be received by the exchange agent prior to 5:00 p.m., New York City time, on the expiration date at the address set forth in the letter of transmittal. Any such notice of withdrawal must:

- specify the name of the person having tendered the old notes to be withdrawn;
- identify the old notes to be withdrawn, including the principal amount of such old notes;
- in the case of old notes tendered by book-entry transfer, specify the number of the account at the book-entry transfer facility from which the old notes were tendered and specify the name and number of the account at the book-entry transfer facility to be credited with the withdrawn old notes and otherwise comply with the procedures of such facility;
- contain a statement that such holder is withdrawing its election to have such old notes exchanged;
- be signed by the holder in the same manner as the original signature on the letter of transmittal by which such old notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer to have the trustee with respect to the old notes register the transfer of such old notes in the name of the person withdrawing the tender; and
- specify the name in which such old notes are registered, if different from the person who tendered such old notes.

All questions as to the validity, form, eligibility and time of receipt of such notice will be determined by us, which determination shall be final and binding on all parties. Any old notes so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the exchange offer. Any old notes which have been tendered for exchange but which are not exchanged for any reason will be returned to the tendering holder thereof without cost to such holder, in the case of physically tendered old notes, or credited to an account maintained with the book-entry transfer facility for the old notes promptly after withdrawal, rejection of tender or termination of the exchange offer. Properly withdrawn old notes may be retendered by following one of the procedures described under "-- Procedures for Tendering" and "-- Book-Entry Transfer" above at any time on or prior to 5:00 p.m., New York City time, on the expiration date.

#### CONDITIONS

Notwithstanding any other provision of the exchange offer, we shall not be required to accept for exchange, or to issue notes in exchange for, any old notes and may terminate or amend the exchange offer if at any time prior to 5:00 p.m., New York City time, on the expiration date, we determine that the exchange offer violates applicable law, any applicable interpretation of the Staff of the SEC or any order of any governmental agency or court of competent jurisdiction.

The foregoing conditions are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any such condition or may be waived by us in whole or in part at any time and from time to time in our reasonable discretion. All such conditions must be satisfied or waived by us, as applicable, at or before the expiration of the exchange offer.

In addition, we will not accept for exchange any old notes tendered, and no notes will be issued in exchange for any such old notes, if at such time any stop order shall be threatened or in effect with

respect to the registration statement of which this prospectus constitutes a part or the qualification of the indenture under the Trust Indenture Act of 1939, as amended. We are required to use our reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of the registration statement at the earliest possible time.

#### EXCHANGE AGENT

U.S. Bank National Association has been appointed as exchange agent for the exchange offer. Questions and requests for assistance and requests for additional copies of this prospectus or of the letter of transmittal should be directed to the exchange agent as provided in the letter of transmittal.

#### FEES AND EXPENSES

The expenses of soliciting tenders pursuant to the exchange offer will be borne by us. The principal solicitation for tenders pursuant to the exchange offer is being made by mail; however, additional solicitations may be made by telegraph, telephone, teletype or in person by our officers and regular employees.

We will not make any payments to brokers, dealers or other persons soliciting acceptances of the exchange offer. We will, however, pay the exchange agent reasonable and customary fees for its services and will reimburse the exchange agent for its reasonable out-of-pocket expenses in connection therewith. We may also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of the prospectus and related documents to the beneficial owners of the old notes, and in handling or forwarding tenders for exchange.

The expenses to be incurred by us in connection with the exchange offer will be paid by us, including fees and expenses of the exchange agent and trustee and accounting, legal, printing and related fees and expenses.

We will pay all transfer taxes, if any, applicable to the exchange of old notes pursuant to the exchange offer. If, however, notes or old notes for principal amounts not tendered or accepted for exchange are to be registered or issued in the name of any person other than the registered holder of the old notes tendered, or if tendered old notes are registered in the name of any person other than the person signing the letter of transmittal, or if a transfer tax is imposed for any reason other than the exchange of old notes pursuant to the exchange offer, then the amount of any such transfer taxes imposed on the registered holder or any other persons will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

#### CONSEQUENCES OF FAILURE TO EXCHANGE

Holders of old notes who do not exchange their old notes for notes pursuant to the exchange offer will continue to be subject to the restrictions on transfer of such old notes as set forth in the legend thereon as a consequence of the issuance of the old notes pursuant to exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. The old notes may not be offered, sold or otherwise transferred, except in compliance with the registration requirements of the Securities Act, pursuant to an exemption from registration under the Securities Act or in a transaction not subject to the registration requirements of the Securities Act, and in compliance with applicable state securities laws. We do not currently anticipate that we will register the old notes under the Securities Act. To the extent that old notes are tendered and accepted in the exchange offer, the trading market for untendered and tendered but unaccepted old notes could be adversely affected.

#### DESCRIPTION OF NEW CREDIT FACILITY

On February 6, 2004, we entered into a loan agreement for a secured revolving credit facility with Congress Financial Corporation (Canada). The new credit facility is a three-year revolving credit facility with yearly renewal options, permitting maximum aggregate borrowings of \$20.0 million, subject to a borrowing base based on the accounts receivable and certain reserves. Borrowings under the new credit facility are available by U.S. prime rate loans, Canadian prime rate loans, Libor rate loans and letters of credit. Interest under the credit facility will be charged on a sliding scale that depends on the manner of borrowing and the level of excess availability.

IMAX Corporation is the borrower under the new credit facility, which is guaranteed by IMAX U.S.A. Inc., IMAX II U.S.A. Inc. and 1329507 Ontario Inc., which holds title, as nominee, to the real estate owned by us in Mississauga, Ontario. The new credit facility is secured by a first priority security interest in all of the current assets of IMAX Corporation and the aforementioned guarantors, including IMAX Corporation's ownership interest in its subsidiaries.

The new credit facility contains typical affirmative and negative covenants, including covenants that restrict our ability to:

- incur certain additional indebtedness;
- make certain loans, investments or guarantees;
- pay dividends;
- make certain asset sales;
- incur certain liens or other encumbrances;
- conduct certain transactions with affiliates; and
- engage in certain consolidation or amalgamation transactions, or dissolve.

In addition, the new credit facility contains customary events of default, including upon an acquisition or a change of control that has a material adverse effect on our financial condition.

## DESCRIPTION OF THE NOTES

Set forth below is a summary of certain provisions of the new notes offered pursuant to this prospectus (the "Notes"). The Notes will be issued pursuant to an indenture (the "Indenture"), dated as of December 4, 2003, by and among the Company, the Guarantors and U.S. Bank National Association, as trustee (the "Trustee"). The following summaries of certain provisions of the Indenture and are summaries only, do not purport to be complete and are qualified in their entirety by reference to all of the provisions of the Indenture. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). Wherever particular provisions of the Indenture are referred to in this summary, such provisions are incorporated by reference as a part of the statements made and such statements are qualified in their entirety by such reference. A copy of the Indenture is filed as an exhibit to the registration statement of which this prospectus forms a part and may be obtained from the Trustee upon request. For purposes of this summary, the term "Company" refers only to IMAX Corporation and not to any of its subsidiaries.

The form and terms of the Notes are substantially identical to the terms of the old notes, and evidence the same indebtedness as the old notes, except that the Notes:

- will be registered under the Securities Act, and, consequently, will be freely tradeable by persons not affiliated with us;
- will not bear any legend restricting transfer under the Securities Act;
- will not be entitled to the rights which are applicable to the old notes under the registration rights agreement;
- will not contain provisions relating to the payment of special interest under circumstances related to the timing of the exchange offer; and
- will bear a different CUSIP number from the old notes.

The Notes will be issued solely in exchange for an equal principal amount of the old notes. As of the date of this prospectus, \$160.0 million aggregate principal amount of the old notes is outstanding.

## GENERAL

On December 4, 2003, IMAX Corporation issued \$160,000,000 aggregate principal amount of old notes due December 1, 2010. Pursuant to this prospectus, IMAX Corporation will issue up to \$160,000,000 aggregate principal amount of Notes due December 1, 2010 in the exchange offer.

The Notes are senior, unsecured, general obligations of the Company, ranking pari passu in right of payment with all other senior, unsecured obligations of the Company. We will initially issue \$160.0 million aggregate principal amount of Notes, which will mature on December 1, 2010. The Indenture provides, in addition to the \$160.0 million aggregate principal amount of Notes issued on the Issue Date, for the issuance of additional Notes having identical terms and conditions to the Notes offered hereby (the "Additional Notes"), subject to compliance with the terms of the Indenture, including the covenant "Limitation on Incurrence of Additional Indebtedness." The aggregate principal amount of Notes and Additional Notes will be unlimited in aggregate principal amount outstanding. Any such Additional Notes would be issued on the same terms as the Notes and would constitute part of the same series of securities as the Notes and would vote together as one series on all matters with respect to the Notes. All references to Notes herein includes the Additional Notes, except as stated otherwise. The Notes will be issued only in fully registered form, without coupons, in denominations of \$1,000 and integral multiples thereof.

The term "Subsidiaries," as used herein, does not include Unrestricted Subsidiaries. As of the date of the Indenture, none of our Subsidiaries were Unrestricted Subsidiaries. However, under certain circumstances, we will be able to designate current or future Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to the restrictive covenants set forth in the Indenture.

The Notes will bear interest at the rate of 9 5/8% per annum from December 4, 2003 or from the most recent Interest Payment Date to which interest has been paid or provided for, payable semi-annually on June 1 and December 1 of each year, commencing June 1, 2004, to the persons in whose names such Notes are registered at the close of business on the May 15 or November 15 immediately preceding such Interest Payment Date. The Notes will bear interest on overdue principal and premium, if any, and, to the extent permitted by law, overdue interest at the rate of 10 5/8% per annum. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Principal of, premium, if any, and interest on the Notes will be payable, and the Notes may be presented for registration of transfer or exchange, at the office or agency of the Company maintained for such purpose, which office or agency shall be maintained in the Borough of Manhattan, The City of New York, except as set forth below. At the option of the Company, payment of interest may be made by check mailed to the Holders of the Notes at the addresses set forth upon the registry books of the Company. No service charge will be made for any registration of transfer or exchange of Notes, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. Until otherwise designated by the Company, the Company's office or agency will be the corporate trust office of the Trustee presently located at the office of the Trustee in the Borough of Manhattan, The City of New York.

**NOTE GUARANTEES**

The Notes will be guaranteed, jointly and severally, by all of the North American Subsidiaries of the Company. Each Note Guarantee will be a general unsecured obligation of the Guarantor and will be pari passu in right of payment with any future unsecured, unsubordinated Indebtedness of the Guarantor. The obligations of each Guarantor under its Note Guarantee will be limited as necessary to prevent that Note Guarantee from constituting a fraudulent conveyance under applicable law. See "Risk Factors -- Risks Related to the Notes -- Applicable statutes allow courts, under specific circumstances, to void the guarantees of the notes provided by certain of our subsidiaries."

If the Company or any of its Subsidiaries acquires or creates another North American Subsidiary on or after the date of the Indenture, then that newly acquired or created North American Subsidiary must become a Guarantor and execute a supplemental indenture.

**OPTIONAL REDEMPTION**

The Company will not have the right to redeem any Notes prior to December 1, 2007. The Notes will be redeemable for cash at the option of the Company, in whole or in part, at any time on or after December 1, 2007, upon not less than 30 days nor more than 60 days notice to each holder of Notes, at the following redemption prices (expressed as percentages of the principal amount) if redeemed during the 12-month period commencing December 1 of the years indicated below, in each case (subject to the right of Holders of record on a Record Date to receive interest due but not yet paid on an Interest Payment Date that is on or prior to such Redemption Date) together with accrued and unpaid interest thereon to the Redemption Date:

YEAR	PERCENTAGE - ----
2007.....	104.813%
2008.....	102.406%
thereafter.....	100.000%

Until December 1, 2006 upon a Qualified Equity Offering, up to 35% of the aggregate principal amount of the Notes issued pursuant to the Indenture may be redeemed at the option of the Company within 90 days of such Qualified Equity Offering, on not less than 30 days, but not more than 60 days, notice to each Holder of the Notes to be redeemed, with cash from the Net Cash Proceeds of such Qualified Equity Offering, at 109.625% of the principal amount thereof (subject to the right of Holders of



record on a Record Date to receive interest due but not yet paid on an Interest Payment Date that is on or prior to such Redemption Date) together with accrued and unpaid interest thereon to the date of redemption; provided, however, that immediately following such redemption not less than 65% of the aggregate principal amount of the Notes issued on the Issue Date remain outstanding.

The Company also may, at its option, redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes, together with accrued and unpaid interest to the redemption date, if the Company has become or would become obligated to pay, on the next date on which any amount would be payable under or with respect to the Notes, any Additional Amounts as a result of any change in or amendment to the laws (or any regulations promulgated thereunder) of Canada (or any political subdivision or taxing authority thereof or therein), or any change in or amendment to any official position regarding the application or interpretation of such laws or regulations, which change or amendment is announced or becomes effective on or after November 19, 2003. See "-- Additional Amounts."

In the case of a partial redemption, the Trustee shall select the Notes or portions thereof for redemption on a pro rata basis, by lot or in such other manner it deems appropriate and fair. The Notes may be redeemed in part in multiples of \$1,000 only.

The Notes will not have the benefit of any sinking fund.

Notice of any redemption will be sent, by first class mail, at least 30 days and not more than 60 days prior to the date fixed for redemption to the Holder of each Note to be redeemed to such Holder's last address as then shown upon the registry books of the Company. Any notice which relates to a Note to be redeemed in part only must state the portion of the principal amount equal to the unredeemed portion thereof and must state that on and after the date of redemption, upon surrender of such Note, a new Note or Notes in a principal amount equal to the unredeemed portion thereof will be issued. On and after the date of redemption, interest will cease to accrue on the Notes or portions thereof called for redemption, unless the Company defaults in the payment thereof.

#### CERTAIN COVENANTS

##### OFFER TO REPURCHASE NOTES UPON A CHANGE OF CONTROL

The Indenture provides that in the event that a Change of Control has occurred, the Company shall make an irrevocable and unconditional offer (the "Change of Control Offer") to repurchase all or any part of any Notes then outstanding (provided, that the principal amount of such Notes must be \$1,000 or an integral multiple thereof) on a date (the "Change of Control Purchase Date") that is no later than 60 Business Days after the occurrence of such Change of Control, at a cash price equal to 101% of the principal amount thereof (the "Change of Control Purchase Price"), together with accrued and unpaid interest to the Change of Control Purchase Date. The Change of Control Offer shall be made within 10 Business Days following a Change of Control and shall remain open for 30 Business Days following its commencement (the "Change of Control Offer Period"). Upon expiration of the Change of Control Offer Period, the Company promptly shall purchase all Notes properly tendered in response to the Change of Control Offer.

As used herein, a "Change of Control" means (i) any merger, amalgamation or consolidation of the Company with or into any person or any sale, lease transfer or other conveyance, whether direct or indirect, of all or substantially all of the assets of the Company, on a consolidated basis, in one transaction or a series of related transactions, if, immediately after giving effect to such transaction(s), any "person" or "group" (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act, whether or not applicable) (other than an Excluded Person) is or becomes the "beneficial owner," directly or indirectly, of more than 50% of the total voting power in the aggregate normally entitled to vote in the election of directors, managers, or trustees, as applicable, of the transferee(s) or surviving entity or entities, (ii) any "person" or "group" (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act, whether or not applicable) (other than an Excluded Person) is or becomes the "beneficial

owner," directly or indirectly, of more than 50% of the total voting power in the aggregate of all classes of Capital Stock of the Company then outstanding normally entitled to vote in elections of directors, or (iii) during any period of 12 consecutive months after the Issue Date, individuals who at the beginning of any such 12-month period constituted the Board of Directors of the Company (together with any new directors whose election by such Board or whose nomination for election by the shareholders of the Company was approved by a vote of a majority of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of the Company then in office.

On or before the Change of Control Purchase Date, the Company will (i) accept for payment Notes or portions thereof properly tendered pursuant to the Change of Control Offer, (ii) deposit with the Paying Agent cash sufficient to pay the Change of Control Purchase Price (together with accrued and unpaid interest) of all Notes so tendered and (iii) deliver to the Trustee Notes so accepted together with an Officers' Certificate listing the Notes or portions thereof being purchased by the Company. The Paying Agent promptly will pay the Holders of Notes so accepted an amount equal to the Change of Control Purchase Price (together with accrued and unpaid interest), and the Trustee promptly will authenticate and deliver to such Holders a new Note equal in principal amount to any unpurchased portion (but not including accrued but unpaid interest) of the Note surrendered. Any Notes not so accepted will be delivered promptly by the Company to the Holder thereof. The Company publicly will announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Purchase Date.

The Change of Control purchase feature of the Notes may make more difficult or discourage a takeover of the Company, and, thus, the removal of incumbent management.

The phrase "all or substantially all" of the assets of the Company will likely be interpreted under applicable state law and will be dependent upon particular facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or transfer of "all or substantially all" of the assets of the Company has occurred.

No assurance can be given that the Company will have available sufficient funds to acquire Notes tendered pursuant to a Change of Control Offer. In the event that the Company is required to purchase outstanding Notes upon the occurrence of a Change of Control, the Company expects that it would seek third party financing to the extent that it does not have available funds to meet its purchase obligations. There can be no assurance that the Company would be able to obtain such financing.

Any Change of Control Offer will be made in compliance with all applicable laws, rules and regulations, including, if applicable, Regulation 14E under the Exchange Act and the rules thereunder and all other applicable Federal and state securities laws. To the extent that the provisions of any securities laws or regulations conflict with the terms hereof, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under the Indenture or the Notes by virtue thereof.

#### LIMITATION ON INCURRENCE OF ADDITIONAL INDEBTEDNESS

The Indenture provides that, except as set forth in this covenant, the Company will not, and will not permit any of its Subsidiaries to incur, directly or indirectly, any Indebtedness (including Acquired Indebtedness) other than Permitted Indebtedness.

The immediately preceding paragraph will not prohibit the Company or any Guarantor from incurring Indebtedness if (i) no Default or Event of Default shall have occurred and be continuing at the time of, or would occur after giving effect on a pro forma basis to, such incurrence of Indebtedness and (ii) on the date of incurrence of such Indebtedness (the "Incurrence Date"), after giving effect on a pro forma basis to such incurrence and the use of proceeds thereof (including, if applicable, the Investment of such proceeds in Cash Equivalents), the Consolidated Coverage Ratio of the Company for the Reference Period immediately preceding the Incurrence Date would be at least 2.0 to 1.0 (the "Debt Incurrence Ratio").

For purpose of determining compliance with this covenant, in the event an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness, or is entitled to be incurred pursuant to the second paragraph of this covenant, the Company will be permitted to classify such item of Indebtedness on the date of its incurrence and to reclassify such item of Indebtedness as of the date of such reclassification in any manner that complies with the Indenture.

#### LIMITATION ON RESTRICTED PAYMENTS

The Indenture provides that the Company will not, and will not permit any of its Subsidiaries to, directly or indirectly, make any Restricted Payment if, after giving effect to such Restricted Payment on a pro forma basis, (1) a Default or an Event of Default shall have occurred and be continuing, (2) the Company is not permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Debt Incurrence Ratio in the "Limitation on Incurrence of Additional Indebtedness" covenant, or (3) the aggregate amount of all Restricted Payments made by the Company and its Subsidiaries, including after giving effect to such proposed Restricted Payment, from and after the Issue Date, would exceed the sum of (a) 50% of the aggregate Consolidated Net Income of the Company and its Subsidiaries for the period (taken as one accounting period), commencing on the first day of the first full fiscal quarter commencing after the Issue Date, to and including the last day of the fiscal quarter ended immediately prior to the date of each such calculation (or, in the event Consolidated Net Income for such period is a deficit, then minus 100% of such deficit), (b) the aggregate Net Cash Proceeds received by the Company from the sale of its Qualified Capital Stock (including Qualified Capital Stock issued upon the exercise of options, warrants, or rights to purchase Qualified Capital Stock) or options, warrants or rights to purchase Qualified Capital Stock or of debt securities of the Company that have been converted into Qualified Capital Stock (other than (i) to a Subsidiary of the Company or (ii) to the extent applied in connection with a Qualified Exchange) after the Issue Date, (c) an amount equal to the net reduction in Investments (including by way of dividends, dispositions or repayments, or the release of a guarantee constituting a Restricted Payment) by the Company and its Subsidiaries subsequent to the Issue Date in any Unrestricted Subsidiary, but only to the extent such amount is not included in Consolidated Net Income, and (d) \$20.0 million.

The immediately preceding paragraph, however, will not prohibit (w) so long as no Default or Event of Default shall have occurred and be continuing or should occur as a consequence thereof, any Refinancing of Indebtedness otherwise permitted by clause (c) of the definition of "Permitted Indebtedness"; (x) the repurchase of Capital Stock of the Company or options to purchase Capital Stock of the Company from employees of the Company or any Subsidiary of the Company pursuant to the forms of agreements under which employees may purchase or are granted the option to purchase, shares of Capital Stock of the Company, (y) a Qualified Exchange, or (z) the payment of any dividend on Capital Stock within 60 days after the date of its declaration if such dividend could have been made on the date of such declaration in compliance with the foregoing provisions. The full amount of any payment made pursuant to clauses (x) and (z) (but not pursuant to clauses (w) or (y)) of the immediately preceding sentence will be treated as Restricted Payments for purposes of calculating the aggregate amount of Restricted Payments made pursuant to the immediately preceding paragraph.

#### LIMITATION ON DIVIDENDS AND OTHER PAYMENT RESTRICTIONS AFFECTING SUBSIDIARIES

The Indenture provides that the Company will not, and will not permit any of its Subsidiaries to, directly or indirectly, create, assume or suffer to exist any consensual restriction on the ability of any Subsidiary of the Company to pay dividends or make other distributions to or on behalf of, or to pay any obligation to or on behalf of, or otherwise to transfer assets or property to or on behalf of, or make or pay loans or advances to or on behalf of, the Company or any Subsidiary of the Company, except (a) restrictions imposed by the Notes or the Indenture or any other instrument governing debt securities of the Company incurred in compliance with the "Limitation on Additional Indebtedness" covenant that are not materially more restrictive, taken as a whole, than those contained in the Notes and the Indenture, (b) restrictions imposed by applicable law, (c) existing restrictions under Indebtedness outstanding on the Issue Date, (d) restrictions under any Acquired Indebtedness not incurred in violation of the Indenture or

any agreement relating to any property, asset, or business acquired by the Company or any of its Subsidiaries, which restrictions are not applicable to any person, other than the person acquired, or to any property, asset or business, other than the property, assets and business so acquired, (e) any such restriction or requirement imposed by Indebtedness incurred under paragraph (b) of the definition of "Permitted Indebtedness" provided such restriction are not materially more restrictive, taken as a whole, than customary provisions in comparable financings, (f) restrictions with respect solely to a Subsidiary of the Company imposed pursuant to a binding agreement which has been entered into for the sale or disposition of all or substantially all of the Equity Interests or assets of such Subsidiary, provided such restrictions apply solely to the Equity Interests or assets of such Subsidiary which are being sold, (g) customary restrictions on transfers of property contained in any security agreement (including a Capital Lease Obligation) securing Indebtedness of the Company or a Subsidiary otherwise permitted under the Indenture, (h) in connection with and pursuant to permitted Refinancings, replacements of restrictions imposed pursuant to clauses (a), (c) or (d) of this paragraph that are not more restrictive than those being replaced and do not apply to any other person or assets than those that would have been covered by the restrictions in the Indebtedness so refinanced, and (i) customary limitations on dispositions or distributions of assets or property that are subject to joint venture agreements or similar arrangements. Notwithstanding the foregoing, neither (a) customary provisions restricting subletting or assignment of any lease entered into in the ordinary course of business, consistent with industry practice, nor (b) Liens permitted under the terms of the Indenture shall in and of themselves be considered a restriction on the ability of the applicable Subsidiary to transfer such agreement or assets, as the case may be.

#### LIMITATION ON LIENS SECURING INDEBTEDNESS

The Indenture provides that the Company will not, and will not permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Lien of any kind, other than Permitted Liens, upon any of their respective assets now owned or acquired on or after the Issue Date or upon any income or profits therefrom, unless the Company provides, and causes its Subsidiaries to provide, concurrently therewith, that the Notes are equally and ratably so secured. Any such Lien thereby created in favor of the Notes will be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien to which it relates.

#### LIMITATION ON SALE OF ASSETS

The Indenture provides that the Company will not, and will not permit any of its Subsidiaries to, convey, sell, transfer, assign or otherwise dispose of, directly or indirectly, any of its property, business or assets, including by merger or consolidation (in the case of a Subsidiary of the Company), and including any sale or other transfer or issuance of any Equity Interests of any Subsidiary of the Company, whether by the Company or a Subsidiary or through the issuance, sale or transfer of Equity Interests by a Subsidiary of the Company, and including any sale and leaseback transaction, in a single transaction or through a series of related transactions, for an aggregate consideration net of out-of-pocket costs relating thereto (including without limitation, legal, accounting and investment banking fees and sales commissions), in excess of \$1.0 million (any of the foregoing, an "Asset Sale"), unless (1) within 12 months after the date of such Asset Sale, an amount equal to the Net Cash Proceeds therefrom is (a) applied to the optional redemption of the Notes in accordance with the terms of the Indenture, (b) applied to the repurchase of the Notes pursuant to an irrevocable, unconditional cash offer (the "Asset Sale Offer") to repurchase Notes at a purchase price of 100% of the principal amount thereof (the "Asset Sale Offer Price") together with accrued and unpaid interest to the date of payment and to the repurchase or repayment of any Indebtedness that ranks pari passu with the Notes that has similar provisions requiring the repurchase or repayment of such Indebtedness as a result of the Asset Sale; provided that the offer to repurchase the Notes and the repurchase and repayment of such other Indebtedness shall be on a pro rata basis based upon the aggregate principal amount of Notes and such other Indebtedness then outstanding or (c) (i) invested in assets and property (other than notes, bonds, obligations and securities, except in connection with the acquisition of a Subsidiary) which in the good faith reasonable judgment of the Board of Directors will immediately constitute or be a part of a Related Business of the Company or such Subsidiary (if it continues to be a Subsidiary) immediately following

such transaction or (ii) used to permanently reduce Indebtedness permitted pursuant to paragraph (b) of the definition "Permitted Indebtedness" (including that in the case of a revolver or similar arrangement that makes credit available, such commitment is also permanently reduced by such amount), (2) at least 75% of the total consideration received for such Asset Sale or series of related Asset Sales consists of Cash or Cash Equivalents; provided that the Company and its Subsidiaries may engage in Asset Sales for consideration not in the form of cash or Cash Equivalents in amounts in excess of that permitted in this clause (2), so long as (x) such excess consideration is in the form of Fully Traded Common Stock, (y) the aggregate market value of such Fully Traded Common Stock received by the Company and its Subsidiaries (measured as of the date of receipt) from all Asset Sales in reliance on this proviso since the date of the Indenture that has not been converted into cash or Cash Equivalents does not exceed \$10.0 million and (z) any Fully Traded Common Stock that is converted into cash or Cash Equivalents shall be applied as provided in this "Limitation on Sales of Assets" covenant, (3) no Default or Event of Default shall have occurred and be continuing at the time of, or would occur after giving effect, on a pro forma basis, to, such Asset Sale, and (4) the Board of Directors of the Company determines in good faith that the Company or such Subsidiary, as applicable, receives fair market value for such Asset Sale.

The Indenture provides that an acquisition of Notes pursuant to an Asset Sale Offer may be deferred beyond the 12 month period stipulated in "Limitation on Sale of Assets" until the accumulated Net Cash Proceeds from Asset Sales not applied to the uses set forth in clause (1)(b) of the immediately preceding paragraph (the "Excess Proceeds") exceeds \$10.0 million and that each Asset Sale Offer shall remain open for 20 Business Days following its commencement (the "Asset Sale Offer Period"). Upon expiration of the Asset Sale Offer Period, the Company shall apply the Excess Proceeds plus an amount equal to accrued and unpaid interest to the purchase of all Notes and other Indebtedness properly tendered (on a pro rata basis if the Excess Proceeds are insufficient to purchase all Notes and other Indebtedness so tendered) at the Asset Sale Offer Price (together with accrued interest) or other applicable price for other Indebtedness. To the extent that the aggregate amount of Notes tendered pursuant to an Asset Sale Offer and other Indebtedness tendered pursuant to a similar offer is less than the Excess Proceeds, the Company may use any remaining Net Cash Proceeds for general corporate purposes as otherwise permitted by the Indenture and following each Asset Sale Offer the Excess Proceeds amount shall be reset to zero. For purposes of clause (2) of the immediately preceding paragraph, total consideration received means the total consideration received for such Asset Sales minus the amount of (a) Indebtedness which is not Subordinated Indebtedness assumed by a transferee which assumption permanently reduces the amount of Indebtedness outstanding on the Issue Date or permitted pursuant to paragraph (b) of the definition "Permitted Indebtedness" (including that in the case of a revolver or similar arrangement that makes credit available, such commitment is so reduced by such amount) and (b) property that within 30 days of such Asset Sale is converted into Cash or Cash Equivalents.

The Company and its Subsidiaries may undertake the following actions without complying with the prior two paragraphs:

(i) the Company and its Subsidiaries may, in the ordinary course of business, convey, sell, transfer, assign or otherwise dispose of inventory, receivables and notes receivable acquired and held for resale in the ordinary course of business;

(ii) the sale, lease, transfer or other conveyance of all or substantially all of the assets of the Company, on a consolidated basis, will be governed by the provisions described under the covenants "Offer to Repurchase Notes Upon a Change of Control" and "Limitation on Merger, Sale or Consolidation" and not by the provisions of this covenant;

(iii) the Company and its Subsidiaries may sell or dispose of damaged, worn out or other obsolete property in the ordinary course of business so long as such property is no longer necessary for the proper conduct of the business of the Company or such Subsidiary, as applicable;

(iv) the Company and its Subsidiaries may convey, sell, transfer, assign or otherwise dispose of assets to the Company or a Subsidiary;

(v) the Company and its Subsidiaries may securitize their accounts receivable under long term system leases;

(vi) the Company and its Subsidiaries may simultaneously exchange property or assets for other property or assets, provided that the property or assets received by the Company or Subsidiary have at least substantially equal fair market value to the Company or Subsidiary as the property or assets exchanged (as determined by the Board of Directors evidenced by a Board Resolution filed with the Trustee) and will immediately constitute or be part of a Related Business of the Company or such Subsidiary;

(vii) a Subsidiary may issue Equity Interests of such Subsidiary;

(viii) the Company may sell lease, transfer or otherwise convey, including by means of a merger or consolidation, all or any part of its motion simulation and attractions business, provided that it complies with the requirements of clause (4) of the first paragraph of this covenant;

(ix) the Company and its Subsidiaries may sell or liquidate Cash Equivalents; and

(x) the Company and its Subsidiaries may make Investments in Permitted Joint Ventures that qualify as Permitted Investments pursuant to clause (1) of the definition of Permitted Investments.

All Net Cash Proceeds from an Event of Loss shall be invested, used for repayment of Indebtedness, or used to repurchase Notes, all within the period and as otherwise provided above in clause 1(a) or 1(b) of the first paragraph of this section.

Any Asset Sale Offer shall be made in compliance with all applicable laws, rules, and regulations, including, if applicable, Regulation 14E of the Exchange Act and the rules and regulations thereunder and all other applicable Federal and state securities laws. To the extent that the provisions of any securities laws or regulations conflict with the terms hereof, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations hereunder by virtue thereof.

#### LIMITATION ON TRANSACTIONS WITH AFFILIATES

The Indenture provides that neither the Company nor any of its Subsidiaries will be permitted on or after the Issue Date to enter into or suffer to exist any contract, agreement, arrangement or transaction with any Affiliate (an "Affiliate Transaction"), or any series of related Affiliate Transactions, (other than Exempted Affiliate Transactions) (i) unless it is determined that the terms of such Affiliate Transaction are fair and reasonable to the Company, and no less favorable to the Company than could have been obtained in an arm's length transaction with a non-Affiliate and, (ii) if involving consideration to either party in excess of \$2.0 million, unless such Affiliate Transaction(s) is evidenced by an Officers' Certificate addressed and delivered to the Trustee certifying that such Affiliate Transaction(s) has been approved by a majority of the members of the Board of Directors that are disinterested in such transaction and (iii) if involving consideration to either party in excess of \$10.0 million, unless in addition the Company, prior to the consummation thereof, obtains a written favorable opinion as to the fairness of such transaction to the Company from a financial point of view from an independent investment banking firm of national reputation in the United States.

#### LIMITATION ON MERGER, SALE OR CONSOLIDATION

The Indenture provides that the Company will not, directly or indirectly, consolidate or amalgamate with or merge with or into another person or sell, lease, transfer or otherwise convey all or substantially all of its assets (computed on a consolidated basis), whether in a single transaction or a series of related transactions, to another person or group of affiliated persons or adopt a Plan of Liquidation, unless (i) either (a) the Company is the continuing entity or (b) the resulting, surviving or transferee entity or, in the case of a Plan of Liquidation, the entity which receives the greatest value from such Plan of Liquidation is a corporation organized under the laws of the United States of America, or any state thereof or the District of Columbia, or Canada or any province or territory thereof and expressly assumes by supplemental indenture all of the obligations of the Company in connection with the Notes and the Indenture; (ii) no Default or Event of Default shall exist or shall occur immediately after giving effect on

a pro forma basis to such transaction; and (iii) immediately after giving effect to such transaction on a pro forma basis, the consolidated resulting, surviving or transferee entity or, in the case of a Plan of Liquidation, the entity which receives the greatest value from such Plan of Liquidation would immediately thereafter be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Debt Incurrence Ratio set forth in the "Limitation on Incurrence of Additional Indebtedness" covenant.

Notwithstanding the previous paragraph, any Subsidiary may consolidate or amalgamate with, merge into or transfer all or part of its property and assets to the Company or another Guarantor.

Upon any consolidation, amalgamation or merger or any transfer of all or substantially all of the assets of the Company or consummation of a Plan of Liquidation in accordance with the foregoing, the successor corporation formed by such consolidation or amalgamation or into which the Company is merged or to which such transfer is made or, in the case of a Plan of Liquidation, the entity which receives the greatest value from such Plan of Liquidation shall succeed to, and be substituted for, and may exercise every right and power of, the Company under the Indenture with the same effect as if such successor corporation had been named therein as the Company, and the Company shall be released from the obligations under the Notes and the Indenture except with respect to any obligations that arise from, or are related to, such transaction.

For purposes of the foregoing, the transfer (by lease, assignment, sale or otherwise) of all or substantially all of the properties and assets of one or more Subsidiaries, the Company's interest in which constitutes all or substantially all of the properties and assets of the Company shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

#### LIMITATION ON STATUS AS INVESTMENT COMPANY

The Indenture prohibits the Company and its Subsidiaries from being required to register as an "investment company" (as that term is defined in the Investment Company Act of 1940, as amended), or from otherwise becoming subject to regulation under the Investment Company Act.

#### LIMITATION ON SALE AND LEASEBACK TRANSACTIONS

The Indenture provides that the Company will not, and will not permit any Subsidiary to, directly or indirectly, enter into any Sale and Leaseback Transaction unless (a) immediately after giving pro forma effect to such Sale and Leaseback Transaction (the Attributable Value of such Sale and Leaseback Transaction being deemed to be Indebtedness of the Company, if not otherwise treated so pursuant to the definition of Indebtedness), the Company could incur at least \$1.00 of additional Indebtedness pursuant to the Debt Incurrence Ratio set forth in the covenant "Limitation on Incurrence of Additional Indebtedness," (b) such Sale and Leaseback Transaction complies with the covenant "Limitation on Sale of Assets" and (c) the Company or such Subsidiary could incur a Lien to secure Indebtedness in the amount of the Attributable Value of the Sale and Leaseback Transaction without equally and ratably securing the Notes.

#### GUARANTEES

If the Company or any of its Subsidiaries acquires or creates another North American Subsidiary on or after the date of the Indenture, then that newly acquired or created North American Subsidiary must become a Guarantor and execute a supplemental indenture.

The Company will not permit any of its Subsidiaries, directly or indirectly, to Guarantee or pledge any assets to secure the payment of any other Indebtedness of the Company or any Subsidiary thereof, other than Foreign Subsidiaries, unless such Subsidiary is a Guarantor or simultaneously executes and delivers a supplemental indenture providing for the Guarantee of the payment of the Notes by such Subsidiary, which Guarantee shall be senior to or pari passu with such Subsidiary's Guarantee of such other Indebtedness.

A Guarantor may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving person), another person, other than the Company or another Guarantor, unless:

(1) immediately after giving effect to that transaction, no Default or Event of Default exists; and

(2) either:

(a) the person acquiring the property in any such sale or disposition or the person formed by or surviving any such consolidation or merger (if other than the Guarantor) is a corporation organized or existing under the laws of the United States, any state thereof or the District of Columbia or Canada or any province or territory thereof and assumes all the obligations of that Guarantor under the Indenture, its Note Guarantee and the Registration Rights Agreement pursuant to a supplemental indenture satisfactory to the Trustee; or

(b) such sale or other disposition or consolidation or merger complies with the covenant described above under the caption "-- Limitation on Asset Sales."

The Note Guarantee of a Guarantor will be released:

(1) in connection with any sale or other disposition of all of the Capital Stock of a Guarantor to a Person that is not (either before or after giving effect to such transaction) a Subsidiary of the Company, if the sale of all such Capital Stock of that Guarantor complies with the covenant described above under the caption "-- Limitation on Assets Sales;"

(2) if the Company properly designates any Subsidiary that is a Guarantor as an Unrestricted Subsidiary under the Indenture; or

(3) solely in the case of a Note Guarantee created pursuant to the second paragraph of this covenant, upon the release or discharge of the Guarantee which resulted in the creation of such Note Guarantee pursuant to this covenant "-- Guarantees," except a discharge or release by or as a result of payment under such Guarantee.

#### PAYMENTS FOR CONSENT

Neither the Company nor any of its Subsidiaries shall, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder of any Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid or agreed to be paid to all Holders of the Notes who so consent, waive or agree to amend in the time frame set forth in solicitation documents relating to such consent, waiver or agreement, which solicitation documents will be mailed to all Holders of the Notes a reasonable amount of time prior to the expiration of such solicitation.

#### REPORTS

The Company will file with the Trustee, to be provided to Holders of Notes, within 15 days of the required date of filing with the Commission, copies of its annual and quarterly reports and of the information, documents and reports which the Company or any Subsidiary is required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act. To the extent that the Company is not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Company will file with the Commission and provide to the Trustee, to be provided to the holders of the Notes, at the same time as if it were subject to such requirements, such annual and quarterly reports and such information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may by rules and regulations prescribe) which it would be required to file with the Commission if it were subject to such requirements. The Company will also make such reports available to prospective purchasers of the Notes, securities analysts and broker-dealers upon their request.

#### ADDITIONAL AMOUNTS

All amounts paid or credited by the Company under or with respect to the Notes, or by any Guarantor pursuant to its Note Guarantee, will be made free and clear of and without withholding or



deduction for or on account of any present or future tax, duty, levy, impost, assessment, or other governmental charge imposed or levied by or on behalf of the Government of Canada or of any province or territory thereof or by any authority or agency therein or thereof having power to tax (hereinafter "Taxes"), unless the Company or such Guarantor, as the case may be, is required to withhold or deduct Taxes by law or by the interpretation or administration thereof by the relevant government authority or agency. If the Company or any Guarantor is so required to withhold or deduct any amount for or on account of Taxes from any payment or credit made under or with respect to the Notes or Note Guarantees, the Company or such Guarantor will pay such additional amounts (the "Additional Amounts") as may be necessary so that the net payment or credit received by each owner of a beneficial interest in the Notes (including Additional Amounts) after such withholding or deduction will not be less than the amount the Holder or owner of a beneficial interest in the Notes would have received if such Taxes had not been withheld or deducted; provided that no Additional Amounts will be payable with respect to a payment or credit made to an owner of a beneficial interest in the Notes (i) with whom the Company does not deal at arm's length (within the meaning of the Income Tax Act (Canada)) at the time of making such payment or credit, (ii) which is subject to such Taxes by reason of its being connected with Canada or any province or territory thereof otherwise than by the mere holding, use or ownership or deemed holding, use or ownership of the Notes or the receipt of payments or credits or enforcing any rights thereunder, (iii) which is subject to such Taxes by reason of its failure to comply with any certification, identification, information, documentation or other reporting requirement if compliance is required by law, regulation, administrative practice or an applicable treaty as a precondition to exemption from, or a reduction in the rate of deduction or withholding of, such Taxes, (iv) which failed to duly and timely comply with a timely request by the Company to provide information, documents, certification or other evidence concerning such Holder's nationality, residence, entitlement to treaty benefits, identity or connection with Canada or any political subdivision or authority thereof, if and to the extent that due and timely compliance with such request could have resulted in the reduction or elimination of any Taxes as to which Additional Amounts would otherwise have been payable to such Holder of Notes but for this clause (iv), (v) which is a fiduciary, a partnership or not the beneficial owner of any payment on a Note, if and to the extent that any beneficiary or settlor of such fiduciary, any partner of such partnership or the beneficial owner of such payment (as the case may be) would not have been entitled to receive Additional Amounts with respect to such payment if such beneficiary, settlor, partner or beneficial owner had been the Holder of such Note or (vi) any combination of the foregoing clauses (i) through (v) (in each case referred to herein as an "Excluded Holder"). The Company or such Guarantor will also (1) make such withholding or deduction and (2) remit the full amount deducted or withheld to the relevant authority in accordance with and in the time required by applicable law. The Company will furnish the Holders of the Notes, within 30 days after the date the payment of any Taxes is due pursuant to applicable law, certified copies of tax receipts evidencing such payment by the Company, if reasonably available. In the event that the Company or such Guarantor fails to remit any taxes in respect of which Additional Amounts are payable, the Company or such Guarantor will indemnify and hold harmless each owner of a beneficial interest in the Notes (other than an Excluded Holder) and upon written request reimburse such owner of a beneficial interest in the Notes for the amount of (i) any Taxes levied on and paid by, such owner of a beneficial interest in the Notes as a result of payment made with respect to the Notes (including penalties, interest and expenses arising from or with respect to such Taxes) and (ii) any Taxes (including penalties, interest and expenses arising from or with respect to such Taxes) imposed with respect to payment of Additional Amounts or any reimbursement pursuant to this sentence.

At least 30 days prior to each date on which any payment under or with respect to the Notes is due and payable, if the Company will be obligated to pay Additional Amounts with respect to such payments, the Company will deliver to the Trustee an Officers' Certificate stating the fact that such Additional Amounts will be payable and the amounts so payable and setting forth such other information necessary to enable the Trustee to pay such Additional Amounts to Holders or owners of a beneficial interest in the Notes, as the case may be, on the payment date.

## EVENTS OF DEFAULT AND REMEDIES

The Indenture will define an Event of Default as:

(i) the failure by the Company to pay any installment of interest on the Notes as and when the same becomes due and payable and the continuance of any such failure for 30 days,

(ii) the failure by the Company to pay all or any part of the principal, or premium, if any, on the Notes when and as the same becomes due and payable at maturity, redemption, by acceleration or otherwise, including, without limitation, payment of the Change of Control Purchase Price or the Asset Sale Offer Price, or otherwise,

(iii) the failure by the Company or any Subsidiary to observe or perform any other covenant or agreement contained in the Notes or the Indenture and the continuance of such failure for a period of 30 days after written notice is given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the Notes outstanding (except in the case of a failure to make a Change of Control Offer, which shall constitute an Event of Default with such notice requirement but without such passage of time requirement),

(iv) certain events of bankruptcy, insolvency or reorganization in respect of the Company or any of its Subsidiaries,

(v) failure to perform or comply with the provisions described under "Limitation on Merger, Sale or Consolidation,"

(vi) a default in Indebtedness of the Company or any of its Subsidiaries with an aggregate principal amount in excess of \$10.0 million (a) resulting from the failure to pay principal or interest (after any applicable grace period) or (b) as a result of which the maturity of such Indebtedness has been accelerated prior to its stated maturity,

(vii) final unsatisfied judgments not covered by insurance aggregating in excess of \$10.0 million, at any one time rendered against the Company or any of its Subsidiaries and not stayed, bonded or discharged within 60 days, and

(viii) except as permitted by the Indenture, any Note Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor, or any person acting on behalf of any Guarantor, shall deny or disaffirm its obligations under its Note Guarantee.

The Indenture provides that if a Default occurs and is continuing, the Trustee must, within 90 days after the occurrence of such Default, give to the Holders notice of such Default.

If an Event of Default occurs and is continuing (other than an Event of Default specified in clause (iv) above relating to the Company or any Subsidiary), then in every such case, unless the principal of all of the Notes shall have already become due and payable, either the Trustee or the Holders of 25% in aggregate principal amount of the Notes then outstanding, by notice in writing to the Company (and to the Trustee if given by Holders) (an "Acceleration Notice"), may declare all principal and premium, if any, determined as set forth below, and accrued interest thereon to be due and payable immediately. If an Event of Default specified in clause (iv), above, relating to the Company or any Subsidiary occurs, all principal and premium, if any, and accrued interest thereon will be immediately due and payable on all outstanding Notes without any declaration or other act on the part of the Trustee or the Holders. The Holders of a majority in aggregate principal amount of Notes at the time outstanding generally are authorized to rescind such acceleration if all existing Events of Default, other than the non-payment of the principal of, premium, if any, and interest on the Notes which have become due solely by such acceleration, have been cured or waived, except on default with respect to any provision requiring the approval of the Holder of each outstanding Note affected to amend.

In the case of any Event of Default occurring by reason of any willful action (or inaction) taken (or not taken) by or on behalf of the Company with the intention of avoiding payment of the premium that the Company would have had to pay if the Company then had elected to redeem the Notes pursuant to

the optional redemption provisions of the Indenture, an equivalent premium shall also become and be immediately due and payable to the extent permitted by law upon the acceleration of the Notes.

Prior to the declaration of acceleration of the maturity of the Notes, the Holders of a majority in aggregate principal amount of the Notes at the time outstanding may waive on behalf of all the Holders any default, except a default with respect to any provision requiring a supermajority approval to amend, which default may only be waived by such a supermajority, and except a default in the payment of principal of or interest on any Note not yet cured or a default with respect to any covenant or provision which cannot be modified or amended without the consent of the Holder of each outstanding Note affected. Subject to the provisions of the Indenture relating to the duties of the Trustee, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request, order or direction of any of the Holders, unless such Holders have offered to the Trustee reasonable security or indemnity. Subject to all provisions of the Indenture and applicable law, the Holders of a majority in aggregate principal amount of the Notes at the time outstanding will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee.

The Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture and the Company is required, upon becoming aware of any default or Event of Default, to deliver to the Trustee a statement specifying such default or Event of Default.

#### LEGAL DEFEASANCE AND COVENANT DEFEASANCE

The Indenture provides that the Company may, at its option and at any time, elect to have its obligations discharged with respect to the outstanding Notes ("Legal Defeasance"). Such Legal Defeasance means that the Company shall be deemed to have paid and discharged the entire indebtedness represented, and the Indenture shall cease to be of further effect as to all outstanding Notes and all Note Guarantees, except as to (i) rights of Holders to receive payments in respect of the principal of, premium, if any, and interest on such Notes when such payments are due from the trust funds; (ii) the Company's obligations with respect to such Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes, and the maintenance of an office or agency for payment and money for security payments held in trust; (iii) the rights, powers, trust, duties, and immunities of the Trustee, and the Company's obligations in connection therewith; and (iv) the Legal Defeasance provisions of the Indenture. In addition, the Company may, at its option and at any time, elect to have the obligations of the Company released with respect to certain covenants that are described in the Indenture ("Covenant Defeasance") and thereafter any omission to comply with such obligations shall not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including nonpayment of principal, interest or premium, if any, bankruptcy, receivership, rehabilitation and insolvency events) described under "Events of Default" will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance, (i) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders of the Notes, U.S. legal tender, U.S. Government Obligations or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, and interest on such Notes on the stated date for payment thereof or on the redemption date of such principal or installment of principal of, premium, if any, or interest on such Notes, and the Holders of Notes must have a valid, perfected, exclusive security interest in such trust; (ii) in the case of Legal Defeasance, the Company shall have delivered to the Trustee an opinion of counsel in the United States reasonably acceptable to the Trustee confirming that (A) the Company has received from, or there has been published by the Internal Revenue Service, a ruling or (B) since the date of the Indenture, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion of counsel shall confirm that, the Holders of such Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would

have been the case if such Legal Defeasance had not occurred; (iii) in the case of Covenant Defeasance, the Company shall have delivered to the Trustee an opinion of counsel in the United States reasonably acceptable to the Trustee confirming that the Holders of such Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred; (iv) in the case of Legal Defeasance or Covenant Defeasance, the Company shall have delivered to the Trustee an opinion of counsel in Canada reasonably acceptable to the Trustee confirming that (A) the Holders of such Notes will not recognize gain or loss for Canadian federal, provincial or territorial income tax purposes as a result of such deposit, defeasance or discharge and will be subject to Canadian federal, provincial and territorial income tax on the same amounts, in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred and (B) the interest, principal and other amounts paid or credited in respect of such Notes will not be subject to Canadian withholding tax as a result of such deposit, defeasance or discharge; (v) no Default or Event of Default shall have occurred and be continuing on the date of such deposit or, in the case of Legal Defeasance insofar as Events of Default from bankruptcy or insolvency events are concerned, at any time in the period ending on the 91st day after the date of deposit; (vi) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, the Indenture or any other material agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound; (vii) the Company shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the holders of such Notes over any other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company or others; and (viii) the Company shall have delivered to the Trustee an Officers' Certificate and an opinion of counsel, each stating that the conditions precedent provided for in, in the case of the Officers' Certificate, clauses (i) through (vii) and, in the case of the opinion of counsel, clauses (i) (with respect to the validity and perfection of the security interest), (ii), (iii), (iv) and (vi) of this paragraph have been complied with.

If the funds deposited with the Trustee to effect Legal Defeasance or Covenant Defeasance are insufficient to pay the principal of, premium, if any, and interest on the Notes when due, then the obligations of the Company under the Indenture will be revived and no such defeasance will be deemed to have occurred.

#### AMENDMENTS AND SUPPLEMENTS

The Indenture contains provisions permitting the Company and the Trustee to amend the Indenture or enter into a supplemental indenture without the consent of any Holder to cure any ambiguity, defect or inconsistency in the Indenture; comply with the provisions described under "Certain Covenants -- Limitation on Merger, Sale or Consolidation" and "Certain Covenants -- Guarantees"; comply with the requirements of the SEC in connection with the qualification of the Indenture under the Trust Indenture Act; evidence and provide for the acceptance of appointment of a successor Trustee; provide for the issuance of Additional Notes in accordance with the Indenture; provide for uncertificated Notes in addition to certificated Notes; comply with the requirements of the Trustee or the Depositary; or make any change that does not adversely affect the rights of any Holder in any material respect or that, in the good faith judgment of the Board of Directors of the Company, would provide any additional benefit or rights to the Holders. With the consent of the Holders of not less than a majority in aggregate principal amount of the Notes at the time outstanding, the Company and the Trustee are permitted to amend or supplement the Indenture or any supplemental indenture or modify the rights of the Holders. Without the consent of each Holder affected thereby, the Indenture may not be amended or supplemented: (i) to change the Stated Maturity on any Note, or reduce the principal amount thereof or the rate (or extend the time for payment) of interest thereon or any premium payable upon the redemption thereof, or change the place of payment where, or the coin or currency in which, any Note or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date), or reduce the

Change of Control Purchase Price or the Asset Sale Offer Price or alter the provisions (including the defined terms used therein) regarding the right of the Company to redeem the Notes in a manner adverse to the Holders, or (ii) to reduce the percentage in principal amount of the outstanding Notes, the consent of whose Holders is required for any such amendment, supplemental indenture or waiver provided for in the Indenture, or (iii) to modify any of the waiver provisions, except to increase any required percentage or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the Holder of each outstanding Note affected thereby, or (iv) cause the Notes to become subordinate in right of payment to any other Indebtedness, or (v) except in accordance with the Indenture, release any Guarantor from its obligations under its Note Guarantee.

#### NO PERSONAL LIABILITY OF PARTNERS, STOCKHOLDERS, OFFICERS, DIRECTORS

The Indenture provides that no direct or indirect stockholder, employee, officer or director, as such, past, present or future of the Company or any successor entity shall have any personal liability in respect of the obligations of the Company under the Indenture or the Notes by reason of his or its status as such stockholder, employee, officer or director, except to the extent such person is the Company.

#### CERTAIN DEFINITIONS

"Acquired Indebtedness" means, with respect to a specified person, (i) Indebtedness or Disqualified Capital Stock of any person existing at the time such person becomes a Subsidiary of the specified person, including by designation, or is merged, amalgamated or consolidated into or with the specified person or one of its Subsidiaries and (ii) Indebtedness secured by a Lien encumbering any asset at the time such asset is acquired by such specified person; provided that Acquired Indebtedness shall not include any Indebtedness incurred or secured in connection with, or in contemplation of, such other person merging, amalgamating or consolidating with or into or becoming a Subsidiary of such specified person.

"Acquisition" means the purchase or other acquisition of any person or substantially all the assets of any person by any other person, whether by purchase, merger, amalgamation, consolidation, or other transfer, and whether or not for consideration.

"Affiliate" of any specified person means any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person. For purposes of this definition, the term "control," as used with respect to any person, means the power to direct the management and policies of such person, directly or through one or more intermediaries, whether through the ownership of voting securities, by contract, or otherwise, provided that beneficial ownership of 10% or more of the total voting power normally entitled to vote in the election of directors, managers or trustees, as applicable, of a person shall for such purposes be deemed to constitute control.

"Attributable Value" means, as to any particular lease under which any person is at the time liable other than a Capitalized Lease Obligation, and at any date as of which the amount thereof is to be determined, the total net amount of rent required to be paid by such person under such lease during the remaining term thereof (whether or not such lease is terminable at the option of the lessee prior to the end of such term), including any period for which such lease has been, or may, at the option of the lessor, be extended, discounted from the last date of such term to the date of determination at a rate per annum equal to the discount rate which would be applicable to a Capitalized Lease Obligation with a like term in accordance with generally accepted accounting principles. The net amount of rent required to be paid under any lease for any such period shall be the aggregate amount of rent payable by the lessee with respect to such period after excluding amounts required to be paid on account of insurance, taxes, assessments, utility, operating and labor costs and similar charges. "Attributable Value" means, as to a Capitalized Lease Obligation under which any person is at the time liable and at any date as of which the amount thereof is to be determined, the discounted present value of the rental obligations of such person, as lessee, required to be capitalized on the balance sheet of such person in conformity with generally accepted accounting principles.

"Average Life" means, as of the date of determination, with respect to any security or instrument, the quotient obtained by dividing (i) the sum of the products of (a) the number of years from the date of

determination to the date or dates of each successive scheduled principal (or redemption) payment of such security or instrument and (b) the amount of each such respective principal (or redemption) payment by (ii) the sum of all such principal (or redemption) payments.

"Beneficial Owner" or "beneficial owner" has the meaning attributed to it in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date), whether or not applicable, except that a "person" shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

"Capital Stock" means (a) with respect to any person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of common stock and preferred stock of such person and (b) with respect to any person that is not a corporation, any and all partnership, membership or other equity interests of such person.

"Capitalized Lease Obligation" means, as applied to any person, any lease of any property (whether real, personal or mixed) of which the discounted present value of the rental obligations of such person, as lessee, in conformity with generally accepted accounting principles, is required to be capitalized on the balance sheet of such person.

"Cash Equivalent" means (a) marketable obligations of or obligations guaranteed by Canada or the United States of America or issued by any agency thereof and backed by the full faith and credit of the United States of America or Canada, in each case with a Duration of three years or less, (b) marketable direct obligations issued by any state of the United States of America, any province of Canada or any political subdivision thereof having the highest rating obtainable from either Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Ratings Group ("S&P") or Dominion Bond Rating Service, Limited ("DBRS") and having a Duration of three years or less, (c) commercial paper, bankers acceptances, notes, bonds, debentures, repurchase agreements, call loans, guaranteed investment certificates and other similar instruments, in each case having a rating of investment grade by Moody's, S&P or DBRS, and in each case (other than with respect to commercial paper) having a Duration of three years or less, (d) certificates of deposit with a Duration of three years or less issued by United States commercial banks of recognized standing with capital, surplus and undivided profits aggregating in excess of US\$100.0 million, (e) certificates of deposits issued or acceptances accepted by or guaranteed by a bank to which the Bank Act (Canada) applies or by any company licensed to carry on the business of a trust company in one or more provinces of Canada, in each case with capital, surplus and undivided profits aggregating in excess of Cdn\$100.0 million, with a Duration of three years or less, (f) shares of money market funds that have assets in excess of US\$100.0 million and that invest substantially all of their assets in Cash Equivalents of the kind described in clauses (a) through (e) above, (g) asset-backed securities rated AA or higher by Moody's, S&P or DBRS with a Duration of three years or less, and (h) mortgage-backed securities rated AA or higher by Moody's, S&P or DBRS with a Duration of 3 years or less; provided that an Investment in (a) through (h) of this definition shall not be considered to be a Cash Equivalent if, as a result of giving effect thereto, (A) more than 20% of the aggregate Investments made pursuant to clauses (a) through (h) of this definition are rated "BBB" or below or (B) more than 10% of the aggregate Investments made pursuant to clauses (a) through (h) of this definition are made pursuant to clause (h) of this definition.

"Consolidated Coverage Ratio" of any person on any date of determination (the "Transaction Date") means the ratio, on a pro forma basis, of (a) the aggregate amount of Consolidated EBITDA of such person (exclusive of amounts attributable to operations and businesses permanently discontinued or disposed of) for the Reference Period to (b) the aggregate Consolidated Fixed Charges of such person (exclusive of amounts attributable to operations and businesses permanently discontinued or disposed of, but only to the extent that the obligations giving rise to such Consolidated Fixed Charges would no longer

be obligations contributing to such person's Consolidated Fixed Charges subsequent to the Transaction Date) during the Reference Period; provided, that for purposes of such calculation, (i) Acquisitions which occurred during the Reference Period or subsequent to the Reference Period and on or prior to the Transaction Date shall be assumed to have occurred on the first day of the Reference Period and any Operating Expense or Cost Reduction with respect to such Acquisition shall be accounted for in such calculation, (ii) transactions giving rise to the need to calculate the Consolidated Coverage Ratio shall be assumed to have occurred on the first day of the Reference Period, (iii) the incurrence of any Indebtedness or issuance of any Disqualified Capital Stock during the Reference Period or subsequent to the Reference Period and on or prior to the Transaction Date (and the application of the proceeds therefrom to the extent used to refinance or retire other Indebtedness) shall be assumed to have occurred on the first day of such Reference Period, and (iv) the Consolidated Fixed Charges of such person attributable to interest on any Indebtedness or dividends on any Disqualified Capital Stock bearing a floating interest (or dividend) rate shall be computed on a pro forma basis as if the average rate in effect from the beginning of the Reference Period to the Transaction Date had been the applicable rate for the entire period, unless such person or any of its Subsidiaries is a party to an Interest Swap and Hedging Obligation (which shall remain in effect for the 12-month period immediately following the Transaction Date) that has the effect of fixing the interest rate on the date of computation, in which case such rate (whether higher or lower) shall be used.

"Consolidated EBITDA" means, with respect to any person, for any period, the Consolidated Net Income of such person for such period adjusted to add thereto (to the extent deducted from net revenues in determining Consolidated Net Income), without duplication, the sum of (i) consolidated income tax expense, (ii) consolidated depreciation and amortization expense (including any non-cash charges related to impairment of goodwill, other intangible assets and film assets, but excluding pre-paid cash expenses that were paid in a prior period), (iii) other non-recurring non-cash charges of such person and its Subsidiaries reducing Consolidated Net Income for such period and (iv) Consolidated Fixed Charges.

"Consolidated Fixed Charges" of any person means, without duplication, for any period, as applied to any person, (A) the sum of (a) the aggregate of the interest expense on Indebtedness of such person and its consolidated Subsidiaries for such period, on a consolidated basis, including, without limitation, (i) amortization of debt discount, (ii) the net cost under Interest Swap and Hedging Obligations (including amortization of discounts), (iii) the interest portion of any deferred payment obligation and (iv) accrued interest, plus (b) the interest component of the Capitalized Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such person and its consolidated Subsidiaries during such period minus (B) the cash interest income (exclusive of deferred financing fees) of such person and its consolidated subsidiaries during such period, in each case as determined in accordance with generally accepted accounting principles consistently applied.

"Consolidated Net Income" means, with respect to any person for any period, the net income (or loss) of such person and its Subsidiaries (determined on a consolidated basis in accordance with generally accepted accounting principles) for such period, adjusted to exclude (only to the extent included in computing such net income (or loss) and without duplication): (a) net gains or losses in respect of dispositions of assets other than in the ordinary course of business, (b) any gains or losses from currency exchange transactions not in the ordinary course of business consistent with past practice, (c) any gains (but not losses) attributable to any extraordinary items not covered by clause (a) of this definition, (d) the net income, if positive, of any person, other than a Subsidiary, in which such person or any of its Subsidiaries has an interest, except to the extent of the amount of any dividends or distributions actually paid in cash or Cash Equivalents to such person or a Subsidiary of such person during such period, but in any case not in excess of such person's pro rata share of such person's net income for such period, (e) the net income or loss of any person acquired in a pooling of interests transaction for any period prior to the date of such acquisition, (f) the net income, if positive, of any of such person's Subsidiaries to the extent that the declaration or payment of dividends or similar distributions is not at the time permitted by operation of the terms of its charter or bylaws or any other agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Subsidiary, (g) the cumulative effects of

accounting changes, (h) deductions resulting from the amortization of purchase accounting adjustments (i) any write-offs or write-downs of investments in film assets existing on the Issue Date and of assets comprising the Company's or its Subsidiaries' motion simulation and attractions business and (j), for purposes of the "Limitation on Restricted Payments" covenant, any expense attributable to warrants, options or rights to purchase Qualified Capital Stock issued in consideration for goods or services provided to the Company or its Subsidiaries.

"Credit Agreement" means any credit agreement in existence on or entered into after the Issue Date, by and among the Company, certain of its Subsidiaries, certain financial institutions, providing for term loan facilities and/or revolving credit facilities, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, as such credit agreement and/or related documents may be amended, restated, supplemented, renewed, replaced or otherwise modified from time to time whether or not with the same agent, trustee, representative lenders or holders, and, subject to the proviso to the next succeeding sentence, irrespective of any changes in the terms and conditions thereof. Without limiting the generality of the foregoing, the term "Credit Agreement" shall include agreements in respect of Interest Swap and Hedging Obligations with lenders (or Affiliates thereof) party to the Credit Agreement and shall also include any amendment, amendment and restatement, renewal, extension, restructuring, supplement or modification to any Credit Agreement and all refundings, refinancings and replacements of any Credit Agreement, including any credit agreement:

(1) extending the maturity of any Indebtedness incurred thereunder or contemplated thereby,

(2) adding or deleting borrowers or guarantors thereunder, so long as borrowers and issuers include one or more of the Company and its Subsidiaries and their respective successors and assigns,

(3) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder; provided, that on the date such Indebtedness is incurred it would not be prohibited by the covenant "Limitation on Incurrence of Additional Indebtedness," or

(4) otherwise altering the terms and conditions thereof in a manner not prohibited by the terms of the Indenture.

"Default" means any event, occurrence or condition that is or with the passage of time or the giving of notice or both would be an Event of Default.

"Disqualified Capital Stock" means (a) except as set forth in clause (b) of this definition, with respect to any person, any Equity Interest of such person that, by its terms or by the terms of any security into which it is convertible, exercisable or exchangeable, is, or upon the happening of an event or the passage of time would be, required to be redeemed or repurchased (including at the option of the holder thereof) by such person or any of its Subsidiaries, in whole or in part, on or prior to the Stated Maturity of the Notes and (b) with respect to any Subsidiary of such person (including with respect to any Subsidiary of the Company), any Equity Interest other than any common equity with no preference, privileges, or redemption or repayment provisions; provided that any Equity Interest that would not constitute Disqualified Capital Stock but for provisions thereof giving holders thereof the right to require such person to repurchase or redeem such Equity Interest upon the occurrence of an "asset sale" or "change of control" occurring prior to the Stated Maturity of the Notes shall not constitute Disqualified Capital Stock if the "asset sale" or "change of control" provisions applicable to such Equity Interest are no more favorable to the holders of such Equity Interest than the provisions contained in "-- Certain Covenants -- Limitations on Sale of Assets" and "-- Certain Covenants -- Offer to Repurchase Notes Upon a Change of Control" and such Equity Interest specifically provides that (i) such person will not repurchase or redeem any such Equity Interest pursuant to such provision prior to the Company's repurchase of such Notes as are required to be repurchased pursuant to "-- Certain Covenants -- Limitation on Sale of Assets" and "-- Certain Covenants -- Offer to Repurchase Notes Upon a Change of Control" and (ii) in the case of an Asset Sale Offer, such repurchase or redemption shall not exceed such Excess Proceeds, less the principal amount of Notes tendered in such Asset Sale Offer.

"Duration" means, with respect to any given financial instrument, (i) the weighted average of the time to payment of each payment required to be made on a date certain with respect to such financial



instrument, the weights being the present value of each such payment (calculated at the financial instrument's yield as of the date of acquisition by the Company or any Subsidiary) as a percentage of the total present value all such payments (calculated at the financial instrument's yield as of the date of acquisition by the Company or any Subsidiary) divided by (ii) one plus the yield (as of the date of acquisition by the Company or any Subsidiary) of such financial instrument.

"Equity Interest" of any person means Capital Stock of such person and all warrants, options or other rights to acquire Capital Stock of such person (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock (and which is not otherwise Capital Stock)).

"Event of Loss" means, with respect to any property or asset, any (i) loss, destruction or damage of such property or asset or (ii) any condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, of such property or asset, or confiscation or requisition of the use of such property or asset.

"Excluded Person" means, Messrs. Bradley J. Wechsler and Richard L. Gelfond, or their Related Parties.

"Exempted Affiliate Transaction" means (a) reasonable fees and compensation paid and indemnity provided pursuant to (including issuances of securities or other payments, awards or grants in cash, securities or otherwise) customary employee compensation arrangements (including, without limitation, stock option and stock ownership plans) approved by a majority of independent (as to such transactions) members of the Board of Directors of the Company, (b) Restricted Payments permitted to be made under the Indenture, (c) transactions solely between the Company and any of its Subsidiaries or solely among Subsidiaries of the Company, (d) the payment of reasonable and customary fees to and the provision of indemnity on behalf of directors of the Company who are not employees of the Company, (e) payments pursuant to any agreement in effect as of the Issue Date or any amendment thereto or any transaction contemplated thereby (including pursuant to any amendment thereto) in any replacement agreement thereto so long as any such amendment or replacement agreement is not more disadvantageous to the Company or its Subsidiaries, as the case may be, than the original agreement as in effect on the Issue Date; (f) loans advanced to employees and officers of the Company and its Subsidiaries not in excess of \$1.0 million at any time outstanding; and (g) sales or other transfers of Qualified Capital Stock.

"Foreign Subsidiary" means any Subsidiary of the Company that is not a North American Subsidiary.

"Fully Traded Common Stock" means common stock issued by any corporation if (A) such common stock is listed on either The New York Stock Exchange, The American Stock Exchange, The Toronto Stock Exchange, or is included for trading privileges in the Nasdaq National Market; and (B) such common stock does not constitute more than 15% of the issued and outstanding common stock of such corporation held by Persons other than 10% holders of such common stock and Affiliates and insiders of such corporation.

"Generally accepted accounting principles" means, as at any date of determination, generally accepted accounting principles in the United States and which are applicable as of the date of determination.

"Guarantee" means, as to any person, a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness of another person.

"Guarantors" means:

(1) each direct or indirect North American Subsidiary of the Company on the date of the Indenture; and

(2) any other Subsidiary that executes a Note Guarantee in accordance with the provisions of the Indenture;

and their respective successors and assigns until release from their obligations under their Note Guarantees and the Indenture in accordance with the terms of the Indenture.

"incur" shall mean to issue, assume, guaranty, incur, become directly or indirectly liable with respect to (including as a result of an Acquisition), or otherwise become responsible for, contingently or otherwise, any Indebtedness (and, as appropriate, an "incurrence" shall have a correlative meaning). Notwithstanding the foregoing, the accretion or amortization of original issue discount and any accruals of interest on any Indebtedness shall not be deemed an incurrence of Indebtedness.

"Indebtedness" of any person means, without duplication, (a) all liabilities and obligations, contingent or otherwise, of such person, to the extent such liabilities and obligations would appear as a liability upon the consolidated balance sheet of such person in accordance with generally accepted accounting principles, (i) in respect of borrowed money (whether or not the recourse of the lender is to the whole of the assets of such person or only to a portion thereof), (ii) evidenced by bonds, notes, debentures or similar instruments, (iii) representing the balance deferred and unpaid of the purchase price of any property or services, except those incurred in the ordinary course of its business that would constitute ordinarily a trade payable or account payable to trade creditors that are not more than 120 days past their original due date or which are being contested in good faith by appropriate proceeding, (iv) evidenced by bankers' acceptances or similar instruments issued or accepted by banks, (v) relating to any Capitalized Lease Obligation, or (vi) evidenced by a letter of credit or a reimbursement obligation of such person with respect to any letter of credit; (b) all net obligations of such person under Interest Swap and Hedging Obligations; (c) all liabilities and obligations of others of the kind described in the preceding clause (a) or (b) that such person has guaranteed or that is otherwise its legal liability or which are secured by any assets or property of such person; (d) any and all deferrals, renewals, extensions, refinancing and refundings (whether direct or indirect) of, or amendments, modifications or supplements to, any liability of the kind described in any of the preceding clauses (a), (b) or (c), or this clause (d), whether or not between or among the same parties; and (e) all Disqualified Capital Stock of such person (measured at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued and unpaid dividends). For purposes hereof, the "maximum fixed repurchase price" of any Disqualified Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Capital Stock as if such Disqualified Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the fair market value of such Disqualified Capital Stock, such fair market value to be determined in good faith by the board of directors of the issuer (or managing general partner of the issuer) of such Disqualified Capital Stock. Indebtedness shall not include any (1) obligation of any person arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business, provided that such obligations are extinguished within five business days, or (2) liability for federal, provincial, state, local or other taxes except to the extent otherwise included in the definition of "Indebtedness." Guarantees of (or obligations with respect to letters of credit supporting) Indebtedness otherwise included in the determination of the aggregate amount of Indebtedness incurred shall not also be included in such determination.

"Interest Swap and Hedging Obligation" means any obligation of any person pursuant to any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate exchange agreement, currency exchange agreement or any other agreement or arrangement designed to protect against fluctuations in interest rates or currency values, including, without limitation, any arrangement whereby, directly or indirectly, such person is entitled to receive from time to time periodic payments calculated by applying either a fixed or floating rate of interest on a stated notional amount in exchange for periodic payments made by such person calculated by applying a fixed or floating rate of interest on the same notional amount.

"Investment" by any person in any other person means (without duplication) (a) the acquisition (whether by purchase, merger, consolidation or otherwise) by such person (whether for cash, property, services, securities or otherwise) of capital stock, bonds, notes, debentures, partnership or other ownership interests or other securities, including any options or warrants, of such other person; (b) the making by such person of any deposit with, or advance, loan or other extension of credit to, such other person (including the purchase of property from another person subject to an understanding or agreement,

contingent or otherwise, to resell such property to such other person) or any commitment to make any such advance, loan or extension (but excluding accounts receivable or deposits arising in the ordinary course of business); (c) other than guarantees of Indebtedness of the Company to the extent permitted by the covenant "Limitation on Incurrence of Additional Indebtedness," the entering into by such person of any guarantee of, or other credit support or contingent obligation with respect to, Indebtedness or other liability of such other person; and (d) the making of any capital contribution by such person to such other person. Any property transferred to an Unrestricted Subsidiary from the Company or a Subsidiary shall be deemed an Investment valued at its fair market value at the time of such transfer, provided, however, if in any such case such fair market value exceeds \$1.0 million, such determination of fair market value shall be certified in an Officer's Certificate.

"Issue Date" means the date of first issuance of the Notes under the Indenture.

"Lien" means any mortgage, charge, pledge, lien (statutory or otherwise), privilege, security interest, hypothecation or other encumbrance upon or with respect to any property of any kind, real or personal, movable or immovable, now owned or hereafter acquired.

"Net Cash Proceeds" means the aggregate amount of cash or Cash Equivalents received by the Company in the case of a sale of Qualified Capital Stock and by the Company and its Subsidiaries in respect of an Asset Sale or Event of Loss plus, in the case of an issuance of Qualified Capital Stock upon any exercise, exchange or conversion of securities (including options, warrants, rights and convertible or exchangeable debt) of the Company that were issued for cash on or after the Issue Date, the amount of cash originally received by the Company upon the issuance of such securities (including options, warrants, rights and convertible or exchangeable debt) less, in each case, the sum of all payments, fees, commissions and expenses (including, without limitation, the fees and expenses of legal counsel and investment banking fees and expenses) incurred in connection with such Asset Sale, Event of Loss or sale of Qualified Capital Stock, and, in the case of an Asset Sale only, less the amount (estimated reasonably and in good faith by the Company) of income, franchise, sales and other applicable taxes required to be paid by the Company or any of its respective Subsidiaries in connection with such Asset Sale and amounts required to be applied to the repayment of Indebtedness secured by a Lien on the asset or assets that were the subject of such Asset Sale and amounts deemed, in good faith, appropriate by the Board of Directors of the Company to be provided as a reserve, in accordance with generally accepted accounting principles, against any liabilities associated with such assets that are the subject of such Asset Sale.

"North American Subsidiary" means any Subsidiary of the Company, as defined in clauses (i) and (ii) only of the definition of Subsidiary, that was formed under the laws of the United States or any state of the United States or the District of Columbia or under the laws of Canada or any province or territory thereof, excluding Big Frame Theatre Limited Partnership so long as that entity is not a Subsidiary as defined in clause (i) of the definition of Subsidiary.

"Operating Expense or Cost Reduction" means with respect to the calculation of a Consolidated Coverage Ratio, an operating expense or cost reduction with respect to an Acquisition, which, in the good faith estimate of management, will be realized as a result of such Acquisition, provided that the foregoing eliminations of operating expenses and realizations of cost reductions shall be of the types permitted to be given effect to in accordance with Article 11 of Regulation S-X under the Exchange Act as in effect on the Issue Date.

"Permitted Indebtedness" means any of the following:

(a) Indebtedness of the Company and the Guarantors evidenced by the Notes and related Note Guarantees and represented by the Indenture, issued on the Issue Date;

(b) Indebtedness of the Company and its Subsidiaries (including pursuant to a Credit Agreement and including any Indebtedness issued to refinance, refund or replace such Indebtedness) provided that the aggregate principal amount of such Indebtedness outstanding at any time does not exceed the greater of (a) \$30.0 million minus the amount of any such Indebtedness retired with Net Cash Proceeds from any Asset Sale or assumed by a transferee in an Asset Sale and (b) 15% of Total Assets of the Company;

(c) Refinancing Indebtedness with respect to (i) any Indebtedness described in clause (a) of this definition, (ii) incurred under the Debt Incurrence Ratio test of the covenant "Limitation on Incurrence of Additional Indebtedness," (iii) incurred under this clause (c) or (iv) which is outstanding on the Issue Date so long as such Refinancing Indebtedness, if secured, is secured only by the assets that secured the Indebtedness so refinanced;

(d) Interest Swap and Hedging Obligations of the Company and its Subsidiaries that are incurred for the purpose of fixing or hedging interest rate or currency risk of the Company and its Subsidiaries and not incurred for the purpose of speculation;

(e) Indebtedness of the Company and its Subsidiaries solely in respect of performance, surety or appeal bonds (to the extent that such incurrence does not result in the incurrence of any obligation to repay any obligation relating to borrowed money of others), and letters of credit and letters of guarantee, all incurred in the ordinary course of business in accordance with customary industry practices, in amounts and for the purposes customary in the Company's industry;

(f) Indebtedness of the Company to any Wholly Owned Subsidiary, and Indebtedness of a Subsidiary to any other Wholly Owned Subsidiary or to the Company; provided that, in the case of Indebtedness of the Company, such obligations shall be unsecured and subordinated in all respects to the Company's obligations pursuant to the Notes and the date of any event that causes such Subsidiary to no longer be a Wholly Owned Subsidiary shall be an Incurrence Date;

(g) Indebtedness of the Company and its Subsidiaries arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from guarantees or letters of credit, surety bonds or performance bonds securing any obligations of the Company or any Subsidiary pursuant to such agreements, in any case incurred in connection with the disposition of any business, assets or Subsidiary, other than guarantees of Indebtedness incurred by any person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition or, in the case of performance bonds, incurred in connection with the sale or leasing of systems in the ordinary course of business;

(h) additional Indebtedness of the Company or any Guarantor not to exceed \$35.0 million in aggregate principal amount at any one time outstanding; and

(i) Indebtedness of the Company and its Subsidiaries existing on the Issue Date not to exceed the amount outstanding on such date.

"Permitted Investment" means (a) Investments in any of the Notes; (b) Investments in Cash Equivalents; (c) Investments in intercompany notes to the extent permitted to be incurred under clause (f) of the definition of "Permitted Indebtedness"; (d) any Investment in a Subsidiary of the Company, any Investment in the Company so long as the Company receives the proceeds of such Investment, or any Investment in a person in a Related Business, which, after such Investment, becomes a Subsidiary of the Company; (e) loans or advances to employees of the Company or a Subsidiary made in the ordinary course of business, (f) stock obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Subsidiary or in satisfaction of judgments, (g) Investments received in connection with an Asset Sale in accordance with the covenant "Limitation on Sale of Assets," (h) Investments of the Company or any Subsidiary in effect on the Issue Date, (i) Investments in securities of trade creditors or customers received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers, (j) Investments the payment for which consists exclusively of Qualified Capital Stock of the Company, (k) other Investments in any Person or Persons, provided, that after giving pro forma effect to each such Investment, the aggregate amount of all such Investments made on and after the Issue Date pursuant to this clause (k) that are outstanding (after giving effect to any such Investments that are returned to the Company or the Subsidiary that made such prior Investment, without restriction, in cash or consideration similar to the consideration originally used to make such Investment on or prior to the date of any such calculation, but only up to the amount of the Investment made under this clause (k) in such Person) at any time does not in the aggregate exceed \$25.0 million (measured by the value

attributed to the Investment at the time made), and (l) Investments in Permitted Joint Ventures pursuant to this clause (1), provided that either (1)(i) the Company or its Subsidiaries have the ability to liquidate their Investment in such Permitted Joint Venture, without penalty to the Company or its Subsidiaries, within three years of giving notice of their intention to do so, (ii) in the good faith opinion of an executive officer of the Company, each of the other holders of Equity Interests in the Permitted Joint Venture is contributing consideration to the Permitted Joint Venture in relation to such holder's economic interest in the Permitted Joint Venture which is at least equal to the consideration being contributed to the Permitted Joint Venture by the Company or a Subsidiary in relation to its economic interest in the Permitted Joint Venture (provided, that in making his or her determination pursuant to this clause (ii), such executive officer may take into account better than normal profits which may be derived from the Company's other businesses as a result of such Investment), and (iii) the Consolidated Coverage Ratio of the Company for the Reference Period immediately preceding the date of such Investment, after giving effect on a pro forma basis to such Investment, would be at least 2.0 to 1 or (2) the Consolidated Coverage Ratio of the Company for the Reference Period immediately preceding the date of such Investment, after giving effect on a pro forma basis to such Investment, would be at least 3.0 to 1.

"Permitted Joint Venture" means any joint venture arrangement (which may be structured as an unincorporated joint venture, corporation, partnership, association or limited liability company) (i) in which the Company and its Subsidiaries own at least 20% but less than 50% of the ownership interest thereof and (ii) which engages only in a Related Business.

"Permitted Lien" means (a) Liens created in connection with the incurrence of Indebtedness permitted by clause (b) of the definition "Permitted Indebtedness"; (b) Liens existing on the Issue Date; (c) Liens imposed by governmental authorities for taxes, assessments or other charges not yet subject to penalty or which are being contested in good faith and by appropriate proceedings, if adequate reserves with respect thereto are maintained on the books of the Company in accordance with generally accepted accounting principles; (d) statutory liens of carriers, warehousemen, mechanics, materialmen, landlords, repairmen or other like Liens arising by operation of law in the ordinary course of business provided that (i) the underlying obligations are not overdue for a period of more than 30 days, or (ii) such Liens are being contested in good faith and by appropriate proceedings and adequate reserves with respect thereto are maintained on the books of the Company in accordance with generally accepted accounting principles; (e) Liens securing the performance of bids, trade contracts (other than borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business; (f) easements, rights-of-way, zoning, similar restrictions and other similar encumbrances or title defects which, singly or in the aggregate, do not in any case materially detract from the value of the property subject thereto (as such property is used by the Company or any of its Subsidiaries) or interfere with the ordinary conduct of the business of the Company or any of its Subsidiaries; (g) Liens arising by operation of law in connection with judgments, only to the extent, for an amount and for a period not resulting in an Event of Default with respect thereto; (h) pledges or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security legislation; (i) Liens securing the Notes; (j) Liens securing Indebtedness of a person existing at the time such person becomes a Subsidiary or is merged with or into the Company or a Subsidiary or Liens securing Indebtedness incurred in connection with an Acquisition, provided that such Liens were in existence prior to the date of such acquisition, merger or consolidation, were not incurred in anticipation thereof, and do not extend to any assets other than those acquired; (k) leases or subleases granted to other persons in the ordinary course of business not materially interfering with the conduct of the business of the Company or any of its Subsidiaries or materially detracting from the value of the relative assets of the Company or any Subsidiary; (l) Liens arising from precautionary Uniform Commercial Code financing statement or similar filings regarding operating leases entered into by the Company or any of its Subsidiaries in the ordinary course of business; (m) Liens securing Refinancing Indebtedness incurred to refinance any Indebtedness that was previously so secured in a manner no more adverse to the Holders of the Notes than the terms of the Liens securing such refinanced Indebtedness provided that the Indebtedness secured is not increased and the Lien is not extended to any additional assets or property, (n) Liens in favor of the Company or any Subsidiary,

(o) Liens securing obligations under Interest Swap and Hedging Obligations permitted to be incurred under the Indenture, (p) Liens created or deposits made to secure the performance of tenders, bids, leases, statutory obligations, government contracts, performance bonds and other obligations of a like nature incurred in the ordinary course of business, (q) Liens in favor of customs and revenue authorities, arising as a matter of law to secure payment of customs duties in connection with the importation of goods and (r) Liens in connection with securitizations of accounts receivable under long term system leases.

"Qualified Capital Stock" means any Capital Stock of the Company that is not Disqualified Capital Stock.

"Qualified Equity Offering" means any offering of Qualified Capital Stock of the Company for cash of which the gross proceeds to the Company are at least \$30.0 million.

"Qualified Exchange" means any legal defeasance, redemption, retirement, repurchase or other acquisition of Capital Stock or Indebtedness of the Company with the Net Cash Proceeds received by the Company from the substantially concurrent sale (other than from or to a Subsidiary or from or to an employee stock ownership plan financed by loans from the Company or a Subsidiary of the Company) of Qualified Capital Stock or any exchange of Qualified Capital Stock for any Capital Stock or Indebtedness of the Company.

"Reference Period" with regard to any person means the most recently ended four full fiscal quarters, for which financial statements are available immediately preceding any date upon which any determination is to be made pursuant to the terms of the Notes or the Indenture.

"Refinancing Indebtedness" means Indebtedness or Disqualified Capital Stock (a) issued in exchange for, or the proceeds from the issuance and sale of which are used substantially concurrently to repay, redeem, defease, refund, refinance, discharge or otherwise retire for value, in whole or in part, or (b) constituting an amendment, modification or supplement to, or a deferral or renewal ((a) and (b) above are, collectively, a "Refinancing") of any Indebtedness or Disqualified Capital Stock in a principal amount or, in the case of Disqualified Capital Stock, liquidation preference, not to exceed (after deduction of reasonable and customary fees and expenses incurred in connection with the Refinancing) the (A) lesser of (i) the principal amount or, in the case of Disqualified Capital Stock, liquidation preference, of the Indebtedness or Disqualified Capital Stock so Refinanced and (ii) if such Indebtedness being Refinanced was issued with an original issue discount, the accreted value thereof (as determined in accordance with generally accepted accounting principles) at the time of such Refinancing, plus (B) the amount of any premium required to be paid in connection with such Refinancing pursuant to the terms of the Indebtedness being so refinanced or the amount of any premium reasonably determined by the Company as necessary to accomplish such Refinancing by means of a tender offer or privately negotiated repurchase and plus (C) the expenses of the Company or the Subsidiary, as the case may be, incurred in connection with such Refinancing; provided, that (A) such Refinancing Indebtedness of any Subsidiary of the Company shall only be used to refinance outstanding Indebtedness or Disqualified Capital Stock of such Subsidiary, (B) such Refinancing Indebtedness shall (x) not have an Average Life shorter than the Indebtedness or Disqualified Capital Stock to be so refinanced at the time of such Refinancing and (y) in all respects, be no less subordinated or junior, if applicable, to the rights of Holders of the Notes than was the Indebtedness or Disqualified Capital Stock to be refinanced and (C) such Refinancing Indebtedness shall have a final stated maturity or redemption date, as applicable, no earlier than the final stated maturity or redemption date, as applicable, of the Indebtedness or Disqualified Capital Stock to be so refinanced.

"Related Business" means the business conducted (or proposed to be conducted) by the Company and its Subsidiaries as of the Issue Date and any and all businesses that in the good faith judgment of the Board of Directors of the Company are related, similar or ancillary businesses.

"Related Party" means: (1) the spouse or an immediate family member, estate or heir of Bradley J. Wechsler or Richard L. Gelfond; or (2) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding an 80% or more controlling

interest of which consist of Bradley J. Wechsler, Richard L. Gelfond and/or such other Persons referred to in the immediately preceding clause (1).

"Restricted Payment" means, with respect to any person, (a) the declaration or payment of any dividend or other distribution in respect of Equity Interests of such person or any parent or Subsidiary of such person, (b) any payment on account of the purchase, redemption or other acquisition or retirement for value of Equity Interests of such person or any Subsidiary or direct or indirect parent of such person (other than any such Equity Interests owned by such person or any Subsidiary), (c) other than with the proceeds from the substantially concurrent sale of, or in exchange for, Refinancing Indebtedness, any purchase, redemption, or other acquisition or retirement for value of, any payment in respect of any amendment of the terms of or any defeasance of, any Subordinated Indebtedness, directly or indirectly, by such person or a parent or Subsidiary of such person prior to the scheduled maturity, any scheduled repayment of principal, or scheduled sinking fund payment, as the case may be, of such Indebtedness and (d) any Investment by such person, other than a Permitted Investment; provided, however, that the term "Restricted Payment" does not include (i) any dividend, distribution or other payment on or with respect to Equity Interests of an issuer to the extent payable solely in shares of Qualified Capital Stock or in options, warrants or other rights to acquire Qualified Capital Stock of such issuer; or (ii) any dividend, distribution or other payment to the Company, or to any of its Subsidiaries, by the Company or any of its Subsidiaries (or, in the case of payment by any non-Wholly Owned Subsidiary, to any other holder of Equity Interests of such non-Wholly Owned Subsidiary on a pro rata basis). If (x) the Company or a Subsidiary of the Company issues, transfers, conveys, leases or otherwise disposes of any shares of Capital Stock of a Subsidiary of the Company or securities convertible or exchangeable into, or options, warrants, rights or any other interest with respect to, Capital Stock of a Subsidiary of the Company, and as a result of such transaction or as a result of the exercise, conversion or exchange of such securities, options, warrants, rights or other interest such Subsidiary would cease to be a Subsidiary, or (y) the Company or a Subsidiary of the Company issues, transfers, conveys, leases or otherwise disposes of any shares of Capital Stock or ownership interests of a Permitted Joint Venture which complies with the provisions of clauses (1)(1)(i) or (1)(2) of the definition of Permitted Investment or securities convertible or exchangeable into, or options, warrants, rights or any other interest with respect to, Capital Stock or ownership interests of a Permitted Joint Venture, or permits such a Permitted Joint Venture to issue any shares of Capital Stock or ownership interests of such Permitted Joint Venture or securities convertible or exchangeable into, or options, warrants, rights or any other interest with respect to Capital Stock or ownership interests, in such Permitted Joint Venture, the Company shall be deemed to have made a Restricted Payment in an amount equal to its net investment in such Subsidiary or Permitted Joint Venture unless, after giving effect to such issuance, transfer, conveyance, lease or disposition, the former Subsidiary shall be or the Permitted Joint Venture shall continue to be, a Permitted Joint Venture which complies with the provisions of clauses (1)(1)(i) or (1)(2) of the definition of Permitted Investment.

"Sale and Leaseback Transaction" of any Person means an arrangement with any lender or investor or to which such lender or investor is a party providing for the leasing by such Person of any property or asset of such Person which has been or is being sold or transferred by such Person more than 90 days after the acquisition thereof or the completion of construction or commencement of operation thereof to such lender or investor or to any person to whom funds have been or are to be advanced by such lender or investor on the security of such property or asset.

"Stated Maturity," when used with respect to any Note, means December 1, 2010.

"Subordinated Indebtedness" means Indebtedness of the Company that is subordinated in right of payment to the Notes in any respect.

"Subsidiary" means, with respect to any person, (i) any corporation, association or other business entity of which more than 50% of the total voting power of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such person or one or more of the other Subsidiaries of that person (or a combination thereof), (ii) any partnership (a) the sole general partner or the managing general partner of which is such person or a Subsidiary of such person or (b) the only general partners of

which are such person or of one or more Subsidiaries of such person (or any combination thereof) or (iii) any other person not described in clauses (i) and (ii) above in which such person, or one more other Subsidiaries of such person or such person and one or more other Subsidiaries thereof, directly or indirectly, has a 50% ownership and the power, pursuant to a written contract or agreement, to direct the policies and management or the financial and other affairs thereof. Notwithstanding the foregoing, an Unrestricted Subsidiary shall not be a Subsidiary of the Company or of any Subsidiary of the Company.

"Total Assets" means, with respect of any person, as of any date, the consolidated total assets of such person less the amount by which the goodwill of such person exceeds 10% of total assets of such person, each as determined in accordance with generally accepted accounting principles.

"Total Common Equity" of any person means, as of any of determination, the product of (i) the aggregate number of outstanding primary shares of Capital Stock of such person on such day (which shall not include any options or warrants on, or securities convertible or exchangeable into, shares of Capital Stock of such person) and (ii) the average Closing Price of such Capital Stock over the 20 consecutive Trading Days immediately preceding such day. If no such Closing Price exists with respect to shares of any such class, the value of such shares for purposes of clause (ii) of the preceding sentence shall be determined by the Board of Directors of the Company in good faith and evidenced by a resolution of the Board of Directors filed with the Trustee.

"Unrestricted Subsidiary" means (i) any Subsidiary designated by the Board of Directors of the Company as an Unrestricted Subsidiary and (ii) any Subsidiary of an Unrestricted Subsidiary. An Unrestricted Subsidiary may be designated pursuant to an Officers' Certificate (including any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary so long as; (i) neither the Company nor any Subsidiary (a) provides credit support for, or guarantee of, and Indebtedness of such Subsidiary or any Subsidiary of such Subsidiary, (including any undertaking or agreement in respect of such debt) or (b) is directly or indirectly liable for any Indebtedness of such Subsidiary or any Subsidiary of such Subsidiary, (ii) no default with respect to any Indebtedness of such Subsidiary or any Subsidiary of such Subsidiary would permit (upon notice, lapse of time or otherwise) any holder of any other Indebtedness of the Company or any Subsidiary to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity, (iii) any Investment in such Subsidiary made as a result of designating such Subsidiary an Unrestricted Subsidiary will not violate the provisions of the "Limitation on Restricted Payments" covenant, (iv) neither the Company nor any Subsidiary has a contract, agreement, arrangement, understanding or obligation of any kind, whether written or oral, with such Subsidiary other than those that might be obtained at the time from persons who are not Affiliates of the Company, and (v) neither the Company nor any other Subsidiary, has any obligation (a) to subscribe for additional Equity Interests in such Subsidiary, or (b) to maintain or preserve such Subsidiary's financial condition or to cause such Subsidiary to achieve certain levels of operating results. Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing a certified resolution with the Trustee giving effect to such designation. The Board of Directors of the Company may designate any Unrestricted Subsidiary as a Subsidiary if, immediately after giving effect to such designation, there would be no Default or Event of Default under the Indenture and the Company could incur \$1.00 of additional Indebtedness pursuant to the Debt Incurrence Ratio test under the "Limitation on Incurrence of Additional Indebtedness" covenant.

"U.S. Government Obligations" means direct non-callable obligations of the United States of America for the payment of which the full faith and credit of the United States is pledged.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment, by (ii) the then outstanding principal amount of such Indebtedness.

"Wholly Owned Subsidiary" means a Subsidiary all the Equity Interests of which are owned by the Company or one or more wholly owned Subsidiaries of the Company.



## BOOK-ENTRY, DELIVERY AND FORM

Except as set forth below, the Notes (as defined in the section entitled "Description of the Notes") will be issued in registered, global form in minimum denominations of \$1,000 stated principal amount at maturity and integral multiples of \$1,000 in excess of \$1,000. Notes will be issued at the closing of the exchange offer only against surrender of old notes.

The Notes initially will be represented by one or more notes in registered, global form without interest coupons (collectively, the "Global Notes"). The Global Notes will be deposited upon issuance with the Trustee as custodian for The Depository Trust Company ("DTC"), in New York, New York, and registered in the name of DTC or its nominee, in each case for credit to an account of a direct or indirect participant in DTC as described below. Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for notes in certificated form except in the limited circumstances described below. See "-- Exchange of Global Notes for Certificated Notes." Except in the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of the Notes in certificated form.

Transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of the Euroclear System ("Euroclear") and Clearstream Banking, S.A. ("Clearstream"), which may change from time to time.

### DEPOSITORY PROCEDURES

The following description of the operations and procedures of DTC, Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. The Company takes no responsibility for these operations and procedures and urges investors to contact the respective systems or their participants directly to discuss these matters. DTC has advised the Company that DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the "Participants") and to facilitate the clearance and settlement of transactions in those securities between the Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the initial purchasers of the Notes (the "Initial Purchasers")), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the "Indirect Participants"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

DTC has also advised the Company that, pursuant to procedures established by it:

(1) upon deposit of the Global Notes, DTC will credit the accounts of the Participants designated by the Initial Purchasers with portions of the principal amount at maturity of the Global Notes; and

(2) ownership of these interests in the Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interest in the Global Notes).

Investors in the Global Notes who are Participants may hold their interests therein directly through DTC. Investors in the Global Notes who are not Participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are Participants. All interests in a Global Note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the

procedures and requirements of such systems. The laws of some states require that certain Persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such Persons will be limited to that extent. Because DTC can act only on behalf of the Participants, which in turn act on behalf of the Indirect Participants, the ability of a Person having beneficial interests in a Global Note to pledge such interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of interests in the Global Notes will not have notes registered in their names, will not receive physical delivery of notes in certificated form and will not be considered the registered owners or "Holders" thereof under the Indenture for any purpose. Payments in respect of the principal of, and interest and premium, if any, and additional interest, if any, on a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered Holder under the Indenture. Under the terms of the Indenture, the Company and the Trustee will treat the Persons in whose names the Notes, including the Global Notes, are registered as the owners of the Notes for the purpose of receiving payments and for all other purposes. Consequently, neither the Company, the Trustee nor any of the Company's or the Trustee's agents has or will have any responsibility or liability for:

(1) any aspect of DTC's records or any Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes; or

(2) any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

DTC has advised us that its current practice, upon receipt of any payment in respect of securities such as the Notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date unless DTC has reason to believe it will not receive payment on such payment date. Each relevant Participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount at maturity of the relevant security as shown on the records of DTC. Payments by the Participants and the Indirect Participants to the beneficial owners of Notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Trustee or the Company. Neither the Company nor the Trustee will be liable for any delay by DTC or any of the Participants or the Indirect Participants in identifying the beneficial owners of the Notes, and the Company and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Transfers between the Participants will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Notes described herein, crossmarket transfers between the Participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by their respective depositories, however, such crossmarket transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

DTC has advised us that it will take any action permitted to be taken by a Holder of Notes only at the direction of one or more Participants to whose account DTC has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount at maturity of the Notes as to which such Participant or Participants has or have given such direction. However, if there is an Event of Default under the Notes, DTC reserves the right to exchange the Global Notes for legended notes in certificated form, and to distribute such notes to the Participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and may discontinue such procedures at any time. Neither the Company nor the Trustee nor any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

#### EXCHANGE OF GLOBAL NOTES FOR CERTIFICATED NOTES

A Global Note is exchangeable for definitive notes in registered certificated form ("Certificated Notes") if:

(1) DTC (a) notifies the Company that it is unwilling or unable to continue as depository for the Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in either case, the Company fails to appoint a successor depository;

(2) the Company, at its option, notifies the Trustee in writing that it elects to cause the issuance of the Certificated Notes; or

(3) there has occurred and is continuing a Default or Event of Default with respect to the Notes.

In addition, beneficial interests in a Global Note may be exchanged for Certificated Notes upon prior written notice given to the Trustee by or on behalf of DTC in accordance with the Indenture. In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depository (in accordance with its customary procedures).

#### EXCHANGE OF CERTIFICATED NOTES FOR GLOBAL NOTES

Certificated Notes may not be exchanged for beneficial interests in any Global Note unless the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes.

#### SAME DAY SETTLEMENT AND PAYMENT

The Company will make payments in respect of the Notes represented by the Global Notes (including principal, premium, if any, interest and additional interest, if any) by wire transfer of immediately available funds to the accounts specified by the Holders of the Global Note. The Company will make all payments of principal, interest and premium, if any, and additional interest, if any, with respect to Certificated Notes by wire transfer of immediately available funds to the accounts specified by the Holders of the Certificated Notes or, if no such account is specified, by mailing a check to each such Holder's registered address. All payments will be made in United States dollars. The Notes represented by the Global Notes are expected to be eligible to trade in The Portal Market and to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such Notes will, therefore, be required by DTC to be settled in immediately available funds. The Company expects that secondary trading in any Certificated Notes will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised the Company that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a general discussion of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of notes by a U.S. Holder (as defined below). This summary constitutes the opinion of Shearman & Sterling LLP, United States counsel to IMAX Corporation. The written opinion of Shearman & Sterling LLP has been filed as an exhibit to the registration statement of which this prospectus forms a part. It applies only to notes held as capital assets, within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended, (the "Code"), by investors who purchase the notes in the offering at the offering price. This summary is intended for general information only, and does not discuss all of the tax consequences that may be relevant to a U.S. Holder and does not discuss the tax consequences applicable to particular classes of U.S. Holders that may be subject to special tax rules, such as dealers in securities or currencies, traders in securities that elect mark to market, banks, tax-exempt organizations, partnerships, S corporations, life insurance companies, persons that hold notes as part of a hedge, or as part of a straddle or conversion transaction, taxpayers subject to the alternative minimum tax or whose functional currency is not the U.S. dollar. This summary also does not address the tax consequences to shareholders, partners or beneficiaries in any entity that holds notes. In addition, this summary does not describe any foreign, state or local tax considerations. Investors who purchase the notes at a price other than the offering price should consult their tax advisors as to the possible applicability to them of the amortizable bond premium or market discount rules. This summary is based on the Code, its legislative history, existing and proposed U.S. Treasury regulations thereunder, published rulings by the Internal Revenue Service ("IRS") and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE CONSEQUENCES, IN YOUR PARTICULAR CIRCUMSTANCES, UNDER THE CODE AND THE LAWS OF ANY OTHER TAXING JURISDICTION, OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF NOTES.

For the purposes of this summary, a U.S. Holder is a beneficial owner that is:

- an individual citizen or resident of the United States for U.S. federal income tax purposes;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States or of any political subdivision of the United States;
- an estate that is subject to U.S. federal income tax without regard to the source of its income; or
- a trust if (i) a United States court is able to exercise primary supervision over administration of the trust and one or more United States persons have authority to control all substantial decisions of the trust, or (ii) the trust has elected to be treated as a United States person under applicable U.S. Treasury regulations.

We believe that the exchange of an old note for a note in the exchange offer should not be a taxable exchange for U.S. federal income tax purposes. As a result, a U.S. Holder will not recognize any gain or loss upon exchanging an old note for a note. The holding period of the note will include the holding period of the old note exchanged, and the adjusted tax basis of the note received will be the same as the adjusted tax basis immediately before the exchange of the old note.

For U.S. federal income tax purposes, interest on a note generally will be taxable to a U.S. Holder as ordinary income at the time received or accrued, in accordance with such U.S. Holder's method of accounting for tax purposes. Such interest will generally constitute foreign source income, and, with certain exceptions, will be "passive" or "financial services" income for purposes of the U.S. foreign tax credit.

Upon the sale or exchange of a note (other than the exchange of an old note for a note, as described above), a U.S. Holder will recognize gain or loss, if any, for U.S. federal income tax purposes equal to the difference between the amount realized on such sale or exchange (other than amounts received that are attributable to accrued but unpaid interest and taxed as interest) and such U.S. Holder's adjusted tax basis

in the note. Such gain or loss generally will constitute U.S. source capital gain or loss, and will be long-term capital gain or loss if the note was held by such U.S. Holder for more than one year. A U.S. Holder's ability to deduct capital losses against ordinary income is subject to limitations.

Information reporting of payments of principal and interest within the United States to non-corporate U.S. Holders generally will be made on Internal Revenue Service Form 1099, including payments made by wire transfer from outside the United States to an account in the United States and the payment of proceeds from the sale of a note effected at a United States office of a broker.

A U.S. Holder may be subject to backup withholding tax with respect to interest paid on the notes and to proceeds from the sale, exchange, redemption or retirement of the note, unless the holder (a) is a corporation or comes within certain other exempt categories and, when required, demonstrates that fact or (b) provides a correct taxpayer identification number, certifies that it has not lost its exemption from backup withholding or has not been notified by the IRS that it has failed to report any interest or dividends, and otherwise complies with applicable requirements of the backup withholding rules. A holder of a note who does not provide us with the holder's correct taxpayer identification number may be subject to penalties imposed by the IRS.

Backup withholding is not an additional tax. Any amount paid as backup withholding will be creditable against the holder's U.S. federal income tax liability.

#### CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes the principal Canadian federal income tax considerations under the Income Tax Act (Canada) (the "ITA") as of the date of this prospectus generally applicable to a holder who acquires notes on the exchange of old notes (the "Exchange") and who, for the purposes of the ITA and at all relevant times, is not (and is not deemed to be) resident in Canada, deals at arm's length with IMAX, does not (and is not deemed to) use or hold the notes in, or in the course of, carrying on a business in Canada, and is not an insurer that carries on an insurance business in Canada and elsewhere (a "Holder"). For the purposes of this summary, any reference to notes shall not include the Additional Notes (as defined in "Description of the Notes").

This summary is based on the current provisions of the ITA, the regulations thereunder, all specific proposals to amend the ITA and such regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (which amendments this summary presumes are enacted in their current form), and IMAX's understanding of the published administrative practices of the Canada Customs and Revenue Agency. This summary does not otherwise take into account any change in law or administrative practice, whether by judicial, governmental, legislative or administrative action, nor does it take into account provincial, territorial or foreign income tax consequences, which may vary from the Canadian federal income tax considerations described herein.

THIS SUMMARY IS OF A GENERAL NATURE ONLY AND IS NOT, AND SHOULD NOT BE INTERPRETED AS, LEGAL OR TAX ADVICE TO ANY PARTICULAR HOLDER AND NO REPRESENTATION IS MADE WITH RESPECT TO THE CANADIAN FEDERAL INCOME TAX CONSEQUENCES TO ANY PARTICULAR HOLDER. ACCORDINGLY, HOLDERS OF NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THEIR PARTICULAR CIRCUMSTANCES.

Under the ITA, the payment by IMAX of interest, principal or premium (if any) on the notes to a Holder will be exempt from Canadian withholding tax, and no other taxes on income (including taxable capital gains) under the ITA will be payable by a Holder in respect of the Exchange, ownership or disposition of the notes.

## PLAN OF DISTRIBUTION

Each broker-dealer that receives notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of notes received in exchange for old notes where the old notes were acquired as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the expiration date of the exchange offer, we will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale.

We will not receive any proceeds from any sale of notes by broker-dealers. Notes received by broker-dealers for their own account pursuant to the exchange offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the notes or a combination of those methods of resale, at market prices prevailing at the time of resale, at prices related to prevailing market prices or negotiated prices. Any resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any of the notes. Any broker-dealer that resells notes that were received by it for its own account pursuant to the exchange offer and any broker or dealer that participates in a distribution of the notes may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any resale of notes and any commissions or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 180 days after the expiration date of the exchange offer, we will promptly send a reasonable amount of additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that is entitled to use such documents and that requests such documents in the letter of transmittal. We have agreed to pay all expenses incident to the exchange offer other than commissions or concessions of any brokers or dealers and will indemnify the holders of the notes (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act. We note, however, that in the opinion of the SEC, indemnification against liabilities under federal securities laws is against public policy and may be unenforceable.

The notes have not been and will not be qualified for distribution under the securities laws of any province or territory of Canada and are being offered and sold in Canada only in reliance on available prospectus exemptions.

## LEGAL MATTERS

Certain United States legal matters in connection with the validity of the notes and the accompanying guarantees will be passed upon for us by Shearman & Sterling LLP, Toronto, Ontario and New York, New York. We have been advised as to certain Canadian legal matters by McCarthy Tetrault LLP, Toronto, Ontario and New York, New York.

## EXPERTS

The financial statements as of December 31, 2001 and 2002 and for each of the three years in the period ended December 31, 2002 incorporated by reference into this prospectus have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

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(IMAX LOGO)

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 124 of the Canada Business Corporations Act ("CBCA") and Section 7 of the IMAX Corporation's By-Law No. 1 provide for the indemnification of directors and officers of the IMAX Corporation (the "Corporation"). Under these provisions, the Corporation shall indemnify a director or officer of the Corporation (or a former director or officer) against all costs, charges and expenses, including amounts paid to settle an action or satisfy a judgment, reasonably incurred by such director or officer in respect of any civil, criminal or administrative action or proceeding (other than in respect of an action by or on behalf of the Corporation to procure a judgment in its favor) to which such individual is made a party by reason of his position with the Corporation, if he fulfills the following two conditions: (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful. In respect of an action by or on behalf of the Corporation to procure a judgment in its favor, the Corporation, with the approval of a court, may indemnify a director or officer of the Corporation (or a former director or officer) against all costs, charges and expenses reasonably incurred by him in connection with such action if he fulfills the conditions set out in clauses (a) and (b) of the previous sentence. Notwithstanding the foregoing, a director or officer of the Corporation (or a former director or officer) is entitled to indemnification from the Corporation in respect of all costs, charges and expenses reasonably incurred by him in connection with the defense of any civil, criminal or administrative action or proceeding to which he is made a party by reason of his position with the Corporation if he was not judged by the court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done and he fulfills the conditions in clauses (a) and (b) of the second sentence of this paragraph.

Section 7.4 of IMAX Corporation's By-Law No. 1 also provides that, to the extent permitted by law, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or body corporate with whom or which any moneys, securities or other assets belonging to the Corporation shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to act honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Corporation maintains directors' and officers' liability insurance subject to deductibles in respect of SEC claims and claims for wrongful acts against insured persons.

ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits

See the index to exhibits that appears immediately following the signature pages of this registration statement.

(b) Financial Statement Schedules

Financial Statement Schedule II- Valuation and Qualifying Accounts for each year in the three-year period ended December 31, 2002, incorporated by reference to IMAX Corporation's Form 10-K for the year ended December 31, 2002, file no. 000-24216.

ITEM 22. UNDERTAKINGS

The undersigned registrants hereby undertake:

(1) That for purposes of determining any liability under the Securities Act of 1933, as amended (the "Securities Act"), each filing of the registrants' annual report, as applicable, pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(2) To respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11, or 13 of this form within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of this registration statement through the date of responding to the request.

(3) To supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in this registration statement when it became effective.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Corporation, pursuant to the provisions described in Item 20 above, or otherwise, the Corporation has been advised that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that the claim for indemnification against such liabilities (other than the payment by the Corporation of expenses incurred or paid by a director, officer or controlling person of the Corporation in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Corporation will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act, each registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Toronto, Province of Ontario, on February 26, 2004.

IMAX CORPORATION  
1329507 ONTARIO INC.  
924689 ONTARIO INC.  
DAVID KEIGHLEY PRODUCTIONS 70MM INC.  
IMAX (TITANIC) INC.  
IMAX (TITANICA) LTD.  
IMAX CHICAGO THEATRE LLC,  
BY ITS MANAGING MEMBER IMAX THEATRE  
HOLDING (CALIFORNIA I) CO.  
IMAX FILM HOLDING CO.  
IMAX FORUM RIDE, INC.  
IMAX II U.S.A. INC.  
IMAX INDIANAPOLIS LLC  
IMAX MINNESOTA HOLDING CO.  
IMAX MUSIC LTD.  
IMAX PICTURES CORPORATION  
IMAX PROVIDENCE GENERAL PARTNER CO.  
IMAX PROVIDENCE LIMITED PARTNER CO.  
IMAX RHODE ISLAND LIMITED PARTNERSHIP,  
BY ITS GENERAL PARTNER IMAX PROVIDENCE  
GENERAL PARTNER CO.  
IMAX SANDDE ANIMATION INC.  
IMAX SCRIBE INC.  
IMAX SPACE LTD.  
IMAX THEATRE HOLDING (BROSSARD) INC.  
IMAX THEATRE HOLDING (CALIFORNIA I) CO.  
IMAX THEATRE HOLDING (CALIFORNIA II) CO.  
IMAX THEATRE HOLDING (NYACK I) CO.  
IMAX THEATRE HOLDING (NYACK II) CO.  
IMAX THEATRE HOLDING CO.  
IMAX THEATRE HOLDINGS (OEI) INC.  
IMAX THEATRE MANAGEMENT (SCOTTSDALE), INC.  
IMAX THEATRE MANAGEMENT COMPANY  
IMAX THEATRE SERVICES LTD.  
IMAX U.S.A. INC.  
IMMERSIVE ENTERTAINMENT INC.  
MIAMI THEATRE LLC,  
BY ITS MANAGING MEMBER IMAX THEATRE  
HOLDING (CALIFORNIA I) CO.  
MITEY CINEMA INC.  
MOUNTAINVIEW THEATRE MANAGEMENT LTD.  
NYACK THEATRE LLC,  
BY ITS MANAGING MEMBER IMAX THEATRE  
HOLDING (NYACK I) CO.  
PANDA PRODUCTIONS INC.  
RIDEFILM CORPORATION

RPM PICTURES LTD.  
SACRAMENTO THEATRE LLC,  
BY ITS MANAGING MEMBER IMAX THEATRE  
HOLDING (CALIFORNIA I) CO.  
SONICS ASSOCIATES, INC.  
STARBOARD THEATRES LTD.  
STRATEGIC SPONSORSHIP CORPORATION  
TANTUS FILMS LTD.  
TANTUS II FILMS LTD.  
WIRE FRAME FILMS LTD.

By: /s/ G. MARY RUBY

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Name: G. Mary Ruby  
Title: Corporate Secretary

By: /s/ EDWARD MACNEIL

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Name: Edward MacNeil  
Title: Vice President

POWERS OF ATTORNEY

We, the undersigned officers and directors of the registrants, as applicable, hereby severally constitute Francis T. Joyce, Robert D. Lister and G. Mary Ruby, each of them singly our true and lawful attorneys with full power to them, and each of them singly, to sign for us and in our names in the capacities indicated below, any and all amendments, including post-effective amendments, to this registration statement, and generally do all such things in our name and behalf in such capacities to enable the registrants to comply with the applicable provisions of the Securities Act and all requirements of the Securities and Exchange Commission, and we hereby ratify and confirm our signatures as they may be signed by our said attorneys, or any of them, to any and all such amendments. Pursuant to the requirements of the Securities Act, this registration statement has been signed by the following persons in the capacities on February 26, 2004.

/s/ RICHARD L. GELFOND

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Richard L. Gelfond

Co-Chairman and Co-Chief Executive Officer and  
Director of IMAX Corporation

Director of IMAX Providence General Partner Co.,  
IMAX Providence Limited Partner Co., IMAX Theatre  
Holding (California I) Co., IMAX Theatre Holding  
(California II) Co., IMAX Theatre Holding (Nyack  
I) Co., IMAX Theatre Holding (Nyack II) Co., IMAX  
Theatre Holding Co., IMAX Theatre Holdings (OEI),  
Inc., IMAX Theatre Management Company, Ridefilm  
Corporation and Sonics Associates Inc.

President of IMAX Chicago Theatre LLC, IMAX  
Providence General Partner Co., IMAX Providence  
Limited Partner Co., IMAX Rhode Island Limited  
Partnership, IMAX Space Ltd., IMAX Theatre  
Holding (California I) Co., IMAX Theatre Holding  
(California II) Co., IMAX Theatre Holding (Nyack  
I) Co., IMAX Theatre Holding (Nyack II) Co., IMAX  
Theatre Holding Co., IMAX Theatre Holdings (OEI)  
Inc., IMAX Theatre Management Company, Miami  
Theatre LLC, Mitey Cinema Inc., Nyack Theatre LLC  
and Sacramento Theatre LLC

Chairman of Sonics Associates, Inc.

Treasurer of Ridefilm Corporation

/s/ BRADLEY J. WECHSLER

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Bradley J. Wechsler

Co-Chairman and Co-Chief Executive Officer and  
Director of IMAX Corporation

Director of Ridefilm Corporation and Sonics  
Associates Inc.

President of 924689 Ontario Inc., IMAX (Titanic)  
Inc., IMAX (Titanica) Ltd., IMAX Film Holding  
Co., IMAX II U.S.A. Inc., IMAX Minnesota Holding  
Co., IMAX Pictures Corporation, IMAX Theatre  
Management (Scottsdale), Inc., IMAX Theatre  
Services Ltd., IMAX U.S.A. Inc., Immersive  
Entertainment Inc., Mountainview Theatre  
Management Ltd., Panda Productions Inc.,  
Starboard Theatres Ltd. and Strategic Sponsorship  
Corporation

/s/ NEIL S. BRAUN

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Neil S. Braun

Director of IMAX Corporation

/s/ KENNETH G. COPLAND

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Kenneth G. Copland

Director of IMAX Corporation

/s/ MICHAEL FUCHS  
-----  
Michael Fuchs

Director of IMAX Corporation

/s/ GARTH M. GIRVAN  
-----  
Garth M. Girvan

Director of IMAX Corporation

/s/ DAVID W. LEEBRON  
-----  
David W. Leebron

Director of IMAX Corporation

/s/ MARC A. UTAY  
-----  
Marc A. Utay

Director of IMAX Corporation

/s/ FRANCIS T. JOYCE  
-----  
Francis T. Joyce

Chief Financial Officer of IMAX Corporation

Vice President, Finance of 1329507 Ontario Inc.,  
924689 Ontario Inc., David Keighley Productions  
70mm Inc., IMAX (Titanic) Inc., IMAX (Titanica)  
Ltd., IMAX Chicago Theatre LLC, IMAX Film Holding  
Co., IMAX Forum Ride, Inc., IMAX II U.S.A. Inc.,  
IMAX Minnesota Holding Co., IMAX Music Ltd., IMAX  
Pictures Corporation, IMAX, Providence General  
Partner Co., IMAX Providence Limited Partner Co.,  
IMAX Rhode Island Limited Partnership, IMAX  
Sandde Animation Inc., IMAX Scribe Inc., IMAX  
Space Ltd., IMAX Theatre Holding (Brossard) Inc.,  
IMAX Theatre Holding (California I) Co., IMAX  
Theatre Holding (California II) Co., IMAX Theatre  
Holding (Nyack I) Co., IMAX Theatre Holding  
(Nyack II) Co., IMAX Theatre Holding Co., IMAX  
Theatre Holdings (OEI) Inc., IMAX Theatre  
Management (Scottsdale), Inc., IMAX Theatre  
Management Company, IMAX Theatre Services Ltd.,  
IMAX U.S.A. Inc., Immersive Entertainment Inc.,  
Miami Theatre LLC, Mitey Cinema Inc.,  
Mountainview Theatre Management Ltd., Nyack  
Theatre LLC, Panda Productions Inc., Ridefilm  
Corporation, RPM Pictures Ltd., Sacramento  
Theatre LLC, Sonics Associates, Inc., Starboard  
Theatres Ltd., Strategic Sponsorship Corporation,  
Tantus Films Ltd., Tantus II Films Ltd. and Wire  
Frame Films Ltd.

/s/ KATHRYN A. GAMBLE  
-----  
Kathryn A. Gamble

Vice President, Finance and Controller of IMAX  
Corporation

/s/ ROBERT D. LISTER  
-----  
Robert D. Lister

Executive Vice President, Business and Legal  
Affairs & General Counsel of IMAX Corporation

Director of Sonics Associates Inc.

President of IMAX Forum Ride, Inc.

Vice President of 1329507 Ontario Inc., David  
Keighley Productions 70mm Inc., IMAX Indianapolis  
LLC, IMAX Music Ltd., IMAX Sandde Animation Inc.,  
IMAX Scribe Inc., IMAX Theatre Holding (Brossard)  
Inc., RPM Pictures Ltd., Tantus Films Ltd.,  
Tantus II Films Ltd. and Wire Frame Films Ltd.



/s/ G. MARY RUBY

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G. Mary Ruby

Senior Vice President, Legal Affairs, Deputy  
General Counsel and Corporate Secretary of IMAX  
Corporation

Director of 1329507 Ontario Inc., 924689 Ontario Inc., David Keighley Productions 70mm Inc., IMAX (Titanic) Inc., IMAX (Titanica) Ltd., IMAX Film Holding Co., IMAX Forum Ride, Inc., IMAX II U.S.A. Inc., IMAX Indianapolis LLC, IMAX Minnesota Holding Co., IMAX Music Ltd., IMAX Pictures Corporation, IMAX Sandde Animation Inc., IMAX Space Ltd., IMAX Theatre Holding (Brossard) Inc., IMAX Theatre Management (Scottsdale), Inc., IMAX Theatre Services Ltd., IMAX U.S.A. Inc., Immersive Entertainment Inc., Mitey Cinema Inc., Mountainview Theatre Management Ltd., Panda Productions Inc., RPM Pictures Ltd., Starboard Theatres Ltd., Strategic Sponsorship Corporation, Tantus Films Ltd., Tantus II Films Ltd. and Wire Frame Films Ltd.

Corporate Secretary of 1329507 Ontario Inc., 924689 Ontario Inc., David Keighley Productions 70mm Inc., IMAX (Titanic) Inc., IMAX (Titanica) Ltd., IMAX Film Holding Co., IMAX Forum Ride, Inc., IMAX II U.S.A. Inc., IMAX Indianapolis LLC, IMAX Minnesota Holding Co., IMAX Music Ltd., IMAX Pictures Corporation, IMAX Providence General Partner Co., IMAX Providence Limited Partner Co., IMAX Sandde Animation Inc., IMAX Scribe Inc., IMAX Space Ltd., IMAX Theatre Holding (Brossard) Inc., IMAX Theatre Holding (California I) Co., IMAX Theatre Holding (California II) Co., IMAX Theatre Holding (Nyack I) Co., IMAX Theatre Holding (Nyack II) Co., IMAX Theatre Holding Co., IMAX Theatre Holdings (OEI) Inc., IMAX Theatre Management (Scottsdale), Inc., IMAX Theatre Management Company, IMAX Theatre Services Ltd., IMAX U.S.A. Inc., Immersive Entertainment Inc., Mitey Cinema Inc., Mountainview Theatre Management Ltd., Panda Productions Inc., Ridefilm Corporation, RPM Pictures Ltd., Sonics Associates, Inc., Starboard Theatres Ltd., Strategic Sponsorship Corporation, Tantus Films Ltd., Tantus II Films Ltd. and Wire Frame Films Ltd.

/s/ EDWARD MACNEIL

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Edward MacNeil

Vice President of 1329507 Ontario Inc., 924689 Ontario Inc.,  
David Keighley Productions 70mm Inc., IMAX (Titanic) Inc.,  
IMAX (Titanica) Ltd., IMAX Film Holding Co., IMAX Forum Ride,  
Inc., IMAX II U.S.A. Inc., IMAX Indianapolis LLC, IMAX  
Minnesota Holding Co., IMAX Music Ltd., IMAX Pictures  
Corporation, IMAX, Providence General Partner Co., IMAX  
Providence Limited Partner Co., IMAX Sandde Animation Inc.,  
IMAX Scribe Inc., IMAX Space Ltd., IMAX Theatre Holding  
(Brossard) Inc., IMAX Theatre Holding (California I) Co.,  
IMAX Theatre Holding (California II) Co., IMAX Theatre  
Holding (Nyack I) Co., IMAX Theatre Holding (Nyack II) Co.,  
IMAX Theatre Holding Co., IMAX Theatre Holdings (OEI) Inc.,  
IMAX Theatre Management (Scottsdale), Inc., IMAX Theatre  
Management Company, IMAX Theatre Services Ltd., IMAX U.S.A.  
Inc., Immersive Entertainment Inc., Mitey Cinema Inc.,  
Mountainview Theatre Management Ltd., Panda Productions Inc.,  
Ridefilm Corporation, RPM Pictures Ltd., Sonics Associates,  
Inc., Starboard Theatres Ltd., Strategic Sponsorship  
Corporation, Tantus Films Ltd., Tantus II Films Ltd. and Wire  
Frame Films Ltd.

/s/ GREG FOSTER

-----  
Greg Foster

President of IMAX Scribe Inc.

/s/ DAVID B. KEIGHLEY

-----  
David B. Keighley

President of David Keighley Productions 70mm Inc.

AUTHORIZED REPRESENTATIVE

Pursuant to the requirements of Section 6(a) of the Securities Act, the  
authorized representative has duly caused this registration statement to be  
signed on its behalf by the undersigned, solely in its capacity as the duly  
authorized representative of the registrants in the United States, in the City  
of New York, State of New York, on February 26, 2004.

IMAX U.S.A. INC.

By: /s/ ROBERT D. LISTER

-----  
Name: Robert D. Lister  
Title: Vice President

By: /s/ FRANCIS T. JOYCE

-----  
Name: Francis T. Joyce  
Title: Vice President of Finance

EXHIBIT INDEX

EXHIBIT NUMBER	DOCUMENT NAME
3.1.1	IMAX Corporation Articles of Amalgamation, dated January 1, 2002. Incorporated by reference to Exhibit 3.1 to IMAX Corporation's Form 10-K for the year ended December 31, 2001, file no. 000-24216.
3.1.2	IMAX Corporation New By-Law No. 1, enacted on June 7, 1999. Incorporated by reference to Exhibit 3.2 to IMAX Corporation's Form 10-Q for the quarter ended September 30, 1999, file no. 000-24216.
3.2.1*	Ontario Inc. Articles of Incorporation, dated December 14, 1998.
3.2.2*	Ontario Inc. By-Law No. 1, dated December 14, 1998.
3.3.1*	Ontario Inc. Articles of Incorporation, dated December 20, 1990.
3.3.2*	Ontario Inc. By-Law No. 1, dated December 20, 1998.
3.4.1*	David Keighley Productions 70MM Inc. Certificate of Amendment of Certificate of Incorporation, dated May 4, 2001.
3.4.2*	David Keighley Productions 70MM Inc., By-Laws.
3.5.1*	IMAX (Titanic) Inc. Certificate of Amendment of Certificate of Incorporation, dated March 16, 1993.

3.5.2\* IMAX  
(Titanic)  
Inc. By-Laws.  
3.6.1\* IMAX  
(Titanica)  
Ltd. Articles  
of Amendment,  
dated March  
12, 1993.  
3.6.2\* IMAX  
(Titanica)  
Ltd. By-Law  
No. 1, dated  
December 1,  
1987. IMAX  
(Titanica)  
Ltd. By-Law  
No. 2, dated  
December 1,  
1987. 3.7.1\*  
IMAX Chicago  
Theatre LLC  
Amended and  
Restated  
Certificate  
of Formation,  
dated October  
16, 2002.  
3.7.2\* IMAX  
Chicago  
Theatre LLC  
Limited  
Liability  
Company  
Agreement,  
entered into  
as of October  
16, 2002.  
3.8.1\* IMAX  
Film Holding  
Co.  
Certificate  
of  
Incorporation,  
dated April  
5, 2000.  
3.8.2\* IMAX  
Film Holding  
Co. By-Laws.  
3.9.1\* IMAX  
Forum Ride,  
Inc.  
Certificate  
of Amendment  
of Articles  
of  
Incorporation,  
dated May 1,  
1996. 3.9.2\*  
IMAX Forum  
Ride, Inc.  
Code of  
Bylaws.  
3.10.1\* IMAX  
II U.S.A.  
Inc.  
Certificate  
of  
Incorporation,  
dated  
December 8,  
1995. 3.10.2\*  
IMAX II  
U.S.A. Inc.  
By-Laws.  
3.11.1\* IMAX  
Indianapolis  
LLC Articles  
of  
Organization,  
dated January  
23, 2001.  
3.11.2\* IMAX  
Indianapolis  
LLC Operating  
Agreement,  
entered into  
as of  
February 1,  
2001. 3.12.1\*  
IMAX  
Minnesota  
Holding Co.  
Certificate  
of  
Incorporation,  
dated May 26,  
2000. 3.12.2\*  
IMAX  
Minnesota

Holding Co.  
By-Laws.  
3.13.1\* IMAX  
Music Ltd.  
Certificate  
of  
Incorporation,  
dated  
December 11,  
2000. 3.13.2\*  
IMAX Music  
Ltd. By-Law  
No. 1, dated  
December 11,  
2000. 3.14.1\*  
IMAX Pictures  
Corporation  
Certificate  
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dated  
February 15,  
1995. 3.14.2\*  
IMAX Pictures  
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3.15.1\* IMAX  
Providence  
General  
Partner Co.  
Certificate  
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Incorporation,  
dated April  
18, 1997.  
3.15.2\* IMAX  
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General  
Partner Co.  
By-Laws.  
3.16.1\* IMAX  
Providence  
Limited  
Partner Co.  
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of  
Incorporation,  
dated April  
18, 1997.  
3.16.2\* IMAX  
Providence  
Limited  
Partner Co.  
By-Laws.  
3.17.1\* IMAX  
Rhode Island  
Limited  
Partnership  
Certificate  
of Limited  
Partnership,  
dated April  
18, 1997.  
3.18.1\* IMAX  
Sandde  
Animation  
Inc. Articles  
of Amendment,  
dated  
February 24,  
1998. 3.18.2\*  
IMAX Sandde  
Animation  
Inc. By-Law  
No. 1, dated  
January 19,  
1996. 3.19.1\*  
IMAX Scribe  
Inc.  
Certificate  
of  
Incorporation,  
dated  
February 20,  
1996. 3.19.2\*  
IMAX Scribe  
Inc. By-Laws.

EXHIBIT  
NUMBER  
DOCUMENT NAME  
-----  
-----

3.20.1\* IMAX  
Space Ltd.  
Articles of  
Incorporation,  
dated

February 22,  
1995. 3.20.2\*

IMAX Space  
Ltd. By-Law  
No. 1, made  
as of

February 22,  
1995. 3.21.1\*

IMAX Theatre  
Holding  
(Brossard)  
Inc.

Certificate  
of  
Incorporation,  
dated

December 16,  
1998. 3.21.2\*

IMAX Theatre  
Holding  
(Brossard)  
Inc. By-Law  
No. 1, made

as of  
December 16,  
1998. 3.22.1\*

IMAX Theatre  
Holding  
(California  
I) Co.

Certificate  
of  
Incorporation,  
dated July

24, 1997.

3.22.2\* IMAX  
Theatre  
Holding  
(California  
I) Co. By-

Laws. 3.23.1\*

IMAX Theatre  
Holding  
(California  
II) Co.

Certificate  
of  
Incorporation,  
dated July

24, 1997.

3.23.2\* IMAX  
Theatre  
Holding  
(California  
II) Co. By-

Laws. 3.24.1\*

IMAX Theater  
Holding  
(Nyack I) Co.  
Certificate

of  
Incorporation,  
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25, 1997.

3.24.2\* IMAX  
Theater  
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(Nyack I) Co.  
By-Laws.

3.25.1\* IMAX  
Theater  
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Certificate  
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25, 1997.

3.25.2\* IMAX  
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(Nyack II)  
Co. By-Laws.

3.26.1\* IMAX  
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18, 1997.  
3.26.2\* IMAX  
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3.27.1\* IMAX  
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8, 1998.  
3.27.2\* IMAX  
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(OEI), Inc.  
By-Laws.  
3.28.1\* IMAX  
Theatre  
Management  
(Scottsdale),  
Inc. Articles  
of  
Incorporation,  
dated April  
2, 1991.  
3.28.2\* IMAX  
Theatre  
Management  
(Scottsdale),  
Inc. By-Laws,  
adopted as of  
April 3,  
1991. 3.29.1\*  
IMAX Theatre  
Management  
Company  
Certificate  
of  
Incorporation,  
dated April  
18, 1997.  
3.29.2\* IMAX  
Theatre  
Management  
Company By-  
Laws. 3.30.1\*  
IMAX Theatre  
Services Ltd.  
Articles of  
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February 19,  
1993. 3.30.2\*  
IMAX Theatre  
Services Ltd.  
By-Law No. 1,  
enacted on  
February 19,  
1993. IMAX  
Theatre  
Services Ltd.  
By-Law No. 2,  
enacted on  
February 19,  
1993. 3.31.1\*  
IMAX U.S.A.  
Inc.  
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of Amendment  
of  
Certificate  
of  
Incorporation,  
dated June  
29, 1995.  
3.31.2\* IMAX  
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By-Laws.  
3.32.1\*  
Immersive  
Entertainment  
Inc.  
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of  
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25, 1995.  
3.32.2\*  
Immersive  
Entertainment  
Inc. By-Laws.  
3.33.1\* Miami  
Theatre LLC

Certificate  
of Formation,  
dated  
November 25,  
1998. 3.33.2\*  
Miami Theatre  
LLC Limited  
Liability  
Company  
Agreement,  
entered into  
as of

November 25,  
1998. 3.34.1\*  
Mitey Cinema  
Inc. Articles  
of Amendment,  
dated

February 21,  
1996. 3.34.2\*  
Mitey Cinema  
Inc. By-Law  
No. 1, made  
as of

December 22,  
1995. 3.35.1\*  
Mountainview  
Theatre  
Management  
Ltd.

Certificate  
of  
Incorporation,  
dated

December 13,  
1988. 3.35.2\*  
Mountainview  
Theatre  
Management  
Ltd. By-Law  
No. 1,  
effective

December 13,  
1988.  
Mountainview  
Theatre  
Management  
Ltd. By-Law  
No. 2,  
enacted

December 22,  
1992. 3.36.1\*  
Nyack Theatre  
LLC Articles  
of  
Organization,  
dated

September 10,  
1998. 3.36.2\*  
Nyack Theatre  
LLC Operating  
Agreement,  
dated

September 16,  
1998. 3.37.1\*  
Panda  
Production  
Inc.  
Certificate  
of  
Incorporation,  
dated

November 2,  
1999. 3.37.2\*  
Panda  
Production  
Inc. By-Laws.  
3.38.1\*  
Ridefilm  
Corporation  
Certificate  
for

Restoration,  
Renewal and  
Revival of  
Certificate  
of  
Incorporation,  
dated April  
3, 1996.  
3.38.2\*  
Ridefilm  
Corporation  
By-Laws.  
3.39.1\* RPM  
Pictures Ltd.  
Certificate  
of  
Incorporation,  
dated January

3.38.1\*  
Ridefilm  
Corporation  
Certificate  
for

Restoration,  
Renewal and  
Revival of  
Certificate  
of

Incorporation,  
dated April  
3, 1996.  
3.38.2\*  
Ridefilm  
Corporation  
By-Laws.  
3.39.1\* RPM  
Pictures Ltd.  
Certificate  
of

Incorporation,  
dated January



13, 2003.  
3.39.2\* RPM  
Pictures Ltd.  
By-Law No. 1,  
dated January  
13, 2003.  
3.40.1\*  
Sacramento  
Theatre LLC  
Certificate  
of Formation,  
dated May 12,  
1999. 3.40.2\*  
Sacramento  
Theatre LLC  
Limited  
Liability  
Company  
Agreement,  
made and  
entered into  
as of May 12,  
1999. 3.41.1\*  
Sonics  
Associates,  
Inc., A Body  
Corporate  
Certificate  
of  
Incorporation,  
dated January  
28, 1972.

EXHIBIT NUMBER  
DOCUMENT NAME -

----- 3.41.2\*  
Sonics  
Associates,  
Inc. By-Laws.  
3.42.1\*  
Starboard  
Theatres Ltd.  
Certificate of  
Incorporation,  
dated June 10,  
1997. 3.42.2\*  
Starboard  
Theatres Ltd.  
By-Law No. 1,  
enacted  
December 19,  
1986. 3.43.1\*  
Strategic  
Sponsorship  
Corporation  
Certificate of  
Amendment of  
Certificate of  
Incorporation,  
dated November  
4, 1999.  
3.43.2\*  
Strategic  
Sponsorship  
Corporation By-  
Laws. 3.44.1\*  
Tantus Films  
Ltd.  
Certificate of  
Incorporation,  
dated March 22,  
2002. 3.44.2\*  
Tantus Films  
Ltd. By-Law No.  
1. 3.45.1\*  
Tantus II Films  
Ltd.  
Certificate of  
Incorporation,  
dated April 7,  
2003. 3.45.2\*  
Tantus II Films  
Ltd. By-Law No.  
1, dated as of  
April 7, 2003.  
3.46.1\* Wire  
Frame Films  
Ltd.  
Certificate of  
Incorporation,  
dated February  
16, 1998.  
3.46.2\* Wire  
Frame Films  
Ltd. By-Law No.  
1, made as of  
February 17,  
1998. 4.1\*  
Purchase  
Agreement,  
dated as of  
November 19,  
2003, by and  
among IMAX  
Corporation,  
the Guarantors  
(as defined  
therein),  
Credit Suisse  
First Boston  
LLC, Jefferies  
& Company,  
Inc., Wachovia  
Capital  
Markets, LLC  
and U.S.  
Bancorp Piper  
Jaffray Inc.,  
relating to the  
issuance of  
IMAX  
Corporation's 9  
5/8% Senior  
Notes due 2010.  
4.2\*  
Registration  
Rights  
Agreement,  
dated as of

December 4, 2003, by and among IMAX Corporation, the Guarantors (as defined therein), Credit Suisse First Boston LLC, Jefferies & Company, Inc., Wachovia Capital Markets, LLC and U.S. Bancorp Piper Jaffray Inc., relating to the issuance of IMAX Corporation's 9

5/8% Senior Notes due 2010. 4.3\* Indenture, dated as of December 4, 2003, by and among IMAX Corporation, the Guarantors (as defined therein) and U.S. Bank National Association, as Trustee, related to the issue of IMAX Corporation's 9 5/8% Senior Notes due 2010.

4.4 Forms of note and exchange note (included in Exhibit 4.3).

4.5 Form of guarantee (included in Exhibit 4.3).

5.1\* Opinion of Shearman & Sterling LLP as to the validity of the notes and the accompanying guarantees.

8.1\* Opinion of Shearman & Sterling LLP as to certain U.S. federal income tax considerations.

10.1 Stock Option Plan of IMAX Corporation, dated June 7, 1999.

Incorporated by reference to Exhibit 10.1 to IMAX Corporation's Form 10-Q for the quarter ended September 30, 1999, file no. 000-24216.

10.2 Employment Agreement, dated as of July 15, 1997 between David Keighley Productions 70MM Inc. and David B. Keighley.

Incorporated by reference to Exhibit 10.2 to IMAX Corporation's Form 10-K for the year ended December 31, 2002, file no.

000-24216. 10.3  
Employment  
Agreement,  
dated July 1,  
1998 between  
IMAX  
Corporation and  
Bradley J.  
Wechsler.  
Incorporated by  
reference to  
Exhibit 10.2 to  
IMAX  
Corporation's  
Form 10-Q for  
the quarter  
ended September  
30, 1998, file  
no. 000-24216.  
10.4 Amended  
Employment  
Agreement,  
dated July 12,  
2000 between  
IMAX  
Corporation and  
Bradley J.  
Wechsler.  
Incorporated by  
reference to  
Exhibit 10.10  
to IMAX  
Corporation's  
Form 10-Q for  
the quarter  
ended September  
30, 2000, file  
no. 000-24216.  
10.5 Amended  
Employment  
Agreement,  
dated April 3,  
2001 between  
IMAX  
Corporation and  
Bradley J.  
Wechsler.  
Incorporated by  
reference to  
Exhibit 10.15  
to IMAX  
Corporation's  
Form 10-Q for  
the quarter  
ended March 31,  
2001, file no.  
000-24216. 10.6  
Amended  
Employment  
Agreement,  
dated April 23,  
2002 between  
IMAX  
Corporation and  
Bradley J.  
Wechsler.  
Incorporated by  
reference to  
Exhibit 10.14  
to IMAX  
Corporation's  
Form 10-Q for  
the quarter  
ended June 30,  
2002, file no.  
000-24216. 10.7  
Employment  
Agreement,  
dated July 1,  
1998 between  
IMAX  
Corporation and  
Richard L.  
Gelfond.  
Incorporated by  
reference to  
Exhibit 10.1 to  
IMAX  
Corporation's  
Form 10-Q for  
the quarter  
ended September  
30, 1998, file  
no. 000-24216.

EXHIBIT  
NUMBER  
DOCUMENT  
NAME - -----  
-----  
---- 10.8  
Amended  
Employment  
Agreement,  
dated July  
12, 2000  
between IMAX  
Corporation  
and Richard  
L. Gelfond.  
Incorporated  
by reference  
to Exhibit  
10.9 to IMAX  
Corporation's  
Form 10-Q  
for the  
quarter  
ended  
September  
30, 2000,  
file no.  
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10.9 Amended  
Employment  
Agreement,  
dated April  
3, 2001  
between IMAX  
Corporation  
and Richard  
L. Gelfond.  
Incorporated  
by reference  
to Exhibit  
10.16 to  
IMAX  
Corporation's  
Form 10-Q  
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quarter  
ended March  
31, 2001,  
file no.  
000-24216.  
10.10  
Amended  
Employment  
Agreement,  
dated April  
23, 2002  
between IMAX  
Corporation  
and Richard  
L. Gelfond.  
Incorporated  
by reference  
to Exhibit  
10.13 to  
IMAX  
Corporation's  
Form 10-Q  
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quarter  
ended June  
30, 2002,  
file no.  
000-24216.  
10.11  
Employment  
Agreement,  
dated March  
9, 2001  
between IMAX  
Corporation  
and Greg  
Foster.  
Incorporated  
by reference  
to Exhibit  
10.9 to IMAX  
Corporation's  
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no. 000-  
24216. 10.12  
Amending  
Agreement,  
dated August

8, 2002  
between IMAX  
Corporation  
and Greg  
Foster.  
Incorporated  
by reference  
to Exhibit  
10.12 to  
IMAX  
Corporation's  
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2002, file  
no. 000-  
24216. 10.13  
Employment  
Agreement,  
dated May 9,  
2001 between  
IMAX  
Corporation  
and Francis  
T. Joyce.  
Incorporated  
by reference  
to Exhibit  
10.13 to  
IMAX  
Corporation's  
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Amended  
Employment  
Agreement,  
dated May  
14, 2003  
between IMAX  
Corporation  
and Francis  
T. Joyce.  
Incorporated  
by reference  
to Exhibit  
10.16 to  
IMAX  
Corporation's  
Form 10-Q  
for the  
quarter  
ended June  
30, 2003,  
file no.  
000-24216.  
10.15  
Employment  
Agreement,  
dated May  
17, 1999  
between IMAX  
Corporation  
and Robert  
D. Lister.  
Incorporated  
by reference  
to Exhibit  
10.14 to  
IMAX  
Corporation's  
Form 10-K  
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2002, file  
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24216. 10.16  
Amended  
Employment  
Agreement,  
dated April  
4, 2001  
between IMAX  
Corporation  
and Robert  
D. Lister.  
Incorporated  
by reference  
to Exhibit  
10.15 to  
IMAX  
Corporation's  
Form 10-K  
for the year

ended  
December 31,  
2002, file  
no. 000-  
24216.  
10.17\*  
Second  
Amended  
Employment  
Agreement,  
dated  
January 1,  
2004 between  
IMAX  
Corporation  
and Robert  
D. Lister.  
10.18

Shareholders'  
Agreement,  
dated as of  
January 3,  
1994, among  
WGIM

Acquisition  
Corporation,  
the Selling  
Shareholders  
as defined  
therein,

Wasserstein  
Perella  
Partners,  
L.P.,

Wasserstein  
Perella  
Offshore  
Partners,  
L.P.,

Bradley J.  
Wechsler,  
Richard L.  
Gelfond and  
Douglas  
Trumbull  
(the

"Selling  
Shareholders'  
Agreement").

Incorporated  
by reference  
to Exhibit  
4.2 to IMAX  
Corporation's  
Form 10-K  
for the year  
ended

December 31,  
2000, file  
no. 000-  
24216. 10.19

Amendment,  
dated as of  
March 1,  
1994, to the  
Selling

Shareholders'  
Agreement.

Incorporated  
by reference  
to Exhibit  
4.3 to IMAX

Corporation's  
Form 10-K  
for the year  
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December 31,  
2000, file  
no. 000-  
24216. 10.20

Amended and  
Restated

Shareholders'  
Agreement,  
dated as of  
February 9,  
1999, by and  
among

Wasserstein  
Perella  
Partners,  
L.P.,

Wasserstein  
Perella  
Offshore  
Partners,  
L.P., WPPN  
Inc., the

Michael J.  
Biondi

Voting Trust, Bradley J. Wechsler and Richard L. Gelfond and IMAX Corporation. Incorporated by reference to Exhibit 4.10 to IMAX Corporation's Form 10-K for the year ended December 31, 1998, file no. 000-24216. 10.21 Registration Rights Agreement, dated as of February 9, 1999, by and among IMAX Corporation, Wasserstein Perella Partners, L.P., Wasserstein Perella Offshore Partners, L.P., WPPN Inc., the Michael J. Biondi Voting Trust, Bradley J. Wechsler and Richard L. Gelfond. Incorporated by reference to Exhibit 4.12 to IMAX Corporation's Form 10-K for the year ended December 31, 1998, file no. 000-24216. 10.22\* Loan Agreement, dated as of February 6, 2004, by and between Congress Financial Corporation (Canada) and IMAX Corporation. 12.1\* Statement Regarding Computation of Ratios of Earnings to Fixed Charges. 21.1 List of subsidiaries of IMAX Corporation. Incorporated by reference to Exhibit 21 to IMAX Corporation's Form 10-K for the year ended December 31, 2002, file no. 000-24216.



EXHIBIT NUMBER  
DOCUMENT NAME - -----  
-----

23.1\* Consent of  
PricewaterhouseCoopers  
LLP. 23.2 Consents of  
Shearman & Sterling  
LLP (included in  
Exhibits 5.1 and  
8.1). 23.3\* Consent  
of McCarthy Tetrault  
LLP. 24.1 Powers of  
Attorney (included on  
signature pages to  
this registration  
statement). 25.1\*  
Statement of  
Eligibility of the  
Trustee. 99.1\* Form  
of Letter of  
Transmittal with  
respect to  
outstanding 9 5/8%  
Senior Notes due  
2010. 99.2\* Form of  
Notice of Guaranteed  
Delivery with respect  
to outstanding 9 5/8%  
Senior Notes due  
2010.

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\* Filed herewith

FOR MINISTRY USE ONLY  
A L'USAGE EXCLUSIL DU MINISTERE

ONTARIO CORPORATION  
NUMERO DE LA SOCIETE  
1329507

Ministere de  
la Consommation  
et du Commerce  
CERTIFICAT  
Ceci certifie quo les presente  
statuts entrent en vigueur en

CERTIFICATE  
This is to certify that these  
articles are effective on

DECEMBER 14

DECEMBRE, 1998

/s/

Director/Directeur  
Act/Loi sur les societes par actions

ARTICLES OF INCORPORATION  
STATUS CONSTITUTIFS

FORM 1  
BUSINESS  
CORPORATIONS  
ACT

FORMULE 1  
LOI SUR LES  
SOCIETES PAR  
ACTIONS

1. THE NAME OF THE CORPORATION IS DENOMINATION SOCIALE DE LA SOCIETE  
-----  
1329507 ONTARIO INC.  
-----
2. THE ADDRESS OF THE REGISTERED OFFICE: ADRESSE DU SIEGE SOCIAL:  
-----  
Suite 2700, Toronto Dominion Bank Tower, Toronto-Dominion Centre  
-----  
(STREET & NUMBER, OR R.R. NUMBER & IF MULTI-OFFICE BUILDING GIVE ROOM NO.)  
(RUE ET NUMERO, OU NUMERO DE LA R.R. ET, S'IL S'AGIT D'UN EDIFICE A BUREAUX, NUMERO DU BUREAU)  
-----  
Toronto, Ontario M5K 1E6  
-----  
(NAME OF MUNICIPALITY OR POST OFFICE) (POSTAL CODE)  
(NOM DE LA MUNICIPALITE OU DU BUREAU DE POSTE) (CODE POSTAL)
3. NUMBER (OR MINIMUM AND MAXIMUM NUMBER) OF DIRECTORS IS: NOMBRE (OU NUMBERS MINIMAL ET MAXIMAL) D'ADMINISTRATEURS:  
A minimum of one and a maximum of ten.
4. THE FIRST DIRECTOR(S) IS/ARE: PREMIER(S) ADMINISTRATEUR(S): RESIDENT CANADIAN STATE YES OR NO  
FIRST NAME, INITIALS AND SURNAME RESIDENCE ADDRESS, GIVING STREET & NO. OR R.R. NO., MUNICIPALITY AND POSTAL CODE YES OR NO  
PRENOM, INITIALES ET NOM DE FAMILLE ADRESSE PERSONNELLE, Y COMPRIS LA RUE ET LE NUMERO, LE NUMERO DE LA R.R., LE NOM DE LA MUNICIPALITE ET LE CODE POSTAL CANADIEN OUI/NON  
-----  
Joan Cameron 25 The Esplanade Apt. 612 Toronto, Ontario M5E 1W5 Yes

5. RESTRICTIONS, IF ANY, ON BUSINESS THE CORPORATION MAY CARRY ON OR ON POWERS THE CORPORATION MAY EXERCISE.

LIMITES, S'IL Y A LIEU, IMPOSEES AUX ACTIVITES COMMERCIALES OU AUX POUVOIRS DE LA SOCIETE.

There are no restrictions.

6. THE CLASSES AND ANY MAXIMUM NUMBER OF SHARES THAT THE CORPORATION IS AUTHORIZED TO ISSUE:

CATEGORIES ET NOMBRE MAXIMAL, S'IL Y A LIEU, D' ACTIONS QUE LA SOCIETE EST AUTORISEE A EMETTRE:

The corporation is authorized to issue an unlimited number of common shares.

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7. RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS  
(IF ANY) ATTACHING TO EACH CLASS OF SHARES AND  
DIRECTORS AUTHORITY WITH RESPECT TO ANY CLASS  
OF SHARES WHICH MAY BE ISSUED IN SERIES:

DROITS, PRIVILEGES, RESTRICTIONS ET CONDITIONS,  
S'IL Y A LIEU, RATTACHES A CHAQUE CATEGORIE  
D' ACTIONS ET POUVOIRS DES ADMINISTRATEURS RELATIFS  
A CHAQUE CATEGORIE D' ACTIONS QUI PEUT ETRE EMISE  
EN SERIE:

- (1) The rights, privileges, restrictions and conditions attaching to the common shares are as follows:
- (a) PAYMENTS OF DIVIDENDS: The holders of the common shares shall be entitled to receive dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends in such amounts and payable in such manner as the board of directors may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to or concurrently with the holders of the common shares, the board of directors may in their sole discretion declare dividends on the common shares to the exclusion of any other class of shares of the Corporation.
  - (b) PARTICIPATION UPON LIQUIDATION, DISSOLUTION OR WINDING-UP: In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the common shares shall, subject to the rights of the holders of any other class of shares of the Corporation entitled to receive the assets of the Corporation upon such a distribution in priority to or concurrently with the holders of the common shares, be entitled to participate concurrently in any distribution of the assets of the Corporation.
  - (c) VOTING RIGHTS: The holders of the common shares shall be entitled to receive notice of and to attend all annual and special meetings of the shareholders of the Corporation and to one vote in respect of each common share held at all such meetings.

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8. THE ISSUE, TRANSFER OR OWNERSHIP OF SHARES  
IS/IS NOT RESTRICTED AND THE RESTRICTIONS (IF  
ANY) ARE AS FOLLOWS:

L'EMISSION, LE TRANSFERT OU LA PROPRIETE D' ACTIONS  
EST/N'EST PAS RESTREINT. LE RESTRICTIONS, S'IL Y A  
LIEU, SONT LES SUIVANTES:

No share in the capital of the Corporation shall be transferred without the consent of the directors expressed by the votes of a majority of the directors at a meeting of the directors or by an instrument or instruments in writing signed by a majority of the directors.

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9. OTHER PROVISIONS, IF ANY, ARE:

AUTRES DISPOSITIONS, S'IL Y A LIEU:

- (1) The number of shareholders of the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been formerly in the employment of the Corporation, were, while in that employment and have continued after the termination of that employment to be, shareholders of the Corporation, is limited to not more than fifty, two or more persons who are the joint registered owners of one or more shares being counted as one shareholder.
- (2) Any invitation to the public to subscribe for securities of the Corporation is prohibited.

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10. THE NAMES AND ADDRESSES OF THE INCORPORATORS  
ARE FIRST NAME, INITIALS AND SURNAME OR CORPORATE  
NAME PRENOM, INITIALE ET NON DE FAMILLE OU  
DENOMINATION SOCIALE

NOM ET ADRESSE DES FONDATEURS  
FULL RESIDENCE ADDRESS OR ADDRESS OF REGISTERED  
OFFICE OR OF PRINCIPAL PLACE OF BUSINESS GIVING  
STREET & NO. OR R.R. NO., MUNICIPALITY AND POSTAL CODE  
ADRESSE PERSONNELLE AU COMPLET, ADRESSE DU SIEGE  
SOCIAL OU ADRESSE DE L'ETABLISSEMENT PRINCIPAL, Y  
COMPRIS LA RUE ET LE NUMERO, LE NUMERO DE LA R.R., LE  
MON DE LA MUNICIPALITE ET LE CODE POSTAL

-----  
CARTAN LIMITED

Suite 4700  
Toronto Dominion Bank Tower  
Toronto-Dominion Centre  
Toronto, Ontario  
M5K 1E6

THESE ARTICLES ARE SIGNED IN DUPLICATE.

LES PRESENTS STATUTS SONT SIGNES EN DOUBLE EXEMPLAIRE.

-----  
SIGNATURES OF INCORPORATORS  
(SIGNATURES DES FONDATEURS)

CARTAN LIMITED

By: /s/ Peter G. Beattie

-----  
Peter G. Beattie, Director

By: /s/ James C. McCartney

-----  
James C. McCartney, Vice-President

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I, /je soussigne(e),

JOAN CAMERON

-----  
(FIRST NAME, INITIALS AND SURNAME)  
(PRENOM, INITIALES ET NOM DE FAMILLE)

residing at/du

25 The Esplanade, Apt. 612, Toronto, Ontario M5E 1W5

-----  
(STREET & NO., R.R. NO., MUNICIPALITY & POSTAL CODE)  
(RUE ET NUMERO, NUMERO DE LA R.R., NOM DE LA MUNICIPALITE ET CODE POSTAL)

HEREBY CONSENT TO ACT AS A FIRST DIRECTOR OF

accepte par la presente de devenir premier  
administrateur de

1329507

ONTARIO INC.

-----  
(NAME OF CORPORATION)  
(DENOMINATION SOCIALE DE LA SOCIETE)

/s/ Joan Cameron

-----  
SIGNATURE OF THE CONSENTING PERSON  
SIGNATURE DE L'ACCEPTANT



BY-LAW NO. 1

A by-law regulating generally the transaction of the business and affairs of  
1329507 Ontario Inc.

SECTION 1

INTERPRETATION

1.1 DEFINITIONS. In this by-law, which may be cited as the General  
By-law, unless the context otherwise requires:

"Act" means the Ontario Business Corporations Act, R.S.O. 1990, c.B.16  
and any statute that may be substituted therefor, as from time to time  
amended;

"Articles" includes the original or restated articles of incorporation,  
articles of amendment, articles of amalgamation, articles of  
continuance, articles of reorganization, articles of arrangement and  
articles of revival of the Corporation;

"Board" means the Board of Directors of the Corporation;

"Corporation" means 1329507 Ontario Inc.;

"meeting of shareholders" means any meeting of shareholders including  
an annual meeting and a special meeting;

"non-business day" means Saturday, Sunday and any other day that is a  
holiday as defined in the Interpretation Act (Canada);

"recorded address" means in the case of a shareholder his address as  
recorded in the securities register; and in the case of joint  
shareholders the address appearing in the securities register in  
respect of such joint holding or the first address so appearing if  
there are two or more; and in the case of a director, officer or  
auditor, his latest address as recorded in the records of the  
Corporation.

1.2 CONSTRUCTION. Save as aforesaid, words and expressions defined  
in the Act have the same meanings when used herein; and words  
importing the singular include the plural and vice versa;  
words importing gender include the masculine, feminine and  
neuter genders; and words importing persons include  
individuals, bodies corporate, partnerships, associations,  
trusts, executors, administrators, legal representatives, and  
unincorporated organizations and any number or aggregate of  
persons.

SECTION 2

MEETINGS OF SHAREHOLDERS

- 2.1 MEETINGS OF SHAREHOLDERS. The annual meeting of shareholders shall be held in each year on a date to be determined by the Board of Directors. The Board may call a meeting of shareholders, other than an annual meeting of shareholders, at any time.
- 2.2 CHAIRMAN, SECRETARY AND SCRUTINEERS. The chairman of any meeting of shareholders shall be the first mentioned of such of the following officers who is present at the meeting: the Vice President or Secretary who is a director of the Corporation. If no such officer is present within fifteen minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to act as chairman. The secretary of any meeting of shareholders shall be the Secretary of the Corporation. If the Secretary is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. The chairman may appoint one or more persons who need not be shareholders to act as scrutineers at the meeting.
- 2.3 PERSONS ENTITLED TO BE PRESENT. The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors, the auditor of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the Articles to be present. Any other person may be admitted with the consent of the meeting or of the chairman of the meeting.
- 2.4 QUORUM. Except as otherwise provided in the Articles, a quorum for the transaction of business at any meeting of shareholders shall be at least two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxyholder for such a shareholder and together holding or representing by proxy not less than 33-1/3% of the outstanding shares of the Corporation entitled to be voted at the meeting.

SECTION 3

DIRECTORS

- 3.1 NUMBER OF DIRECTORS; FILLING VACANCIES. Subject to the Act and the Articles and the contractual obligations of the Corporation then in effect, the number of directors of the Corporation may be fixed from time to time by resolution of the Board, and any vacancies on the Board, whether arising due to an increase in the number of directors or otherwise, may be filled by the Board.
- 3.2 TERM OF OFFICE. Subject to Section 3.3 hereof, each director shall be elected for a term expiring not later than the close of the third annual meeting of shareholders following the election.

- 3.3 QUALIFICATION OF DIRECTORS. In addition to the disqualifications provided for in the Act, a director who is a salaried officer of the Corporation, shall cease to hold office as a director when he ceases to be a salaried officer of the Corporation.
- 3.4 QUORUM. A majority of the directors holding office at any particular time shall constitute a quorum of the Board.
- 3.5 MEETING FOLLOWING ANNUAL MEETING. The Board shall meet without notice as soon as practicable after each annual meeting of shareholders to transact such business as may come before the meeting and to appoint by election:
- (a) the Secretary;
  - (b) one or more Vice-Presidents;
  - (c) such other officers as the Board chooses to appoint; and
  - (d) members of such committees as the Board chooses to appoint, together with a chairman of each such committee.
- 3.6 OTHER MEETINGS OF THE BOARD. Meetings of the board shall be held from time to time at a date, time and place determined by a majority of the directors.
- 3.7 NOTICE OF MEETING. Notice of the time and place of each meeting of the Board requiring notice shall be given to each director not less than two days (excluding non-business days) before the date on which the meeting is to be held.
- 3.8 CHAIRMAN. The chairman of any meeting of the Board shall be the first mentioned of such of the following officers who is present at the meeting: the Secretary or one of the Vice Presidents who is a director of the Corporation. If no such officer is present, the directors present shall choose one of their number to act as chairman.
- 3.9 VOTES TO GOVERN. Subject to the Articles, this by-law and the Corporation's contractual obligations then in effect, at all meetings of the Board, every question shall be decided by a majority of the votes cast. The chairman of any meeting may vote as a director and, in the event of an equality of votes, the chairman shall not be entitled to a second or casting vote.
- 3.10 REMUNERATION. No director who is a salaried officer of the Corporation shall be entitled to any remuneration for the performance of his duties as a director. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Corporation, the fact of his being a director or officer of the Corporation shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.
- 3.11 INTEREST OF DIRECTORS AND OFFICERS GENERALLY IN CONTRACTS. No director or officer shall be disqualified by his office from contracting with the Corporation nor shall

any contract or arrangement entered into by or on behalf of the Corporation with any director or officer or in which any director or officer is in any way interested be liable to be voided nor shall any director or officer so contracting or being so interested be liable to account to the Corporation for any profit realized by any such contract or arrangement by reason of such director or officer holding that office or of the fiduciary relationship thereby established; provided that the director or officer shall have complied with the provisions of the Act.

#### SECTION 4

##### COMMITTEES

- 4.1 COMMITTEES. The Board shall, in light of the Corporation's contractual obligations in effect from time to time, appoint annually members of such additional committees as it deems necessary and, subject to the Act, delegate to the committees such powers of the Board and assign to the committees such duties, as the Board considers appropriate.
- 4.2 OPERATION OF COMMITTEES. In the case of each committee, a majority of members holding office at any particular time shall constitute a quorum for the transaction of business at that time. The Board shall appoint a chairman of each committee. Each committee shall meet at the call of its chairman, on not less than two days (excluding non-business days) notice to each member of the committee prior to the date on which the meeting is to be held. All acts or proceedings of any committee shall be reported to the Board at or before the next meeting thereof.

#### SECTION 5

##### THE TRANSACTION OF BUSINESS

- 5.1 EXECUTION OF INSTRUMENTS. Contracts, documents or instruments in writing requiring execution by the Corporation shall be signed by any two officers or directors, and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board is authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation to sign and deliver either contracts, documents or instruments in writing generally or to sign either manually or by facsimile signature and deliver specific contracts, documents or instruments in writing. The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, charges, conveyances, powers of attorney, transfers and assignments of property of all kinds including specifically but without limitation transfers and assignments of shares, warrants, bonds, debentures or other securities and all paper writings.
- 5.2 BANKING ARRANGEMENTS. The banking business of the Corporation, or any part thereof, shall be transacted with such banks, trust companies or other financial

institutions as the board may designate, appoint or authorize from time to time by resolution and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers and/or other persons as the board may designate, direct or authorize from time to time by resolution and to the extent therein provided.

## SECTION 6

### DIVIDENDS

- 6.1 DIVIDENDS. The Board may from time to time declare dividends payable to shareholders according to their respective rights.
- 6.2 DIVIDEND PAYMENT. A dividend payable in money may be paid by cheque drawn on the Corporation's bankers, or one of them, to the order of each registered holder of shares of a class or series in respect of which the dividend has been declared, and mailed by prepaid ordinary mail to such registered holder at his recorded address. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The Corporation may pay a dividend by cheque to a registered holder or to joint holders other than in the manner herein set out, if the registered holder or joint holders so request.
- 6.3 IDEM. The Corporation may, when so directed by a registered holder of a share in respect of which a dividend in money has been declared, pay the dividend in the manner so directed.
- 6.4 NON-RECEIPT OR LOSS OF DIVIDEND CHEQUES. In the event of non-receipt or loss of any dividend cheque by the person to whom it is sent, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt or loss and of entitlement as the Board or the Vice-President in charge of finance may from time to time prescribe, whether generally or in a particular case.

## SECTION 7

### PROTECTION OF DIRECTORS AND OFFICERS

- 7.1 INDEMNIFICATION OF DIRECTORS AND OFFICERS. The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives to the extent permitted by the Act.
- 7.2 INDEMNITY OF OTHERS. Except as otherwise required by the Act and subject to paragraph 7.1, the Corporation may from time to time indemnify and save

harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, agent of or participant in another body corporate, partnership, joint venture, trust or other enterprise, against expenses (including legal fees), judgments, fines and any amount actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted honestly and in good faith with a view to the best interests of the Corporation and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his conduct was lawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction shall not, of itself, create a presumption that the person did not act honestly and in good faith with a view to the best interests of the Corporation and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had no reasonable grounds for believing that his conduct was lawful.

- 7.3 RIGHT OF INDEMNITY NOT EXCLUSIVE. The provisions for indemnification contained in the by-laws of the Corporation shall not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors or otherwise, both as to action in his official capacity and as to action in another capacity, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and legal representatives of such a person.
- 7.4 NO LIABILITY OF DIRECTORS OR OFFICERS FOR CERTAIN MATTERS. To the extent permitted by law, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or body corporate with whom or which any moneys, securities or other assets belonging to the Corporation shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to act honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation

otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Corporation, the fact of his being a director or officer of the Corporation shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

SECTION 8

MISCELLANEOUS

- 8.1 OMISSIONS AND ERRORS. The accidental omission to give any notice to any shareholder, officer or auditor or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting to which the notice related.
- 8.2 PERSONS ENTITLED BY DEATH OR OPERATION OF LAW. Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, becomes entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he derives his title to such share prior to his name and address being entered on the securities register.
- 8.3 WAIVER OF NOTICE. A shareholder, proxyholder, director, officer or auditor may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him under any provision of the Act, the regulations thereunder, the Articles or otherwise and such waiver or abridgment, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default or defect in the giving or in the time of such notice, as the case may be. Any such waiver or abridgment shall be in writing except a waiver of notice of a meeting of shareholders or of the Board or of a committee of the Board which may be given in any manner.
- 8.4 INVALIDITY OF ANY PROVISIONS OF THIS BY-LAW. The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

RESOLVED that the foregoing By-law No. 1 is made a by law of the Corporation.

The undersigned, being the sole director of the 1329507 Ontario Inc., hereby signs the foregoing resolution.

DATED the 14th day of December, 1998.

/s/ G. Mary Ruby

\_\_\_\_\_  
G. Mary Ruby

RESOLVED that the foregoing By-law No. 1 of the by-laws of the Corporation is hereby confirmed.

The undersigned, being the sole shareholder of 1329507 Ontario Inc., hereby signs the foregoing resolution.

DATED the 14th day of December, 1998.

IMAX CORPORATION

By: /s/ Peter J. Chilibeck

\_\_\_\_\_  
Senior Vice President  
and General Counsel

/s/ G. Mary Ruby

\_\_\_\_\_  
Vice President  
Legal Affairs



Ontario Corporation  
Numero de la compagnie en Ontario

924689

TRANS CODE	LINE NO.	STAT	COMP TYPE	METHOD INCRP.
A	0	0	A	3
18	20	28	29	30
SHARE	NOTICE REQ'D	JURISDICTION		
S	N	ONTARIO		
31	32	33		

ARTICLES OF INCORPORATION  
STATUTS CONSTITUTIFS

Form 1  
Business  
Corporations  
Act,  
1982

Formule  
numero 1  
Loi de 1982  
sur les  
compagnies

1. The name of the corporation is: Denomination sociale de la compagnie:  
-----  
924689 ONTARIO INC.  
-----  
-----
2. The address of the registered office is: Adresse du siege social:  
-----  
38 Isabella Street  
-----  
(Street & Number or R.R. Number & if Multi-Office building give Room No.)  
(Rue et numero ou numero de la R.R. et, s'il s'agit d'un edifice a bureaux, numero du bureau)  
-----  
Toronto, Ontario M4Y 1N1  
-----  
(Name of Municipality or Post Office) (Postal Code)  
(Nom de la municipalite ou du bureau de poste) (Code postal)  
-----  
Municipality of Metropolitan Toronto  
-----  
Name of Municipality, Geographical Township) dans le/la (County, District, Regional Municipality)  
(Nom de la municipalite, du canton) (Comte, district, municipalite regionale)
3. Number (or minimum and maximum number) of directors is: Nombre (ou nombres minimal et maximal)  
d'administrateurs:  
A minimum of 1 director and a maximum of 10 directors.
4. The first director(s) is/are: Premier(s) administrateur(s):
- |                                                                                                                          |                                      |
|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Residence address, giving street & No. or R.R. No. or municipality and postal code.                                      | Resident Canadian State<br>Yes or No |
| Adresse personnelle, y compris la rue et le numero, le numero de la R.R. ou, le nom de la municipalite et le code postal | Resident Canadien<br>Oui/Non         |
- Randall B. Williamson 15 Dundonald Street Yes  
Apartment 603  
Toronto, Ontario  
M4Y 1K4

5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise. Limites, s'il y a lieu, imposees aux activites commerciales ou aux pouvoirs de la compagnie.
- None.
6. The classes and any maximum number of shares that the corporation is authorized to issue. Categories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisee a emettre:
- One class of shares in an unlimited number to be designated as common shares.

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:

Not applicable

Droits, privileges, restrictions et conditions, s'il y a lieu, rattaches a chaque categorie d'actions et pouvoirs des administrateurs relatifs a chaque categorie d'actions qui peut etre emise en serie:

8. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows: L'emission, le transfert ou la propriete d'actions est/n'est pas restreinte. Les restrictions, s'il y a lieu, sont les suivantes:

The right to transfer shares of the Corporation shall be restricted in that no shareholder shall be entitled to transfer any share or shares in the capital of the Corporation without either

- (a) the express sanction of the holders of more than 50% of the common shares of the Corporation for the time being outstanding expressed by a resolution passed at a meeting of shareholders or by an instrument or instruments in writing signed by the holders of more than 50% of such shares, or
- (b) the express sanction of the directors of the Corporation expressed by a resolution passed by the votes of a majority of the directors of the Corporation at a meeting of the board of directors or by an instrument or instruments in writing signed by a majority of the directors.

9. Other provisions, if any, are:

Autres dispositions, s'il y a lieu:

1. The number of shareholders of the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been formerly in the employment of the Corporation were, while in that employment, and have continued after the termination of that employment to be, shareholders of the Corporation, is limited to not more than 50, 2 or more persons who are the joint registered owners of 1 or more shares being counted as 1 shareholder.
2. Any invitation to the public to subscribe for securities of the Corporation is prohibited.
3. The board of directors of the Corporation may, without authorization of the shareholders of the Corporation, from time to time, in such amounts and on such terms as it deems expedient:
  - (a) borrow money upon the credit of the Corporation;
  - (b) issue, reissue, sell or pledge debt obligations of the Corporation;
  - (c) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
  - (d) charge, mortgage, hypothecate, pledge or otherwise create a security interest in all or any of the currently owned or subsequently acquired real and personal, movable and immovable, property of the Corporation, including book debts, rights, powers, franchises and undertaking, to secure any obligation of the Corporation.

For greater certainty the foregoing powers conferred on the directors shall be deemed to include the powers conferred on a company by Division VII of the Special Corporate Powers Act, being Chapter P-16 of the Revised Statutes of Quebec, 1977 and every statutory provision that may be substituted therefor or for any provision therein.

The board of directors may from time to time by resolution delegate to a committee of directors or to one or more of the directors or officers of the Corporation all or any of the powers hereby conferred upon the board to such extent and in such manner as the board shall determine at the time of each such delegation. Nothing in this section shall limit or restrict the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

10. The names and addresses of the incorporators are

Nom et adresse des fondateurs

First name, initials and surname or corporate name

Prenom, initiale et nom de famille ou denomination sociale

Full residence address or address of registered office or of principal place of business giving street & No. or R.R. No., municipality and postal code

Adresse personnelle au complet, adresse du siege social ou adresse de l'etablissement principal, y compris la rue et le numero, le numero de la R.R., le nom de la municipalite et le code postal

-----  
Randall B. Williamson

15 Dundonald Street  
Apartment 603  
Toronto, Ontario  
M4Y 1K4

-----  
These articles are signed in duplicate

Les presents statuts sont signes en double exemplaire.

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Signatures of incorporators  
(Signature des fondateurs)

/s/ Randall B. Williamson

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Randall B. Williamson

BY-LAW NO. 1

A by-law relating generally to the conduct of the affairs of 924689 ONTARIO INC.

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of 924689 ONTARIO INC. (hereinafter called the "Corporation") as follows:

DEFINITIONS

1. In this by-law and all other by-laws of the Corporation, unless the context otherwise specifies or requires:

- (a) "Act" means the Business Corporations Act, 1982, S.O. 1982, c.4, as from time to time amended, and every statute that may be substituted therefor and, in the case of such amendment or substitution, any reference in the by-laws of the Corporation shall be read as referring to the amended or substituted provisions therefor;
- (b) "by-laws" means any by-law of the Corporation from time to time in force and effect;
- (c) all terms contained in the by-laws which are defined in the Act shall have the meanings given to such terms in the Act;
- (d) words importing the singular number only shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders; and
- (e) the headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

REGISTERED OFFICE

2. The Corporation may from time to time (i) by resolution of the directors change the address of the registered office of the Corporation within the municipality or geographic township within Ontario specified in its articles, and (ii) by special resolution, change the municipality or geographic township within Ontario in which its registered office is situated.

SEAL

3. The Corporation may, but need not, have a corporate seal. An instrument or agreement executed on behalf of the Corporation by a director, an officer or an agent of the Corporation is not invalid merely because the corporate seal, if any, is not affixed thereto.

DIRECTORS

4. Number and powers. The number of directors, or the minimum and maximum number of directors of the Corporation is set out in the articles of the Corporation. A majority of the directors shall be resident Canadians. Subject to any unanimous shareholder agreement, the directors shall manage or supervise the management of the business and affairs of the Corporation and may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation and are not by the Act, the articles, the by-laws, any special resolution of the Corporation, a unanimous shareholder agreement or by statute expressly directed or required to be done in some other manner.

Notwithstanding any vacancy among the directors, the remaining directors may exercise all the powers of the board so long as a quorum of the board remains in office.

Subject to subsections 124(1), (2), (4) and (5) of the Act and to the Corporation's articles, where there is a quorum of directors in office and a vacancy occurs, the directors remaining in office may appoint a qualified person to hold office for the unexpired term of his predecessor.

5. Duties. Every director and officer of the Corporation in exercising his powers and discharging his duties shall:

- (a) act honestly and in good faith with a view to the best interests of the Corporation; and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Every director and officer of the Corporation shall comply with the Act, the regulations thereunder, the Corporation's articles and by-laws and any unanimous shareholder agreement.

6. Qualification. Every director shall be an individual 18 or more years of age and no one who is of unsound mind and has been so found by a court in Canada or elsewhere or who has the status of a bankrupt shall be a director.

7. Term of office. A director's term of office (subject to the provisions, if any, of the Corporation's articles, and subject to his election for an expressly stated term) shall be from the date of the meeting at which he is elected or appointed until the close of the annual meeting of shareholders next following his election or appointment or until his successor is elected or appointed.



vacated if: 8. Vacation of office. The office of a director shall be

- (a) he dies or, subject to subsection 119(2) of the Act, sends to the Corporation a written resignation and such resignation, if not effective upon receipt by the Corporation, becomes effective in accordance with its terms;
- (b) he is removed from office;
- (c) he becomes bankrupt; or
- (d) he is found by a court in Canada or elsewhere to be of unsound mind.

9. Election and removal. Directors shall be elected by the shareholders by ordinary resolution on a show of hands unless a poll is demanded and if a poll is demanded such election shall be by ballot. Except for those directors elected for an expressly stated term, all the directors then in office shall cease to hold office at the close of the meeting of shareholders at which directors are to be elected but, if qualified, are eligible for re-election. Subject to subsection 122(2) of the Act, the shareholders of the Corporation may by ordinary resolution at an annual or special meeting remove any director before the expiration of his term of office and may, by a majority of the votes cast at the meeting, elect any person in his stead for the remainder of his term.

Whenever at any election of directors of the Corporation the number or the minimum number of directors required by the articles is not elected by reason of the disqualification, incapacity or the death of any candidates, the directors elected at that meeting may exercise all the powers of the directors if the number of directors so elected constitutes a quorum pending the holding of a meeting of shareholders in accordance with subsection 124(3) of the Act.

A retiring director shall cease to hold office at the close of the meeting at which his successor is elected unless such meeting was called for the purpose of removing him from office as a director in which case the director so removed shall vacate office forthwith upon the passing of the resolution for his removal.

10. Validity of acts. An act done by a director or by an officer is not invalid by reason only of any defect that is thereafter discovered in his appointment, election or qualification.

#### MEETINGS OF DIRECTORS

11. Place of meeting. Meetings of directors and of any committee of directors may be held at any place within or outside Ontario and in any financial year a majority of the meetings of the board of directors need not be held at a place within Canada. A meeting of directors may be convened by the Chairman of the Board (if any), the President or any director at any time and the Secretary shall upon direction of any of the foregoing convene a meeting of directors. A quorum of the directors may, at any time, call a meeting of the directors for the

transaction of any business the general nature of which is specified in the notice calling the meeting.

12. Notice. Notice of the time and place for the holding of any such meeting shall be sent to each director not less than two days (exclusive of the day on which the notice is sent but inclusive of the day for which notice is given) before the date of the meeting; provided that meetings of the directors or of any committee of directors may be held at any time without formal notice if all the directors are present (except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all the absent directors have waived notice.

Notice of the time and place for the holding of any meeting of directors or any committee of directors may be given by delivery, telegraph, cable, telex or other electronic means that produces a written copy.

For the first meeting of directors to be held following the election of directors at an annual or special meeting of the shareholders or for a meeting of directors at which a director is appointed to fill a vacancy in the board, no notice of such meeting need be given to the newly elected or appointed director or directors in order for the meeting to be duly constituted, provided a quorum of the directors is present.

13. Waiver of notice. Notice of a meeting of directors or of any committee of directors or any irregularity in a meeting or in the notice thereof may be waived in any manner by any director and such waiver may be validly given either before or after the meeting to which such waiver relates. Attendance of a director at a meeting of directors is a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

14. Telephone participation. Where all the directors of the Corporation present at or participating in the meeting consent thereto (either before or after the meeting), a director may participate in a meeting of directors or of any committee of directors by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in a meeting by such means shall be deemed for the purposes of the Act to be present at that meeting. If the majority of the directors participating in the meeting are then in Canada, the meeting shall be deemed to be held in Canada.

15. Adjournment. Any meeting of directors or of any committee of directors may be adjourned from time to time by the chairman of the meeting, with the consent of the meeting, to a fixed time and place and no notice of the time and place for the holding of the adjourned meeting need be given to any director if the time and place of the adjourned meeting is announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The directors who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

16. Quorum and voting. A majority of the number of directors or minimum number of directors required by the articles shall constitute a quorum for the transaction of business. If the Corporation has fewer than three directors, all directors must be present at any meeting of directors to constitute a quorum. Subject to subsection 124(1) and subsection 126(7) of the Act, no business shall be transacted by the directors except at a meeting of directors at which a quorum is present and at which a majority of the directors present are resident Canadians or, where the Corporation has fewer than three directors, at which one of the directors present is a resident Canadian. Questions arising at any meeting of directors shall be decided by a majority of votes. In case of an equality of votes, the chairman of the meeting in addition to his original vote shall not have a second or casting vote.

#### COMMITTEES OF DIRECTORS

17. General. The directors may from time to time appoint from their number a committee of directors, a majority of whom shall be resident Canadians, and may delegate to such committee any of the powers of the directors, except that no such committee shall have the authority to:

- (a) submit to the shareholders any question or matter requiring the approval of the shareholders;
- (b) fill a vacancy among the directors or in the office of auditor or appoint or remove any of the chief executive officer, however designated, the chief financial officer, however designated, the chairman or the president of the Corporation;
- (c) subject to section 183 of the Act, issue securities except in the manner and on the terms authorized by the directors;
- (d) declare dividends;
- (e) purchase, redeem or otherwise acquire shares issued by the Corporation;
- (f) pay a commission referred to in section 37 of the Act;
- (g) approve a management information circular referred to in Part VIII of the Act;
- (h) approve a take-over bid circular, directors' circular, or issuer bid circular referred to in Part XIX of the Securities Act;
- (i) approve any financial statements referred to in clause 153(1)(b) of the Act and Part XVII of the Securities Act; or
- (j) adopt, amend or repeal by-laws.

18. Audit Committee. If the Corporation is an "offering corporation" as defined in paragraph 1(1)27 of the Act, the board of directors shall, and otherwise the directors

may, elect annually from among their number an audit committee to be composed of not fewer than 3 directors, a majority of whom are not officers or employees of the Corporation or any of its affiliates, to hold office until the next annual meeting of the shareholders.

Each member of the audit committee shall serve during the pleasure of the board of directors and, in any event, only so long as he shall be a director. The directors may fill vacancies in the audit committee by election from among their number.

The audit committee shall have power to fix its quorum at not less than a majority of its members and to determine its own rules of procedure subject to any regulations imposed by the board of directors from time to time and to the following paragraph.

The auditor of the Corporation is entitled to receive notice of every meeting of the audit committee and, at the expense of the Corporation, to attend and be heard thereat; and, if so requested by a member of the audit committee, shall attend every meeting of the committee held during the term of office of the auditor. The auditor of the Corporation or any member of the audit committee may call a meeting of the committee.

The audit committee shall review the financial statements of the Corporation and shall report thereon to the board of directors of the Corporation prior to approval thereof by the board of directors and shall have such other powers and duties as may from time to time by resolution be assigned to it by the board.

#### REMUNERATION OF DIRECTORS, OFFICERS AND EMPLOYEES

19. The remuneration to be paid to the directors of the Corporation shall be such as the directors shall from time to time by resolution determine and such remuneration shall be in addition to the salary paid to any officer or employee of the Corporation who is also a director. The directors may also by resolution award special remuneration to any director in undertaking any special services on the Corporation's behalf other than the normal work ordinarily required of a director of a corporation. The confirmation of any such resolution or resolutions by the shareholders shall not be required. The directors may fix the remuneration of the officers and employees of the Corporation. The directors, officers and employees shall also be entitled to be paid their traveling and other expenses properly incurred by them in connection with the affairs of the Corporation.

#### SUBMISSION OF CONTRACTS OR TRANSACTIONS TO SHAREHOLDERS FOR APPROVAL

20. The directors in their discretion may submit any contract, act or transaction for approval, ratification or confirmation at any meeting of the shareholders called for the purpose of considering the same and any contract, act or transaction that shall be approved, ratified or confirmed by resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's articles or by-laws) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified and/or confirmed by every shareholder of the Corporation.

FOR THE PROTECTION OF DIRECTORS AND OFFICERS

21. No director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense suffered or incurred by the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, firm or corporation including any person, firm or corporation with whom or which any moneys, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office of trust or in relation thereto, unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly and in good faith with a view to the best interests of the Corporation, and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, provided that nothing herein contained shall relieve a director or officer from the duty to act in accordance with the Act or regulations made thereunder or relieve him from liability for a breach thereof. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board of directors. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Corporation, the fact of his being a shareholder, director or officer of the Corporation shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

INDEMNITIES TO DIRECTORS AND OTHERS

22. Subject to subsections 136(2) and (3) of the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of such corporation or body corporate, if

- (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and

- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

The Corporation is hereby authorized to execute agreements evidencing its indemnity in favour of the foregoing persons to the full extent permitted by law.

#### OFFICERS

23. Appointment of officers. The directors shall annually or as often as may be required appoint a President and a Secretary and if deemed advisable may annually or as often as may be required appoint a Chairman of the Board, one or more Vice-Presidents, a Treasurer and one or more Assistant Secretaries and/or one or more Assistant Treasurers. None of such officers, except the Chairman of the Board, need be a director of the Corporation. Any director may be appointed to any office of the Corporation. Two or more of such offices may be held by the same person. In case and whenever the same person holds the offices of Secretary and Treasurer he may but need not be known as the Secretary-Treasurer. The directors may from time to time appoint such other officers, employees and agents as they shall deem necessary who shall have such authority and shall perform such functions and duties as may from time to time be prescribed by resolution of the directors.

24. Removal of officers, etc. All officers, employees and agents, in the absence of agreement to the contrary, shall be subject to removal by resolution of the directors at any time, with or without cause.

25. Duties of officers may be delegated. In case of the absence or inability or refusal to act of any officer of the Corporation or for any other reason that the directors may deem sufficient, the directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

26. Chairman of the Board. The Chairman of the Board (if any), shall when present preside at all meetings of the directors, any committee of the directors and shareholders, shall sign such documents as may require his signature in accordance with the by-laws of the Corporation and shall have such other powers and shall perform such other duties as may from time to time be assigned to him by resolution of the directors or as are incident to his office.

27. President. The President shall be the chief executive officer of the Corporation and shall exercise general supervision over the business and affairs of the Corporation. In the absence of the Chairman of the Board (if any), and if the President is also a director of the Corporation, the President shall, when present, preside at all meetings of the directors, any committee of the directors and shareholders; he shall sign such contracts, documents or instruments in writing as require his signature and shall have such other powers and shall perform such other duties as may from time to time be assigned to him by resolution of the directors or as are incident to his office.

28. Vice-President. The Vice-President or, if more than one, the Vice-Presidents in order of seniority, shall be vested with all the powers and shall perform all the

duties of the President in the absence or inability or refusal to act of the President, provided, however, that a Vice-President who is not a director shall not preside as chairman at any meeting of directors or shareholders. The Vice-President or, if more than one, the Vice-Presidents in order of seniority, shall sign such contracts, documents or instruments in writing as require his or their signatures and shall also have such other powers and duties as may from time to time be assigned to him or them by resolution of the directors.

29. Secretary. The Secretary shall give or cause to be given notices for all meetings of the directors, any committee of the directors and shareholders when directed to do so and shall have charge of the minute books of the Corporation and, subject to the provisions of paragraph 45 hereof, of the documents and registers referred to in subsections 140(1) and (2) of the Act. He shall sign such contracts, documents or instruments in writing as require his signature and shall have such other powers and duties as may from time to time be assigned to him by resolution of the directors or as are incident to his office.

30. Treasurer/Controller. Subject to the provisions of any resolution of the directors, the Treasurer or the Controller shall have the care and custody of all the funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or with such other depository or depositories as the directors may by resolution direct. He shall prepare and maintain adequate accounting records. He shall manage the Corporation's financial information systems and shall provide financial information and data to the directors of the Corporation. He shall sign such contracts, documents or instruments in writing as require his signature and shall have such other powers and duties as may from time to time be assigned to him by resolution of the directors or as are incident to his office. He may be required to give such bond for the faithful performance of his duties as the directors in their uncontrolled discretion may require and no director shall be liable for failure to require any such bond or for the insufficiency of any such bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided. If the Corporation should appoint both a Treasurer and a Controller, their respective duties shall be allocated between them in such manner as the directors may determine, provided that in such circumstances the Controller shall report to the Treasurer.

30A. Compliance Officer. Subject to the provisions of any resolution of the directors, the Compliance Officer shall have the responsibility for ensuring that the Corporation complies with all rules and regulations of any statutory or regulatory body or similar authority having jurisdiction over the Corporation or any organization of which the Corporation is a member including any stock exchange, securities exchange or commodities exchange. He shall advise the Corporation of the requirements of such entities and shall assist the directors in the development of policies to ensure compliance therewith. He shall prepare and maintain adequate records to comply with the requirements of any such institution or organization and he shall sign such contracts, documents or instruments in writing as require his signature and shall have such other powers and duties as may from time to time be assigned to him by resolution of the directors or as are incident to his office.

31. Assistant Secretary and Assistant Treasurer. The Assistant Secretary or, if more than one, the Assistant Secretaries in order of seniority, and the Assistant Treasurer or, if more than one, the Assistant Treasurers in order of seniority, shall perform all the duties of the

Secretary and Treasurer, respectively, in the absence or inability to act of the Secretary or Treasurer as the case may be. The Assistant Secretary or Assistant Secretaries, if more than one, and the Assistant Treasurer or Assistant Treasurers, if more than one, shall sign such contracts, documents or instruments in writing as require his or their signatures respectively and shall have such other powers and duties as may from time to time be assigned to them by resolution of the directors.

32. Managing Director. The directors may from time to time appoint from their number a Managing Director who is a resident Canadian and may delegate to the Managing Director any of the powers of the directors subject to the limits on authority provided by subsection 127(3) of the Act. A Managing Director shall conform to all lawful orders given to him by the directors of the Corporation and shall at all reasonable times give to the directors or any of them all information they may require regarding the affairs of the Corporation. Any agent or employee appointed by a Managing Director shall be subject to discharge by the directors.

33. Vacancies. If the office of Chairman of the Board, President, Vice-President, Secretary, Assistant Secretary, Treasurer, Controller, Assistant Treasurer, Compliance Officer, or any other office created by the directors pursuant to paragraph 23 hereof shall be or become vacant by reason of death, resignation or in any other manner whatsoever, the directors shall in the case of the President or the Secretary and may in the case of the other officers appoint an officer to fill such vacancy.

#### SHAREHOLDERS' MEETINGS

34. Annual or special meetings. Subject to subsection 104(1) of the Act, the directors of the Corporation,

- (a) shall call an annual meeting of shareholders not later than 15 months after holding the last preceding annual meeting; and
- (b) may at any time call a special meeting of shareholders.

35. Place of meetings. Subject to the articles and any unanimous shareholder agreement, a meeting of the shareholders of the Corporation may be held at such place in or outside Ontario as the directors may determine or, in the absence of such a determination, at the place where the registered office of the Corporation is located.

36. Notice. A notice stating the day, hour and place of meeting and, if special business is to be transacted thereat, stating (or accompanied by a statement of) (i) the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon, and (ii) the text of any special resolution or by-law to be submitted to the meeting, shall be served by sending such notice to each person who is entitled to notice of such meeting and who on the record date for notice appears on the records of the Corporation or its transfer agent as a shareholder entitled to vote at the meeting and to each director of the Corporation and to the auditor of the Corporation by prepaid mail not less than 21 days and not more than 50 days (exclusive of the day of mailing and of the day for which notice is given) before the date (if the Corporation is an offering corporation as such term is defined in the Act) or not less than 10 days



before the date (if the Corporation is not an offering corporation) of every meeting addressed to the latest address of each such person as shown in the records of the Corporation or its transfer agent, or if no address is shown therein, then to the last address of each such person known to the Secretary; provided that a meeting of shareholders may be held for any purpose at any date and time and at any place without notice if all the shareholders and other persons entitled to notice of such meeting are present in person or represented by proxy at the meeting (except where the shareholder or such other person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all the shareholders and other persons entitled to notice of such meeting and not present in person nor represented by proxy thereat waive notice of the meeting. Notice of any meeting of shareholders or the time for the giving of any such notice or any irregularity in any such meeting or in the notice thereof may be waived in any manner by any shareholder, the duly appointed proxy of any shareholder, any director or the auditor of the Corporation and any other person entitled to attend a meeting of shareholders, and any such waiver may be validly given either before or after the meeting to which such waiver relates.

The auditor of the Corporation is entitled to attend any meeting of shareholders of the Corporation and to receive all notices and other communications relating to any such meeting that a shareholder is entitled to receive.

37. Omission of notice. The accidental omission to give notice of any meeting to or the non-receipt of any notice by any person shall not invalidate any resolution passed or any proceeding taken at any meeting of shareholders.

38. Record dates for notice of meetings. Subject to subsection 95(4) of the Act, the directors may also fix in advance the date as the record date for the determination of shareholders entitled to receive notice of a meeting of shareholders, but such record date shall not precede by more than 50 days or by less than 21 days the date on which the meeting is to be held.

If no record date is fixed, the record date for the determination of the shareholders entitled to receive notice of a meeting of the shareholders shall be

- (i) at the close of business on the day immediately preceding the day on which notice is given; or
- (ii) if no notice is given, the day on which the meeting is held.

39. Votes. Every question submitted to any meeting of shareholders shall be decided in the first instance on a show of hands and in case of an equality of votes the chairman of the meeting shall neither on a show of hands nor at a poll have a second or casting vote in addition to the vote or votes to which he may be entitled as a shareholder or proxy nominee.

At any meeting, unless a poll is demanded by a shareholder or proxyholder entitled to vote at the meeting, either before or after any vote by a show of hands, a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the motion.

In the absence of the Chairman of the Board (if any), the President and any Vice-President who is a director, the shareholders present entitled to vote shall choose another director as chairman of the meeting and if no director is present or if all the directors present decline to take the chair then the shareholders present shall choose one of their number to be chairman.

If at any meeting a poll is demanded on the election of a chairman or on the question of adjournment or termination, the poll shall be taken forthwith without adjournment. If a poll is demanded on any other question or as to the election of directors, the poll shall be taken by ballot in such manner and either at once or later at the meeting or after adjournment as the chairman of the meeting directs. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A demand for a poll may be made either before or after any vote by show of hands and may be withdrawn.

Where two or more persons hold the same share or shares jointly, any one of such persons present at a meeting of shareholders has the right, in the absence of the other or others, to vote in respect of such share or shares, but if more than one of such persons are present or represented by proxy and vote, they shall vote together as one on the share or shares jointly held by them.

40. Proxies. Votes at meetings of the shareholders may be given either personally or by proxy. At every meeting at which he is entitled to vote, every shareholder present in person and every proxyholder shall have one vote on a show of hands. Upon a poll at which he is entitled to vote every shareholder present in person or by proxy shall (subject to the provisions, if any, of the Corporation's articles) have one vote for every share registered in his name.

Every shareholder, including a shareholder that is a body corporate, entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder or proxyholders or one or more alternate proxyholders, who need not be shareholders, as his nominee to attend and act at the meeting in the manner, to the extent and with the authority conferred by the proxy.

A proxy shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a body corporate, by an officer or attorney thereof duly authorized. If the Corporation is an "offering corporation" as defined in paragraph 1(1)27 of the Act, any such proxy appointing a proxyholder to attend and act at a meeting or meetings of shareholders ceases to be valid one year from its date.

An instrument appointing a proxyholder may be in the following form or in any other form which complies with the regulations made under the Act:

"The undersigned shareholder of 924689 ONTARIO INC. hereby appoints \_\_\_\_\_ of \_\_\_\_\_, whom failing, \_\_\_\_\_, of \_\_\_\_\_ as the nominee of the undersigned to attend and act for and on behalf of the undersigned at the meeting of the shareholders of the said Corporation to be held on the \_\_\_\_ day of \_\_\_\_\_, 19\_\_ and at any

adjournment thereof in the same manner, to the same extent and with the same power as if the undersigned were personally present at the said meeting or such adjournment thereof.

Dated the \_\_\_\_ day of \_\_\_\_\_, 19\_\_.

\_\_\_\_\_  
Signature of Shareholder

This form of proxy must be signed by a shareholder or his attorney authorized in writing or, if the shareholder is a body corporate, by an officer or attorney thereof duly authorized."

The directors may from time to time pass regulations regarding the lodging of instruments appointing a proxyholder at some place or places other than the place at which a meeting or adjourned meeting of shareholders is to be held and for particulars of such instruments to be telegraphed, cabled, telexed, sent in writing or otherwise communicated by electronic means that produces a written copy before the meeting or adjourned meeting to the Corporation or any agent of the Corporation appointed for the purpose of receiving such particulars and providing that instruments appointing a proxyholder so lodged may be voted upon as though the instruments themselves were produced at the meeting or adjourned meeting and votes given in accordance with such regulations shall be valid and shall be counted. The chairman of the meeting of shareholders may, subject to any regulations made as aforesaid, in his discretion accept telegraphic, telex, cable or written communication, or electronic communication that produces a written copy, as to the authority of anyone claiming to vote on behalf of and to represent a shareholder notwithstanding that no instrument of proxy conferring such authority has been lodged with the Corporation, and any votes given in accordance with such telegraphic, telex, cable, written or electronic communication accepted by the chairman of the meeting shall be valid and shall be counted.

41. Adjournment. The chairman of the meeting may with the consent of the meeting adjourn any meeting of shareholders from time to time to a fixed time and place and if the meeting is adjourned for less than thirty (30) days, no notice of the time and place for the holding of the adjourned meeting need be given to any shareholder, other than by announcement at the earliest meeting that is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of thirty (30) days or more, notice of the adjourned meeting shall be given as for an original meeting but, unless the meeting is adjourned by one or more adjournments for an aggregate of more than ninety (90) days, section 111 of the Act does not apply. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The persons who formed a quorum at the original meeting are not required to form a quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

42. Quorum. Two (2) persons present and each holding or representing by proxy at least one (1) issued share of the Corporation shall be a quorum of any meeting of shareholders for the choice of a chairman of the meeting and for the adjournment of the meeting

to a fixed time and place but may not transact any other business; for all other purposes a quorum for any meeting shall be persons present not being less than two (2) in number and holding or representing by proxy not less than a majority of the total number of the issued shares of the Corporation for the time being enjoying voting rights at such meeting. If a quorum is present at the opening of a meeting of shareholders, the shareholders present may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting.

Notwithstanding the foregoing, if the Corporation has only one shareholder, or only one shareholder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting and a quorum for such meeting.

#### SHARES AND TRANSFERS

43. Issuance. Subject to the articles of the Corporation and any unanimous shareholder agreement, shares in the Corporation may be issued at such time and issued to such persons and for such consideration as the directors may determine.

44. Security certificates. Security certificates (and the form of transfer power on the reverse side thereof) shall (subject to compliance with section 56 of the Act) be in such form as the directors may from time to time by resolution approve and, subject to subsection 55(3) of the Act, such certificates shall be signed manually by at least one director or officer of the Corporation or by or on behalf of a registrar, transfer agent, branch transfer agent or issuing or other authenticating agent of the Corporation, or by a trustee who certifies it in accordance with a trust indenture, and any additional signatures required on a security certificate may be printed or otherwise mechanically reproduced thereon. Notwithstanding any change in the persons holding an office between the time of actual signing and the issuance of any certificate and notwithstanding that a person signing may not have held office at the date of issuance of such certificate, any such certificate so signed shall be valid and binding upon the Corporation.

45. Transfer agents. For each class of securities and warrants issued by the Corporation, the directors may from time to time by resolution appoint or remove,

- (a) a trustee, transfer agent or other agent to keep the securities register and the register of transfer and one or more persons or agents to keep branch registers; and
- (b) a registrar, trustee or agent to maintain a record of issued security certificates and warrants,

and subject to section 48 of the Act, one person may be appointed for the purposes of both clauses (a) and (b) in respect of all securities and warrants of the Corporation or any class or classes thereof.

46. Surrender of security certificates. Subject to the Act, no transfer of a security issued by the Corporation shall be recorded or registered unless and until (i) the security certificate representing the security to be transferred has been surrendered and cancelled, or (ii) if

no security certificate has been issued by the Corporation in respect of such share, a duly executed security transfer power in respect thereof has been presented for registration.

47. Defaced, destroyed, stolen or lost security certificates. In case of the defacement, destruction, theft or loss of a security certificate, the fact of such defacement, destruction, theft or loss shall be reported by the owner to the Corporation or to an agent of the Corporation (if any) acting on behalf of the Corporation, with a statement verified by oath or statutory declaration as to the defacement, destruction, theft or loss and the circumstances concerning the same and with a request for the issuance of a new security certificate to replace the one so defaced, destroyed, stolen or lost. Upon the giving to the Corporation (or, if there be an agent, hereinafter in this paragraph referred to as the "Corporation's agent", then to the Corporation and the Corporation's agent) of an indemnity bond of a surety company in such form as is approved by the directors or by the Chairman of the Board (if any), the President, a Vice-President, the Secretary or the Treasurer of the Corporation, indemnifying the Corporation (and the Corporation's agent if any) against all loss, damage and expense, which the Corporation and/or the Corporation's agent may suffer or be liable for by reason of the issuance of a new security certificate to such shareholder, and provided the Corporation or the Corporation's agent does not have notice that the security has been acquired by a bona fide purchaser, a new security certificate may be issued in replacement of the one defaced, destroyed, stolen or lost, if such issuance is ordered and authorized by any one of the Chairman of the Board (if any), the President, a Vice-President, the Secretary or the Treasurer of the Corporation or by resolution of the directors.

#### DIVIDENDS

48. The directors may from time to time by resolution declare and the Corporation may pay dividends on its issued shares, subject to the provisions (if any) of the Corporation's articles.

The directors shall not declare and the Corporation shall not pay a dividend if there are reasonable grounds for believing that:

- (a) the Corporation is, or, after the payment, would be unable to pay its liabilities as they become due; or
- (b) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes.

The directors may declare and the Corporation may pay a dividend by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation and, subject to section 38 of the Act, the Corporation may pay a dividend in money or property.

49. In case several persons are registered as the joint holders of any securities of the Corporation, any one of such persons may give effectual receipts for all dividends and payments on account of dividends, principal, interest and/or redemption payments on redemption of securities (if any) subject to redemption in respect of such securities.

## RECORD DATES

50. Subject to subsection 95(4) of the Act, the directors may fix in advance a date as the record date for the determination of shareholders (i) entitled to receive payment of a dividend, (ii) entitled to participate in a liquidation or distribution, or (iii) for any other purpose except the right to receive notice of or to vote at a meeting of shareholders, but such record date shall not precede by more than 50 days the particular action to be taken.

If no record is fixed, the record date for the determination of shareholders for any purpose, other than to establish a record date for the determination of shareholders entitled to receive notice of a meeting of shareholders or to vote, shall be the close of business on the day on which the directors pass the resolution relating thereto.

## VOTING SECURITIES IN OTHER ISSUERS

51. All securities of any other body corporate or issuer of securities carrying voting rights held from time to time by the Corporation may be voted at all meetings of shareholders, bondholders, debenture holders or holders of such securities, as the case may be, of such other body corporate or issuer and in such manner and by such person or persons as the directors of the Corporation shall from time to time determine and authorize by resolution. The duly authorized signing officers of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the directors.

## NOTICES, ETC.

52. Service. Any notice or other document required to be given or sent by the Corporation to any shareholder or director of the Corporation shall be delivered personally or sent by prepaid mail or by telegram, telex or other electronic means that produces a written copy addressed to:

- (a) the shareholder at his latest address as shown on the records of the Corporation or its transfer agent; and
- (b) the director at his latest address as shown in the records of the Corporation or in the last notice filed under the Corporations Information Act, whichever is the more current.

With respect to every notice or other document sent by prepaid mail it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed and put into a post office or into a post office letter box and shall be deemed to be received by the addressee on the fifth day after mailing.

53. If the Corporation sends a notice or document to a shareholder and the notice or document is returned on three consecutive occasions because the shareholder cannot be

found, the Corporation is not required to send any further notices or documents to the shareholder until he informs the Corporation in writing of his new address.

54. Shares registered in more than one name. All notices or other documents shall, with respect to any shares in the capital of the Corporation registered in more than one name, be given to whichever of such persons is named first in the records of the Corporation and any notice or other document so given shall be sufficient notice or delivery of such document to all the holders of such shares.

55. Persons becoming entitled by operation of law. Every person who by operation of law, transfer or by any other means whatsoever shall become entitled to any shares in the capital of the Corporation shall be bound by every notice or other document in respect of such shares which prior to his name and address being entered on the records of the Corporation shall have been duly given to the person or persons from whom he derives his title to such shares.

56. Deceased shareholder. Any notice or other document delivered or sent by post or left at the address of any shareholder as the same appears in the records of the Corporation shall, notwithstanding that such shareholder be then deceased and whether or not the Corporation has notice of his decease, be deemed to have been duly served in respect of the shares held by such shareholder (whether held solely or with other persons) until some other person be entered in his stead in the records of the Corporation as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or other document on his heirs, executors or administrators and all persons (if any) interested with him in such shares.

57. Signatures to notices. The signature of any director or officer of the Corporation to any notice may be written, printed or otherwise mechanically reproduced.

58. Computation of time. Where a given number of days notice or notice extending over any period is required to be given under any provisions of the articles or by-laws of the Corporation, the day of service, posting or other communication of the notice shall not be counted in such number of days or other period, and such number of days or other period shall commence on the day following the day of service, posting or other communication of the notice and shall terminate at midnight of the last day of the period except that if the last day of the period falls on a Sunday or holiday the period shall terminate at midnight of the day next following that is not a Sunday or holiday.

59. Proof of service. A certificate of any officer of the Corporation in office at the time of the making of the certificate or of an agent of the Corporation as to facts in relation to the mailing or delivery or service of any notice or other documents to any shareholder, director, officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every shareholder, director, officer or auditor of the Corporation, as the case may be.

CHEQUES, DRAFTS, NOTES, ETC.

60. All cheques, drafts or orders for the payment of

money and all notes, acceptances and bills of exchange shall be signed by such officer or officers or other person or persons, whether or not officers of the Corporation, and in such manner as the directors may from time to time designate by resolution.

CUSTODY OF SECURITIES

61. All securities (including warrants) owned by the

Corporation shall be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the directors, with such other depositories or in such other manner as may be determined from time to time by the directors.

All securities (including warrants) belonging to the

Corporation may be issued and held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with the right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer thereof to be completed and registration thereof to be effected.

EXECUTION OF CONTRACTS, ETC.

62. Contracts, documents or instruments in writing

requiring the signature of the Corporation may be signed by any director or officer and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The directors are authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation either to sign contracts, documents or instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the Corporation may, when required, be

affixed to contracts, documents or instruments in writing signed as aforesaid or by an officer or officers, person or persons appointed as aforesaid by resolution of the board of directors.

The term "contracts, documents or instruments in writing" as

used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, immovable or movable, powers of attorney, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of securities and all paper writings.

In particular, without limiting the generality of the

foregoing, any director or officer is authorized to sell, assign, transfer, exchange, convert or convey all securities owned by or registered in the name of the Corporation and to sign and execute (under the seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such securities.



The signature or signatures of any such officer or director of the Corporation and/or of any other officer or officers, person or persons appointed as aforesaid by resolution of the directors may, if specifically authorized by resolution of the directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon all contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or securities of the Corporation on which the signature or signatures of any of the foregoing officers, directors or persons shall be so reproduced, by authorization by resolution of the directors, shall be deemed to have been manually signed by such officers, directors or persons whose signature or signatures is or are so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that the officers, directors or persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or securities of the Corporation.

ENFORCEMENT OF LIEN FOR INDEBTEDNESS

63. Unless the Corporation has shares listed on a stock exchange recognized by the Ontario Securities Commission, the Corporation has a lien on shares registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation. The directors of the Corporation may authorize the Corporation to apply any dividends or other distributions paid or payable on or in respect of the share or shares in respect of which the Corporation has such a lien in repayment of the debt of that shareholder to the Corporation.

FINANCIAL YEAR

64. The financial year of the Corporation shall terminate on such day in each year as the board of directors may from time to time by resolution determine.

ENACTED the 20th day of December, 1990.

WITNESS the corporate seal of the Corporation.

/s/ Randall B. Williamson  
-----  
President

C.S.

/s/ Randall B. Williamson  
-----  
Secretary

The undersigned, being the sole director of 924689 ONTARIO INC., pursuant to subsection 129(1) of the Business Corporations Act, 1982, by his signature hereby makes the foregoing By-law No. 1 of the by-laws of the said Corporation.

DATED the 20th day of December, 1990.

/s/ Randall B. Williamson  
-----  
Randall B. Williamson

The undersigned, being the sole shareholder of 924689 ONTARIO INC., pursuant to subsection 104(1) of the Business Corporations Act, 1982, by his signature hereby confirms without amendment the foregoing By-law No. 1 of the by-laws of the said Corporation made by the director of the said Corporation.

DATED the 20th day of December, 1990.

/s/ Randall B. Williamson

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Randall B. Williamson

BY-LAW NO. 2

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of 924689 ONTARIO INC. (hereinafter called the "Corporation") as follows:

1. The directors may and they are hereby authorized from time to time to
- (a) borrow money upon the credit of the Corporation;
  - (b) limit or increase the amount to be borrowed;
  - (c) issue, reissue, sell or pledge bonds, debentures, notes or other securities or debt obligations of the Corporation;
  - (d) issue, sell or pledge such bonds, debentures, notes or other securities or debt obligations for such sums and at such prices as may be deemed expedient; and
  - (e) mortgage, hypothecate, charge, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real and personal, movable and immovable, property of the Corporation, and the undertaking and rights of the Corporation to secure any such bonds, debentures, notes or other securities or debt obligations, or to secure any present or future borrowing, liability or obligation of the Corporation.

2. The directors may from time to time by resolution delegate to the Chairman of the Board of Directors or the President together with the Secretary or to any two directors of the Corporation all or any of the powers conferred on the directors by paragraph 1 of this by-law to the full extent thereof or such lesser extent as the directors may in any such resolution provide.

3. The powers hereby conferred shall be deemed to be in supplement of and not in substitution for any powers to borrow money for the purposes of the Corporation possessed by its directors or officers independently of a borrowing by-law.

ENACTED the 20th day of December, 1990.

WITNESS the corporate seal of the Corporation.

/s/ Randall B. Williamson

C.S.

/s/ Randall B. Williamson

-----  
President

-----  
Secretary

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The undersigned, being the sole director of 924689 ONTARIO INC., pursuant to subsection 129(1) of the Business Corporations Act, 1982, by his signature hereby makes the foregoing By-law No. 2 of the by-laws of the Corporation.

DATED the 20th day of December, 1990.

/s/ Randall B. Williamson  
-----  
Randall B. Williamson

The undersigned, being the sole shareholder of 924689 ONTARIO INC., pursuant to subsection 104(1) of the Business Corporations Act, 1982, by his signature hereby confirms without amendment the foregoing By-law No. 2 of the by-laws of the Corporation made by the director of the Corporation.

DATED the 20th day of December, 1990.

/s/ Randall B. Williamson  
-----  
Randall B. Williamson

CERTIFICATE OF AMENDMENT  
OF  
CERTIFICATE OF INCORPORATION  
OF  
DAVID KEIGHLEY PRODUCTIONS 70 MM INC.

David Keighley Productions 70 MM Inc., a corporation duly organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify that:

I. The amendment to the Corporation's Certificate of Incorporation set forth below was duly adopted in accordance with the provisions of Section 242 and has been consented to in writing by the sole stockholder in accordance with Section 228 of the General Corporation Law of the State of Delaware.

II. Article 1 of the Corporation's Certificate of Incorporation is amended to read in its entirety as follows:

"The name of the corporation is Imax Post Production Inc."

IN WITNESS WHEREOF, David Keighley Productions 70 MM Inc. has caused this Certificate to be executed by its authorized officer, on this 4th day of May, 2001.

DAVID KEIGHLEY  
PRODUCTIONS 70 MM INC.

By: /s/ Robert D. Lister  
-----  
Name: Robert D. Lister  
Title: Secretary

Exhibit A to Written Consent of  
Sole Stockholder.

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BY-LAWS

OF

70MM INC.

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BY-LAWS  
OF  
70MM INC.  
ARTICLE I  
OFFICES

SECTION 1.01. Registered Office. The registered office of 70MM Inc. (the "Corporation") in the State of Delaware shall be at the principal office of The Corporation Trust Company in the City of Wilmington, County of New Castle, and the registered agent in charge thereof shall be The Corporation Trust Company.

SECTION 1.02. Other Offices. The Corporation may also have an office or offices at any other place or places within or without the State of Delaware as the Board of Directors of the Corporation (the "Board") may from time to time determine or the business of the Corporation may from time to time require.

ARTICLE II  
MEETINGS OF STOCKHOLDERS

SECTION 2.01. Annual Meetings. The annual meeting of stockholders of the Corporation for the election of directors of the Corporation ("Directors"), and for the transaction of such other business as may properly come before such meeting, shall be held at such place, date and time as shall be fixed by the Board and designated in the notice or waiver of notice of such annual meeting; provided, however, that no annual meeting of stockholders need be held if all actions, including the election of Directors, required by the General Corporation Law of the State of Delaware (the "General Corporation Law") to be taken at such annual meeting are taken by written consent in lieu of meeting pursuant to Section 2.09 hereof.

SECTION 2.02. Special Meetings. Special meetings of stockholders for any purpose or purposes may be called by the Board or the Chairman of the Board, the President or the Secretary of the Corporation or by the recordholders of at least a majority of the shares of common stock of the Corporation issued and outstanding ("Shares") and entitled to vote thereat, to be held at such place, date and time as shall be designated in the notice or waiver of notice thereof.

SECTION 2.03. Notice of Meetings. (a) Except as otherwise provided by law, written notice of each annual or special meeting of stockholders stating the place, date and time of such meeting and, in the case of a special meeting, the purpose or purposes for which such meeting is to be held, shall be given personally or by first-class mail (airmail in the case of international communications) to each recordholder of Shares (a "Stockholder") entitled to vote thereat, not less than 10 nor more than 60 days before the date of such meeting. If mailed, such

notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the Stockholder at such Stockholder's address as it appears on the records of the Corporation. If, prior to the time of mailing, the Secretary of the Corporation (the "Secretary") shall have received from any Stockholder a written request that notices intended for such Stockholder are to be mailed to some address other than the address that appears on the records of the Corporation, notices intended for such Stockholder shall be mailed to the address designated in such request.

(b) Notice of a special meeting of Stockholders may be given by the person or persons calling the meeting, or, upon the written request of such person or persons, such notice shall be given by the Secretary on behalf of such person or persons. If the person or persons calling a special meeting of Stockholders give notice thereof, such person or persons shall deliver a copy of such notice to the Secretary. Each request to the Secretary for the giving of notice of a special meeting of Stockholders shall state the purpose or purposes of such meeting.

SECTION 2.04. Waiver of Notice. Notice of any annual or special meeting of Stockholders need not be given to any Stockholder who files a written waiver of notice with the Secretary, signed by the person entitled to notice, whether before or after such meeting. Neither the business to be transacted at, nor the purpose of, any meeting of Stockholders need be specified in any written waiver of notice thereof. Attendance of a Stockholder at a meeting, in person or by proxy, shall constitute a waiver of notice of such meeting, except when such Stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the grounds that the notice of such meeting was inadequate or improperly given.

SECTION 2.05. Adjournments. Whenever a meeting of Stockholders, annual or special, is adjourned to another date, time or place, notice need not be given of the adjourned meeting if the date, time and place thereof are announced at the meeting at which the adjournment is taken. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Stockholder entitled to vote thereat. At the adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

SECTION 2.06. Quorum. Except as otherwise provided by law or the Certificate of Incorporation of the Corporation (the "Certificate of Incorporation"), the recordholders of a majority of the Shares entitled to vote thereat, present in person or by proxy, shall constitute a quorum for the transaction of business at all meetings of Stockholders, whether annual or special. If, however, such quorum shall not be present in person or by proxy at any meeting of Stockholders, the Stockholders entitled to vote thereat may adjourn the meeting from time to time in accordance with Section 2.05 hereof until a quorum shall be present in person or by proxy.

SECTION 2.07. Voting. Each Stockholder shall be entitled to one vote for each Share held of record by such Stockholder. Except as otherwise provided by law or the Certificate of Incorporation, when a quorum is present at any meeting of Stockholders, the vote of the recordholders of a majority of the Shares constituting such quorum shall decide any question brought before such meeting.

SECTION 2.08. Proxies. Each Stockholder entitled to vote at a meeting of Stockholders or to express, in writing, consent to or dissent from any action of Stockholders without a meeting may authorize another person or persons to act for such Stockholder by proxy. Such proxy shall be filed with the Secretary before such meeting of Stockholders or such action of Stockholders without a meeting, at such time as the Board may require. No proxy shall be voted or acted upon more than three years from its date, unless the proxy provides for a longer period.

SECTION 2.09. Stockholders' Consent in Lieu of Meeting. Any action required by the General Corporation Law to be taken at any annual or special meeting of Stockholders, and any action which may be taken at any annual or special meeting of Stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the recordholders of Shares having not less than the minimum number of votes necessary to authorize or take such action at a meeting at which the recordholders of all Shares entitled to vote thereon were present and voted.

### ARTICLE III

#### BOARD OF DIRECTORS

SECTION 3.01. General Powers. The business and affairs of the Corporation shall be managed by the Board, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law, the Certificate of Incorporation or these By-laws directed or required to be exercised or done by Stockholders.

SECTION 3.02. Number and Term of Office. The number of Directors shall be one or such other number as shall be fixed from time to time by the Board. Directors need not be Stockholders. Directors shall be elected at the annual meeting of Stockholders or, if, in accordance with Section 2.01 hereof, no such annual meeting is held, by written consent in lieu of meeting pursuant to Section 2.09 hereof, and each Director shall hold office until his successor is elected and qualified, or until his earlier death or resignation or removal in the manner hereinafter provided.

SECTION 3.03. Resignation. Any Director may resign at any time by giving written notice to the Board, the Chairman of the Board of the Corporation (the "Chairman") or the Secretary. Such resignation shall take effect at the time specified in such notice or, if the time be not specified, upon receipt thereof by the Board, the Chairman or the Secretary, as the case may be. Unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective.

SECTION 3.04. Removal. Any or all of the Directors may be removed, with or without cause, at any time by vote of the recordholders of a majority of the Shares then entitled to vote at an election of Directors, or by written consent of the recordholders of Shares pursuant to Section 2.09 hereof.

SECTION 3.05. Vacancies. Vacancies occurring on the Board as a result of the removal of Directors without cause may be filled only by vote of the recordholders of a majority of the Shares then entitled to vote at an election of Directors, or by written consent of such recordholders pursuant to Section 2.09 hereof. Vacancies occurring on the Board for any other reason, including, without limitation, vacancies occurring as a result of the creation of new directorships that increase the number of Directors, may be filled by such vote or written consent or by vote of the Board or by written consent of the Directors pursuant to Section 3.08 hereof. If the number of Directors then in office is less than a quorum, such other vacancies may be filled by vote of a majority of the Directors then in office or by written consent of all such Directors pursuant to Section 3.08 hereof. Unless earlier removed pursuant to Section 3.04 hereof, each Director chosen in accordance with this Section 3.05 shall hold office until the next annual election of Directors by the Stockholders and until his successor shall be elected and qualified.

SECTION 3.06. Meetings. (a) Annual Meetings. As soon as practicable after each annual election of Directors by the Stockholders, the Board shall meet for the purpose of organization and the transaction of other business, unless it shall have transacted all such business by written consent pursuant to Section 3.08 hereof.

(b) Other Meetings. Other meetings of the Board shall be held at such times as the Chairman, the President of the Corporation (the "President"), the Secretary or a majority of the Board shall from time to time determine.

(c) Notice of Meetings. The Secretary shall give written notice to each Director of each meeting of the Board, which notice shall state the place, date, time and purpose of such meeting. Notice of each such meeting shall be given to each Director, if by mail, addressed to him at his residence or usual place of business, at least two days before the day on which such meeting is to be held, or shall be sent to him at such place by telecopy, telegraph, cable, or other form of recorded communication, or be delivered personally or by telephone not later than the day before the day on which such meeting is to be held. A written waiver of notice, signed by the Director entitled to notice, whether before or after the time of the meeting referred to in such waiver, shall be deemed equivalent to notice. Neither the business to be transacted at, nor the purpose of any meeting of the Board need be specified in any written waiver of notice thereof. Attendance of a Director at a meeting of the Board shall constitute a waiver of notice of such meeting, except as provided by law.

(d) Place of Meetings. The Board may hold its meetings at such place or places within or without the State of Delaware as the Board or the Chairman may from time to time determine, or as shall be designated in the respective notices or waivers of notice of such meetings.

(e) Quorum and Manner of Acting. One-third of the total number of Directors then in office (but in no event less than two if the total number of directorships, including vacancies, is greater than one and in no event a number less than one-third of the total number of directorships, including vacancies) shall be present in person at any meeting of the Board in order to constitute a quorum for the transaction of business at such meeting, and the vote of a majority of those Directors present at any such meeting at which a quorum is present shall be necessary for the passage of any resolution or act of the Board, except as otherwise

expressly required by law, the Certificate of Incorporation or these By-laws. In the absence of a quorum for any such meeting, a majority of the Directors present thereat may adjourn such meeting from time to time until a quorum shall be present.

(f) Organization. At each meeting of the Board, one of the following shall act as chairman of the meeting and preside, in the following order of precedence:

- (i) the Chairman;
- (ii) the President;
- (iii) any Director chosen by a majority of the Directors present.

The Secretary or, in the case of his absence, any person (who shall be an Assistant Secretary, if an Assistant Secretary is present) whom the chairman of the meeting shall appoint shall act as secretary of such meeting and keep the minutes thereof.

SECTION 3.07. Committees of the Board. The Board may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more Directors. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another Director to act at the meeting in the place of any such absent or disqualified member. Any committee of the Board, to the extent provided in the resolution of the Board designating such committee, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; provided, however, that no such committee shall have such power or authority in reference to amending the Certificate of Incorporation (except that such a committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the Board as provided in Section 151(a) of the General Corporation Law, fix the designations and any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the Corporation or the conversion into, or the exchange of such shares for, shares of any other class or classes of stock of the Corporation or fix the number of shares of any series of stock or authorize the increase or decrease of the shares of any series), adopting an agreement of merger or consolidation under Section 251 or 252 of the General Corporation Law, recommending to the Stockholders the sale, lease or exchange of all or substantially all the Corporation's property and assets, recommending to the Stockholders a dissolution of the Corporation or the revocation of a dissolution, or amending these By-laws; provided further, however, that, unless expressly so provided in the resolution of the Board designating such committee, no such committee shall have the power or authority to declare a dividend, to authorize the issuance of stock, or to adopt a certificate of ownership and merger pursuant to Section 253 of the General Corporation Law. Each committee of the Board shall keep regular minutes of its proceedings and report the same to the Board when so requested by the Board.

SECTION 3.08. Directors' Consent in Lieu of Meeting. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by all the members of the Board or such committee and such consent is filed with the minutes of the proceedings of the Board or such committee.

SECTION 3.09. Action by Means of Telephone or Similar Communications Equipment. Any one or more members of the Board, or of any committee thereof, may participate in a meeting of the Board or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

SECTION 3.10. Compensation. Unless otherwise restricted by the Certificate of Incorporation, the Board may determine the compensation of Directors. In addition, as determined by the Board, Directors may be reimbursed by the Corporation for their expenses, if any, in the performance of their duties as Directors. No such compensation or reimbursement shall preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

#### ARTICLE IV

##### OFFICERS

SECTION 4.01. Officers. The officers of the Corporation shall be the Chairman, the President, the Secretary and a Treasurer and may include one or more Vice Presidents and one or more Assistant Secretaries and one or more Assistant Treasurers. Any two or more offices may be held by the same person.

SECTION 4.02. Authority and Duties. All officers shall have such authority and perform such duties in the management of the Corporation as may be provided in these By-laws or, to the extent not so provided, by resolution of the Board.

SECTION 4.03. Term of Office, Resignation and Removal. (a) Each officer shall be appointed by the Board and shall hold office for such term as may be determined by the Board. Each officer shall hold office until his successor has been appointed and qualified or his earlier death or resignation or removal in the manner hereinafter provided. The Board may require any officer to give security for the faithful performance of his duties.

(b) Any officer may resign at any time by giving written notice to the Board, the Chairman, the President or the Secretary. Such resignation shall take effect at the time specified in such notice or, if the time be not specified, upon receipt thereof by the Board, the Chairman, the President or the Secretary, as the case may be. Unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective.

(c) All officers and agents appointed by the Board shall be subject to removal, with or without cause, at any time by the Board or by the action of the recordholders of a majority of the Shares entitled to vote thereon.

SECTION 4.04. Vacancies. Any vacancy occurring in any office of the Corporation, for any reason, shall be filled by action of the Board. Unless earlier removed pursuant to Section 4.03 hereof, any officer appointed by the Board to fill any such vacancy shall serve only until such time as the unexpired term of his predecessor expires unless reappointed by the Board.

SECTION 4.05. The Chairman. The Chairman shall have the power to call special meetings of Stockholders, to call special meetings of the Board and, if present, to preside at all meetings of Stockholders and all meetings of the Board. The Chairman shall perform all duties incident to the office of Chairman of the Board and all such other duties as may from time to time be assigned to him by the Board or these By-laws.

SECTION 4.06. The President. The President shall be the chief executive officer of the Corporation and shall have general and active management and control of the business and affairs of the Corporation, subject to the control of the Board, and shall see that all orders and resolutions of the Board are carried into effect. The President shall perform all duties incident to the office of President and all such other duties as may from time to time be assigned to him by the Board or these By-laws.

SECTION 4.07. Vice Presidents. Vice Presidents, if any, in order of their seniority or in any other order determined by the Board, shall generally assist the President and perform such other duties as the Board or the President shall prescribe, and in the absence or disability of the President, shall perform the duties and exercise the powers of the President.

SECTION 4.08. The Secretary. The Secretary shall, to the extent practicable, attend all meetings of the Board and all meetings of Stockholders and shall record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform the same duties for any committee of the Board when so requested by such committee. He shall give or cause to be given notice of all meetings of Stockholders and of the Board, shall perform such other duties as may be prescribed by the Board, the Chairman or the President and shall act under the supervision of the Chairman. He shall keep in safe custody the seal of the Corporation and affix the same to any instrument that requires that the seal be affixed to it and which shall have been duly authorized for signature in the name of the Corporation and, when so affixed, the seal shall be attested by his signature or by the signature of the Treasurer of the Corporation (the "Treasurer") or an Assistant Secretary or Assistant Treasurer of the Corporation. He shall keep in safe custody the certificate books and stockholder records and such other books and records of the Corporation as the Board, the Chairman or the President may direct and shall perform all other duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board, the Chairman or the President.

SECTION 4.09. Assistant Secretaries. Assistant Secretaries of the Corporation ("Assistant Secretaries"), if any, in order of their seniority or in any other order determined by the Board, shall generally assist the Secretary and perform such other duties as the Board or the



Secretary shall prescribe, and, in the absence or disability of the Secretary, shall perform the duties and exercise the powers of the Secretary.

SECTION 4.10. The Treasurer. The Treasurer shall have the care and custody of all the funds of the Corporation and shall deposit such funds in such banks or other depositories as the Board, or any officer or officers, or any officer and agent jointly, duly authorized by the Board, shall, from time to time, direct or approve. He shall disburse the funds of the Corporation under the direction of the Board and the President. He shall keep a full and accurate account of all moneys received and paid on account of the Corporation and shall render a statement of his accounts whenever the Board, the Chairman or the President shall so request. He shall perform all other necessary actions and duties in connection with the administration of the financial affairs of the Corporation and shall generally perform all the duties usually appertaining to the office of treasurer of a corporation. When required by the Board, he shall give bonds for the faithful discharge of his duties in such sums and with such sureties as the Board shall approve.

SECTION 4.11. Assistant Treasurers. Assistant Treasurers of the Corporation ("Assistant Treasurers"), if any, in order of their seniority or in any other order determined by the Board, shall generally assist the Treasurer and perform such other duties as the Board or the Treasurer shall prescribe, and, in the absence or disability of the Treasurer, shall perform the duties and exercise the powers of the Treasurer.

#### ARTICLE V

##### CHECKS, DRAFTS, NOTES, AND PROXIES

SECTION 5.01. Checks, Drafts and Notes. All checks, drafts and other orders for the payment of money, notes and other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall be determined, from time to time, by resolution of the Board.

SECTION 5.02. Execution of Proxies. The Chairman or the President, or, in the absence or disability of both of them, any Vice President, may authorize, from time to time, the execution and issuance of proxies to vote shares of stock or other securities of other corporations held of record by the Corporation and the execution of consents to action taken or to be taken by any such corporation. All such proxies and consents, unless otherwise authorized by the Board, shall be signed in the name of the Corporation by the Chairman, the President or any Vice President.

#### ARTICLE VI

##### SHARES AND TRANSFERS OF SHARES

SECTION 6.01. Certificates Evidencing Shares. Shares shall be evidenced by certificates in such form or forms as shall be approved by the Board. Certificates shall be issued in consecutive order and shall be numbered in the order of their issue, and shall be signed by the

Chairman, the President or any Vice President and by the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer. If such a certificate is manually signed by one such officer, any other signature on the certificate may be a facsimile. In the event any such officer who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to hold such office or to be employed by the Corporation before such certificate is issued, such certificate may be issued by the Corporation with the same effect as if such officer had held such office on the date of issue.

SECTION 6.02. Stock Ledger. A stock ledger in one or more counterparts shall be kept by the Secretary, in which shall be recorded the name and address of each person, firm or corporation owning the Shares evidenced by each certificate evidencing Shares issued by the Corporation, the number of Shares evidenced by each such certificate, the date of issuance thereof and, in the case of cancellation, the date of cancellation. Except as otherwise expressly required by law, the person in whose name Shares stand on the stock ledger of the Corporation shall be deemed the owner and recordholder thereof for all purposes.

SECTION 6.03. Transfers of Shares. Registration of transfers of Shares shall be made only in the stock ledger of the Corporation upon request of the registered holder of such shares, or of his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary, and upon the surrender of the certificate or certificates evidencing such Shares properly endorsed or accompanied by a stock power duly executed, together with such proof of the authenticity of signatures as the Corporation may reasonably require.

SECTION 6.04. Addresses of Stockholders. Each Stockholder shall designate to the Secretary an address at which notices of meetings and all other corporate notices may be served or mailed to such Stockholder, and, if any Stockholder shall fail to so designate such an address, corporate notices may be served upon such Stockholder by mail directed to the mailing address, if any, as the same appears in the stock ledger of the Corporation or at the last known mailing address of such Stockholder.

SECTION 6.05. Lost, Destroyed and Mutilated Certificates. Each recordholder of Shares shall promptly notify the Corporation of any loss, destruction or mutilation of any certificate or certificates evidencing any Share or Shares of which he is the recordholder. The Board may, in its discretion, cause the Corporation to issue a new certificate in place of any certificate theretofore issued by it and alleged to have been mutilated, lost, stolen or destroyed, upon the surrender of the mutilated certificate or, in the case of loss, theft or destruction of the certificate, upon satisfactory proof of such loss, theft or destruction, and the Board may, in its discretion, require the recordholder of the Shares evidenced by the lost, stolen or destroyed certificate or his legal representative to give the Corporation a bond sufficient to indemnify the Corporation against any claim made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

SECTION 6.06. Regulations. The Board may make such other rules and regulations as it may deem expedient, not inconsistent with these By-laws, concerning the issue, transfer and registration of certificates evidencing Shares.

SECTION 6.07. Fixing Date for Determination of Stockholders of Record. In order that the Corporation may determine the Stockholders entitled to notice of or to vote at any meeting of Stockholders or any adjournment thereof, or to express consent to, or to dissent from, corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board may fix, in advance, a record date, which shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other such action. A determination of the Stockholders entitled to notice of or to vote at a meeting of Stockholders shall apply to any adjournment of such meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

ARTICLE VII

SEAL

SECTION 7.01. Seal. The Board may approve and adopt a corporate seal, which shall be in the form of a circle and shall bear the full name of the Corporation, the year of its incorporation and the words "Corporate Seal Delaware".

ARTICLE VIII

FISCAL YEAR

SECTION 8.01. Fiscal Year. The fiscal year of the Corporation shall end on the thirty-first day of December of each year unless changed by resolution of the Board.

ARTICLE IX

INDEMNIFICATION AND INSURANCE

SECTION 9.01. Indemnification. (a) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not

opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

(c) To the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 9.01(a) and (b) of these By-laws, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under Section 9.01(a) and (b) of these By-laws (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 9.01(a) and (b) of these By-laws. Such determination shall be made (i) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the stockholders of the Corporation.

(e) Expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation pursuant to this Article IX. Such expenses (including attorneys' fees) incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board deems appropriate.

(f) The indemnification and advancement of expenses provided by, or granted pursuant to, other Sections of this Article IX shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any law,

by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office.

(g) For purposes of this Article IX, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article IX with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(h) For purposes of this Article IX, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves service by, such director, officer, employee or agent with respect to any employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article IX.

(i) The indemnification and advancement of expenses provided by, or granted pursuant to, this Article IX shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 9.02. Insurance for Indemnification. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of Section 145 of the General Corporation Law.

#### ARTICLE X

##### AMENDMENTS

SECTION 10.01. Amendments. Any By-law (including these By-laws) may be adopted, amended or repealed by the vote of the recordholders of a majority of the Shares then entitled to vote at an election of Directors or by written consent of Stockholders pursuant to

Section 2.09 hereof, or by vote of the Board or by a written consent of Directors pursuant to Section 3.08 hereof.

CONSENT OF THE SOLE DIRECTOR  
OF  
70 MM INC.

THE UNDERSIGNED, being the sole director of 70 MM Inc., a Delaware corporation (the "Corporation"), does hereby consent to and adopt the following resolutions pursuant to Section 141(f) of the Delaware General Corporation Law:

WHEREAS, the Board of Directors desires to amend the Corporation's By-laws regarding the execution of instruments; and

WHEREAS, such amendment has been deemed to be advisable and in the best interests of the Corporation.

NOW, THEREFORE, BE IT RESOLVED, that a new Section 5.03 shall be added to the Corporation's By-laws to read in its entirety as follows:

"SECTION 5.03. Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by:

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The Board of Directors shall have power from time to time to appoint any person or persons, on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the Corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any person or persons appointed as aforesaid by the Board of Directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages,

hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Corporation and to sign and execute (under the seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of any officer or officers, or any director or directors of the Corporation and/or of any other person or persons, appointed as aforesaid by the Board of Directors may, if specifically authorized by the Board of Directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization, by the Board of Directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such



contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation."

RESOLVED, FURTHER, that the officers of this Corporation be, and they hereby are, authorized and directed to take any such further action as may be deemed necessary or advisable in order to carry out the purpose and intent of the foregoing resolutions.

RESOLVED, FURTHER, that the Secretary of the Corporation shall file this Consent with the minutes of the proceedings of the Board of Directors.

IN WITNESS WHEREOF, the undersigned sole director of this Corporation has executed this Consent on June 30, 1997.

/s/ G. Mary Ruby

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G. Mary Ruby

CERTIFICATE OF INCORPORATION

of

IMAX (TITANIC) INC.

-----  
(a Delaware corporation)

(Pursuant to Section 102 of the  
General Corporation Law of Delaware)

FIRST: The name of the Corporation is IMAX (TITANIC) INC. (the  
"Corporation").

SECOND: The address of its registered office in the State of Delaware  
is:

Corporation Service Company  
1013 Centre Road  
City of Wilmington  
County of New Castle, Delaware 19805

The name of its registered agent at such address is the Corporation Service  
Company.

THIRD: The nature of the business or purposes to be conducted or  
promoted are:

to engage in, promote, and carry on any lawful act or activity for which  
corporations may be organized under the General Corporation Law of the  
State of Delaware.

FOURTH: The total number of shares of stock which the Corporation shall  
have authority to issue is 100 shares of Common Stock, with a par value of \$1.00  
per share.

FIFTH: The name and mailing address of the sole incorporator is as  
follows:

Michael Iovenko  
Breed, Abbott & Morgan  
153 East 53rd Street  
New York, N.Y. 10022

SIXTH: The board of directors shall have the power to adopt, amend or  
repeal the bylaws of the Corporation at any meeting at which a quorum is present  
by the affirmative vote of a majority of the whole board of directors. Election  
of directors need not be by written ballot. Any director may be removed at any  
time with or without cause, and the vacancy

resulting from such removal shall be filled, by vote of a majority of the stockholders at a meeting called for that purpose or by unanimous consent in writing of the stockholders.

SEVENTH: No director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of the State of Delaware, or (iv) for any transaction from which the director derived an improper personal benefit.

The undersigned, being the sole incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, does make this certificate and does hereby declare and certify that it is his act and deed and the facts stated herein are true, and accordingly does hereunto set his hand this 11th day of July 1991.

-----  
Michael Iovenko  
Sole Incorporator

BYLAWS

of

IMAX (TITANIC) INC.

a Delaware corporation (the "Corporation")

ARTICLE I - OFFICES

Section 1.1. Location. The address of the registered office of the Corporation in the State of Delaware and the name of the registered agent at such address shall be as specified in the Certificate of Incorporation or, if subsequently changed, as specified in the most recent certificate of change filed pursuant to law. The Corporation may also have other offices at such places within or without the State of Delaware as the Board of Directors may from time to time designate or the business of the Corporation may require.

Section 1.2. Change of Location. In the manner permitted by law, the Board of Directors or the registered agent may change the address of the Corporation's registered office in the State of Delaware and the Board of Directors may make, revoke or change the designation of the registered agent.

ARTICLE II - MEETINGS OF STOCKHOLDERS

Section 2.1. Annual Meeting. The annual meeting of the stockholders of the Corporation for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held at the registered office of the Corporation, or at such other place within or without the State of Delaware as the Board of Directors may fix, at 10 o'clock A.M. on the 3rd Wednesday in April of each year commencing with the year 1992, but if such a date is a legal holiday, then on the next succeeding business day, or may be held by telephone conference or other similar means, or by written consent.

Section 2.2. Special Meetings. Special meetings of stockholders, unless otherwise prescribed by law, may be called at any time by the Chairman of the Board, the President, the Secretary or by order of the Board of Directors. Special meetings of stockholders shall be held at such place within or without the State of Delaware as shall be designated in the notice of meeting, or may be held by telephone conference or other similar means, or by written consent.

Section 2.3. Quorum. At any meeting of stockholders, except as otherwise expressly required by law or by the Certificate of Incorporation, the holders of record of at least a majority of the outstanding shares of capital stock entitled to vote or act at such meetings shall be present or represented by proxy in order to constitute a quorum for the transaction of any business, but less than a quorum shall have power to adjourn any meeting until a quorum shall be present.

Section 2.4. Voting. At any meeting of stockholders at which a quorum shall be present, each matter shall be decided by majority vote of the shares voting on such matter,

except as otherwise expressly required by law or by the Certificate of Incorporation and except as otherwise expressly provided in these By-Laws.

Section 2.5. Action by Consent of Stockholders. Whenever any action by the stockholders at a meeting thereof is required or permitted by law, the Certificate of Incorporation or these By-Laws, such action may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the holders of the outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of such action without a meeting and by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

#### ARTICLE III - BOARD OF DIRECTORS

Section 3.1. General Powers. The property, business and affairs of the Corporation shall be managed by the Board of Directors. The Board of Directors may exercise all such powers of the Corporation and have such authority and do all such lawful acts and things as are permitted by law, the Certificate of Incorporation or these By-Laws.

Section 3.2. Number of Directors. The Board of Directors of the Corporation shall consist of one or more members; the exact number of directors which shall constitute the whole Board of Directors shall be fixed from time to time by resolution adopted by a majority of the whole Board of Directors. Until the number of directors has been so fixed by the Board of Directors, the number of directors constituting the whole Board of Directors shall be three (3).

Section 3.3. Qualification. Directors need not be stockholders of the Corporation.

Section 3.4. Election. Except as otherwise provided by law, the Certificate of Incorporation or these By-Laws, after the first meeting of the Corporation at which directors are elected, directors of the Corporation shall be elected in each year at the annual meeting of stockholders or at a special meeting in lieu of the annual meeting called for such purpose, by a plurality of votes cast at such meeting. The voting on directors at any such meeting need not be by written ballot unless otherwise so requested by any stockholder.

Section 3.5. Term. Each director shall hold office until his successor is duly elected and qualified, except in the event of the earlier termination of his term of office by reason of death, resignation, removal or other reason.

Section 3.6. Resignation and Removal. Any director may resign at any time upon written notice to the Board of Directors, the President or the Secretary. Any director may be removed at any time for any reason and his place filled by the stockholders.

Section 3.7. Vacancies. Vacancies in the Board of Directors (unless the vacancy be caused by the removal of a director) and newly created directorships resulting from any increase in the authorized number of directors shall be filled by a majority of the directors

then in office, though less than a quorum, or by a sole remaining director. The vacancy caused by the removal of a director shall be filled by the stockholders.

Each director chosen to fill a vacancy on the Board of Directors shall hold office until the next annual election of directors and until his successor shall be elected and qualified.

Section 3.8. Quorum and Voting. Unless the Certificate of Incorporation provides otherwise, at all meetings of the Board of Directors a majority of the total number of directors shall be present to constitute a quorum for the transaction of business. A director interested in a contract or transaction may be counted in determining the presence of a quorum at a meeting of the Board of Directors which authorizes the contract or transaction. In the absence of a quorum, a majority of the directors present may adjourn the meeting until a quorum shall be present.

Members of the Board of Directors or any committee designated by the Board of Directors may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting.

The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 3.9. Regulations. The Board of Directors may hold its meetings and cause the books and records of the Corporation to be kept at such place or places within or without the State of Delaware as the Board of Directors may from time to time determine. A member of the Board of Directors shall, in the performance of his duties, be fully protected in relying in good faith upon the books of account or reports made to the Corporation by any of its officers, by an independent certified public accountant or by an appraiser selected with reasonable care by the Board of Directors or any committee of the Board of Directors or in relying in good faith upon other records of the Corporation.

Section 3.10. Annual Meeting of Board of Directors. An annual meeting of the Board of Directors shall be called and held for the purpose of organization, election of officers and transaction of any other business. If such meeting is held promptly after and at the place specified for the annual meeting of stockholders, no notice of the annual meeting of the Board of Directors need be given. Otherwise such annual meeting shall be held at such time (not more than thirty days after the annual meeting of stockholders) and place as may be specified in a notice of the meeting.

Section 3.11. Regular Meetings. Regular meetings of the Board of Directors shall be held at the time and place, within or without the State of Delaware, as shall from time to time be determined by the Board of Directors. After there has been such determination and notice thereof has been given to each member of the Board of Directors, no further notice shall be required for any such regular meeting. Except as otherwise provided by law, any business may be transacted at any regular meeting.

Section 3.12. Special Meetings. Special meetings of the Board of Directors may, unless otherwise prescribed by law, be called from time to time by the President, and shall be called by the President or the Secretary upon the written request of a majority of the whole Board of Directors directed to the President or the Secretary. Except as provided below, notice of any special meeting of the Board of Directors, stating the time, place and purpose of such special meeting, shall be given to each director.

Section 3.13. Notice of Meetings; Waiver of Notice. Notice of any meeting of the Board of Directors shall be deemed to be duly given to a director (i) if mailed to such director, addressed to him at his address as it appears upon the books of the Corporation or at the address last made known in writing to the Corporation by such director as the address to which such notices are to be sent, at least two days before the day on which such meeting is to be held, (ii) if sent to him at such address by telecopier, telex or telegraph, not later than the day before the day on which such meeting is to be held or (iii) if delivered to him personally or orally, by telephone or otherwise, not later than the day before the day on which such meeting is to be held. Each such notice shall state the time and place of the meeting and the purposes thereof.

Notice of any meeting of the Board of Directors need not be given to any director if waived by him in writing (or by telecopier, telex or telegram and confirmed in writing) whether before or after the holding of such meeting or if such director is present at such meeting. Any meeting of the Board of Directors shall be a duly constituted meeting without any notice thereof having been given if all directors then in office shall be present thereat.

Section 3.14. Committees of Directors. The Board of Directors may, by resolution or resolutions passed by a majority of the whole Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the Corporation.

Except as herein provided, vacancies in membership of any committee shall be filled by the vote of a majority of the whole Board of Directors. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Members of a committee shall hold office for such period as may be fixed by a resolution adopted by a majority of the whole Board of Directors, subject, however, to removal at any time by the vote of a majority of the whole Board of Directors.

Section 3.15. Powers and Duties of Committees. Any committee, to the extent provided in the resolution or resolutions creating such committee, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the corporation and may authorize the seal of the Corporation to be affixed to all papers which may require it. No such committee shall have the power or authority with regard to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a

revocation of a dissolution or amending the By-Laws. The Board of Directors may, in the resolution creating a committee, grant to such committee the power and authority to declare a dividend or authorize the issuance of stock.

Section 3.16. Compensation of Directors. The Board of Directors may from time to time, in its discretion, fix the amounts which shall be payable to directors and to members of any committee of the Board of Directors for attendance at the meetings of the Board of Directors or of such committee and for services rendered to the Corporation.

Section 3.17. Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if a written consent thereto is signed by all members of the Board of Directors or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board of Directors or such committee.

#### ARTICLE IV - OFFICERS

Section 4.1. Principal Officers. The principal officers of the Corporation shall be elected by the Board of Directors and shall include a President, a Secretary and a Treasurer and may, at the discretion of the Board of Directors, also include a Chairman of the Board, one or more Vice Presidents and a Controller. Except as otherwise provided in the Certificate of Incorporation or these By-Laws, one person may hold the offices and perform the duties of any two or more of said principal offices. [None of the principal officers, except the Chairman of the Board and the President, need be directors of the corporation.]

Section 4.2. Election of Principal Officers; Term of Office. The principal officers of the Corporation shall be elected annually by the Board of Directors at each annual meeting of the Board of Directors. Failure to elect annually any principal officer shall not dissolve the Corporation.

If the Board of Directors shall fail to fill any principal office at an annual meeting, if any vacancy in any principal office shall occur or if any principal office shall be newly created, such principal office may be filled at any regular or special meeting of the Board of Directors.

Each principal officer shall hold office until his successor is duly elected and qualified, or until his earlier death, resignation or removal.

Section 4.3. Subordinate Officers, Agents and Employees. In addition to the principal officers, the Corporation may have one or more Assistant Treasurers, Assistant Secretaries, Assistant Controllers and such other subordinate officers, agents and employees as the Board of Directors may deem advisable, each of whom shall hold office for such period and have such authority and perform such duties as the Board of Directors, the President or any officer designated by the Board of Directors may from time to time determine. The Board of Directors at any time may appoint and remove, or may delegate to any principal officer the power to appoint and to remove, any subordinate officer, agent or employee of the corporation.

Section 4.4. Delegation of Duties of Officers. The Board of Directors may delegate the duties and powers of any officer of the Corporation to any other officer or to any



director for a specified period of time for any reason that the Board of Directors may deem sufficient.

Section 4.5. Removal of Officers. Any officer of the Corporation may be removed with or without cause by resolution adopted by a majority of the directors then in office at any regular or special meeting of the Board of Directors or by a written consent signed by all of the directors then in office.

Section 4.6. Resignations. Any officer may resign at any time by giving written notice of resignation to the Board of Directors, to the President or to the Secretary. Any such resignation shall take effect upon receipt of such notice or at any later time specified therein. Unless otherwise specified in the notice, the acceptance of a resignation shall not be necessary to make the resignation effective.

Section 4.7. Chairman of the Board. The Chairman of the Board, if any, shall preside at all meetings of stockholders and of the Board of Directors at which he is present. The Chairman of the Board shall have such other powers and perform such other duties as may be assigned to him from time to time by the Board of Directors.

Section 4.8. President. The President shall, in the absence of the Chairman of the Board, preside at all meetings of the stockholders and of the Board of Directors at which he is present. The President shall be the chief executive officer of the Corporation and shall have general supervision over the business of the Corporation. The President shall have all powers and duties usually incident to the office of the President except as specifically limited by a resolution of the Board of Directors. The President shall have such other powers and perform such other duties as may be assigned to him from time to time by the Board of Directors.

Section 4.9. Vice President. In the absence or disability of the President or if the office of President be vacant, the Vice Presidents in the order determined by the Board of Directors, or if no such determination has been made in the order of their seniority, shall perform the duties and exercise the powers of the President, subject to the right of the Board of Directors at any time to extend or confine such powers and duties or to assign them to others. Any Vice President may have such additional designation in his title as the Board of Directors may determine. The Vice Presidents shall generally assist the President in such manner as the President shall direct. Each Vice President shall have such other powers and perform such other duties as may be assigned to him from time to time by the Board of Directors or the President.

Section 4.10. Secretary. The Secretary shall act as Secretary of all meetings of stockholders and of the Board of Directors at which he is present, shall record all the proceedings of all such meetings in a book to be kept for that purpose, shall have supervision over the giving and service of notices of the Corporation and shall have supervision over the care and custody of the records and seal of the Corporation. The Secretary shall be empowered to affix the corporate seal to documents, the execution of which on behalf of the Corporation under its seal is duly authorized, and when so affixed may attest the same. The Secretary shall have all powers and duties usually incident to the office of Secretary except as specifically limited by a resolution of the Board of Directors. The Secretary shall have such other powers and perform such other duties as may be assigned to him from time to time by the Board of Directors or the President.

Section 4.11. Treasurer. The Treasurer shall have general supervision over the care and custody of the funds and over the receipts and disbursements of the Corporation and shall cause the funds of the Corporation to be deposited in the name of the Corporation in such banks or other depositories as the Board of Directors may designate. The Treasurer shall have supervision over the care and safekeeping of the securities of the Corporation. The Treasurer shall have all powers and duties usually incident to the office of Treasurer except as specifically limited by a resolution of the Board of Directors. The Treasurer shall have such other powers and perform such other duties as may be assigned to him from time to time by the Board of Directors or the President.

Section 4.12. Controller. The Controller shall be the chief accounting officer of the Corporation and shall have supervision over the maintenance and custody of the accounting operations of the Corporation, including the keeping of accurate accounts of all receipts and disbursements and all other financial transactions. The Controller shall have all powers and duties usually incident to the office of Controller except as specifically limited by a resolution of the Board of Directors. The Controller shall have such other powers and perform such other duties as may be assigned to him from time to time by the Board of Directors or the President.

Section 4.13. Bond. The Board of Directors shall have power, to the extent permitted by law, to require any officer, agent or employee of the corporation to give bond for the faithful discharge of his duties in such form and with such surety or sureties as the Board of Directors may determine.

#### ARTICLE V - CAPITAL STOCK

Section 5.1. Issuance of Certificates for Stock. Each stockholder of the Corporation shall be entitled to a certificate or certificates in such form as shall be approved by the Board of Directors certifying the number of shares of capital stock of the Corporation owned by such stockholder.

Section 5.2. Signatures on Stock Certificates. Certificates for shares of capital stock of the Corporation shall be signed by, or in the name of the Corporation by, the Chairman of the Board, the President or a Vice President and by the Secretary, the Treasurer, an Assistant Secretary or an Assistant Treasurer. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may be issued by the Corporation with the same effect as if such signer were such officer, transfer agent or registrar at the date of issue.

Section 5.3. Stock Ledger. A record of all certificates for capital stock issued by the Corporation shall be kept by the secretary or any other officer or employee of the Corporation designated by the Secretary or by any transfer clerk or transfer agent appointed pursuant to Section 5.4 hereof. Such record shall show the name and address of the person, firm or corporation in which certificates for capital stock are registered, the number of shares represented by each such certificate, the date of each such certificate and in case of certificates which have been canceled the dates of cancellation thereof.

The Corporation shall be entitled to treat the holder of record of shares of capital stock as shown on the stock ledger as the owner thereof and as the person entitled to receive dividends thereon, to vote such shares and to receive notice of meetings and for all other purposes. The Corporation shall not be bound to recognize any equitable or other claim to or interest in any share of capital stock on the part of any other person whether or not the Corporation shall have express or other notice thereof.

Section 5.4. Regulations Relating to Transfer. The Board of Directors may make such rules and regulations as it may deem expedient, not inconsistent with law, the Certificate of Incorporation or these By-Laws, concerning issuance, transfer and registration of certificates for shares of capital stock of the Corporation. The Board of Directors may appoint, or authorize any principal officer to appoint, one or more transfer clerks or one or more transfer agents and one or more registrars and may require all certificates for capital stock to bear the signature or signatures of any of them.

Section 5.5. Transfers. Transfers of capital stock shall be made on the books of the Corporation only upon delivery to the Corporation or its transfer agent of (i) a written direction of the registered holder named in the certificate or such holder's attorney lawfully constituted in writing, (ii) the certificate for the shares of capital stock being transferred and (iii) a written assignment of the shares of capital stock evidenced thereby.

Section 5.6. Cancellation. Each certificate for capital stock surrendered to the Corporation for exchange or transfer shall be canceled and no new certificate or certificates shall be issued in exchange for any existing certificate (other than pursuant to Section 5.7) until such existing certificate shall have been canceled.

Section 5.7. Lost, Destroyed, Stolen and Mutilated Certificates. In the event that any certificate for shares of capital stock of the Corporation shall be mutilated the Corporation shall issue a new certificate in place of such mutilated certificate. In case any such certificate shall be lost, stolen or destroyed the Corporation may, in the discretion of the Board of Directors or a committee designated thereby with power so to act, issue a new certificate for capital stock in the place of any such lost, stolen or destroyed certificate. The applicant for any substituted certificate or certificates shall surrender any mutilated certificate or, in the case of any lost, stolen or destroyed certificate, furnish satisfactory proof of such loss, theft or destruction of such certificate and of the ownership thereof. The Board of Directors or such committee may, in its discretion, require the owner of a lost or destroyed certificate or his representatives to furnish to the Corporation a bond with an acceptable surety or sureties and in such sum as will be sufficient to indemnify the Corporation against any claim that may be made against it on account of the lost, stolen or destroyed certificate or the issuance of such new certificate. A new certificate may be issued without requiring a bond when, in the judgment of the Board of Directors, it is proper to do so.

Section 5.8. Fixing of Record Dates. (a) The Board of Directors may fix in advance a record date, which shall not be more than sixty nor less than ten days before the date of any meeting of stockholders nor more than sixty days prior to any other action, for the purpose of determining stockholders entitled to notice of or to vote at such meeting of stockholders or any adjournment thereof, to express consent or dissent to corporate action in writing without a

meeting or to receive payment of any dividend or other distribution or allotment of any rights, or to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action.

(b) If no record date is fixed by the Board of Directors:

(i) The record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or if notice is waived at the close of business on the day next preceding the day on which the meeting is held;

(ii) The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting when no prior action by the Board of Directors is necessary shall be the day on which the first consent is expressed;

(iii) The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

(c) A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided that the Board of Directors may fix a new record date for the adjourned meeting.

#### ARTICLE VI - INDEMNIFICATION

Section 6.1. General. To the fullest extent permitted by applicable law, the Corporation shall indemnify, and advance Expenses (as hereinafter defined) to, each and every person who is or was a director, officer, employee, agent or fiduciary of the Corporation or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in which such person is or was serving at the request of the Corporation and who, because of any such position or status, is directly or indirectly involved in any action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing or any other proceeding whether civil, criminal, administrative or investigative (a "Proceeding"). "Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, or being or preparing to be a witness in a Proceeding.

Section 6.2. Indemnification Insurance. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such whether or not the corporation would have the power to indemnify him against such liability under applicable law.

## ARTICLE VII - MISCELLANEOUS PROVISIONS

Section 7.1. Corporate Seal. The seal of the Corporation shall be circular in form with the name of the Corporation in the circumference and the words and figures "Corporate Seal - 1991 Delaware" in the center. The seal may be used by causing it to be affixed or impressed, or a facsimile thereof may be reproduced or otherwise used in such manner as the Board of Directors may determine.

Section 7.2. Fiscal Year. The fiscal year of the corporation shall be from the 1st day of January to the 31st day of December, inclusive, in each year, or such other twelve consecutive months as the Board of Directors may designate.

Section 7.3. Waiver of Notice. Whenever any notice is required to be given under any provision of law, the Certificate of Incorporation or these By-Laws, a written waiver thereof, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

Section 7.4. Execution of Instruments, Contracts, etc. (a) All checks, drafts, bills of exchange, notes or other obligations or orders for the payment of money shall be signed in the name of the Corporation by such officer or officers or person or persons as the Board of Directors may from time to time designate.

(b) Except as otherwise provided by law, the Board of Directors, any committee given specific authority in the premises by the Board of Directors or any committee given authority to exercise generally the powers of the Board of Directors during the intervals between meetings of the Board of Directors may authorize any officer, employee or agent, in the name of and on behalf of the Corporation, to enter into or execute and deliver deeds, bonds, mortgages, contracts and other obligations or instruments, and such authority may be general or confined to specific instances.

(c) All applications, written instruments and papers required by or filed with any department of the United States Government or any state, county, municipal or other governmental official or authority may if permitted by applicable law be executed in the name of the Corporation by any principal officer or subordinate officer of the Corporation or, to the extent designated for such purpose from time to time by the Board of Directors, by an employee or agent of the Corporation. Such designation may contain the power to substitute, in the discretion of the person named, one or more other persons.

## ARTICLE VIII - AMENDMENTS

Section 8.1. By Stockholders. These By-Laws may be amended, added to, altered or repealed, or new By-Laws may be adopted, at any meeting of stockholders by the vote of the holders of not less than a majority of the outstanding shares of stock entitled to vote

thereat, provided that, in the case of a special meeting, notice that an amendment is to be considered and acted upon shall be inserted in the notice or waiver of notice of said meeting.

Section 8.2. By Directors. To the extent permitted by the Certificate of Incorporation, these By-Laws may be amended, added to, altered or repealed, or new By-Laws may be adopted, at any regular or special meeting of the Board of Directors.

CONSENT OF THE SOLE DIRECTOR  
OF  
IMAX (TITANIC) INC.

THE UNDERSIGNED, being the sole director of Imax (Titanic) Inc., a Delaware corporation (the "Corporation"), does hereby consent to and adopt the following resolutions pursuant to Section 141(f) of the Delaware General Corporation Law:

WHEREAS, the Board of Directors desires to amend the Corporation's By-laws regarding the execution of instruments; and

WHEREAS, such amendment has been deemed to be advisable and in the best interests of the Corporation.

NOW, THEREFORE, BE IT RESOLVED, that a new Section 5.03 shall be added to the Corporation's By-laws to read in its entirety as follows:

"SECTION 5.03. Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by:

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The Board of Directors shall have power from time to time to appoint any person or persons, on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the Corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any person or persons appointed as aforesaid by the Board of Directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and

assignments of shares, share warrants, stocks, bonds debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Corporation and to sign and execute (under the seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of any officer or officers, or any director or directors of the Corporation and/or of any other person or persons, appointed as aforesaid by the Board of Directors may, if specifically authorized by the Board of Directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization, by the Board of Directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation."

RESOLVED, FURTHER, that the officers of this Corporation be, and they hereby are, authorized and directed to take any such further action as may be deemed necessary or advisable in order to carry out the purpose and intent of the foregoing resolutions.

RESOLVED, FURTHER, that the Secretary of the Corporation shall file this Consent with the minutes of the proceedings of the Board of Directors.



IN WITNESS WHEREOF, the undersigned sole director of this Corporation has executed this Consent on June 30, 1997.

/s/ G. Mary Ruby

-----  
G. Mary Ruby

For Ministry Use Only  
A l'usage exclusif du ministere

Ontario Corporation Number  
Numero de corporation

747803

[ONTARIO LOGO] Ministry of  
Consumer and  
Commercial  
Relations

Ministere de  
la Consommation  
et du Commerce  
CERTIFICAT

Ontario  
CERTIFICATE  
This is to certify that these  
articles are effective on

Ceci certifie que les presents  
statuts entrent en vigueur le

MARCH 12 MARS, 1993

TRANS  
CODE  
C  
18

Director / Directeur  
Business Corporations Act / Loi de sur les compagnies

ARTICLES OF AMENDMENT  
STATUTS DE MODIFICATION

Form 3  
Business  
Corporations  
Act,  
1982

Formule  
numero 3  
Loi sur 1982  
sur les  
compagnies

1. The present name of the corporation is: Denomination sociale actuelle de la compagnie:  
HIKARI KINEMA LTD.

2. The name of the corporation is changed to (if applicable): Nouvelle denomination sociale de la compagnie (s'il y a lieu):  
IMAX (TITANICA) LTD.

3. Date of incorporation/amalgamation: Date de la constitution ou de la fusion:  
1, December, 1987  
(Day, Month, Year)  
(jour, mois, annee)

4. The articles of the corporation are amended as follows: Les statuts de la compagnie sont modifies de la facon suivante:  
to change the name of the Corporation to  
Imax (Titanica) Ltd.

5. The amendment has been duly authorized as required by Sections 167 & 169 (as applicable) of the Business Corporations Act.

La modification a ete dument autorisee conformement a l'article 167 et, s'il y a lieu, a l'article 169 de la Loi sur les compagnies.

6. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on

Les actionnaires ou les administrateurs (le cas echeant) de la compagnie ont approuve la resolution autorisant la modification

11 March 1993

-----  
(Day, Month, Year)  
(jour, mois, annee)

6. These articles are signed in duplicate.

Les presents status sont signes en double exemplaire.

HIKARI KINEMA LTD.

-----  
(Name of Corporation)  
(Denomination sociale de la compagnie)

By/Par: /s/ G. Mary Ruby                      Secretary  
-----  
(Signature)                      (Description of Office)

CONSENT BY BODY CORPORATE

TO: Ministry of Consumer and Commercial Relations  
Companies Branch  
393 University Ave. 2nd Floor  
Toronto, Ontario, M7A 2H6

IMAX CORPORATION, a corporation incorporated under the laws of Canada,  
having its head office at 38 Isabella Street, Toronto, Ontario, M4Y 1N1, HEREBY  
CONSENTS TO THE FOLLOWING NAME FOR USE BY A CORPORATION:

Imax (Titanica) Ltd.

DATED: 11 March 1993.

IMAX CORPORATION  
Per.

/s/ John Davison  
-----  
John Davison,  
Vice President, Finance

/s/ G. Mary Ruby  
-----  
G. Mary Ruby,  
Secretary

747803

[ONTARIO Ministry of  
LOGO] Consumer and  
Commercial  
Ontario Relations  
CERTIFICATE  
This is to certify that these  
articles are effective on

Ministere de  
la Consommation  
et du Commerce  
CERTIFICATE  
Ceci certifie que les presents  
statuts entrent en vigueur le

DECEMBER 1

DECEMBRE 1987

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A 0 0 A 3  
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Director  
Companies Branch

Le Directeur  
Direction des Compagnies

--- --- ---  
S N ONTARIO  
--- --- ---

ARTICLES OF INCORPORATION  
STATUTS DE CONSTITUTIFS

Form 1  
Business  
Corporations  
Act,  
1982

Formule  
numero 3  
Loi de 1982  
sur les  
compagnies

1. The name of the corporation is: Denomination sociale de la compagnie:  
HIKARI KINEMA LTD.

2. The address of the registered office is: Adresse du siege social:  
38 Isabella Street  
Street & Number or P.O. Number - Office Building - Room No.

Toronto, Ontario M4Y 1N1  
(Name of Municipality or Post Office) Postal Code  
(Nom de la municipalite ou du bureau de poste) (Code postal)

Municipality of Metropolitan Toronto  
(Name of Municipality, Geographical Township) dans de la (County, District Regional Municipality)  
(Nom de la municipalite, du canton) (Comte, district, municipalite regionale)

3. Number (or minimum and maximum number) of directors is: Nombre (ou nombres minimal et maximal) of d'administrateurs:  
Minimum 1, Maximum 5

4. The first director(s) are: Premier(s) administrateur(s):

First name, initials and surname Prenom, initiales et nom de famille	Residence address, giving street & No. or R.R. No. or municipality and postal code Adresse personnelle, y compris la rue et le numero. le numero de la R.R. ou, le nom de la municipalite et le code postal	Resident Canadian State Yes or No Resident Canadien Oui; Non
Roman Kroitor	38 Earl Street, Townhouse #11 Toronto, Ontario M4Y 1M3	YES
William Breukelman	1801 Stonepath Crescent Mississauga, Ontario L4X 1Y1	YES
Adam Pivnick	156 Forest Hill Road Toronto, Ontario M5P 2M9	YES

5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.

Limites, s'il y a lieu, imposees aux activities commerciales \_\_\_\_\_ ou aux pouvoirs de la compagnie.

None.

6. The classes and any maximum number of shares that the corporation is authorized to issue.

Categories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisee a emettre :

The Corporation is authorized to issue an unlimited number of common shares.

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:

Not applicable.

Droits, privileges, restrictions et conditions, s'il y a lieu, rattaches a chaque categorie d'actions et pouvoirs des administrateurs relatils a chaque categorie d'actions qui peut etre emise en serie:

8. The issue, transfer or ownership of shares is restricted and the restrictions (if any) are as follows: L'emission, le transfert ou la propriete d'actions est/n'est pas restreint. Les restrictions, s'il y a lieu, sont les suivantes:

The right to transfer shares of the Corporation shall be restricted in that no shareholder shall be entitled to transfer any share or shares in the capital of the Corporation without either (a) the previous express sanction of the holders of more than 50% of the common shares of the corporation for the time being outstanding expressed by a resolution passed at a meeting of the shareholders or by an instrument or instruments in writing signed by the holders of more than 50% of such shares, or (b) the previous express sanction of the directors of the Corporation expressed by a resolution passed by the votes of a majority of the directors of the Corporation at a meeting of the board of directors or by an instrument or instruments in writing signed by a majority of the directors.



9. Other provisions, if any, are:

Autres dispositions, s'il y a lieu:

1. a) The number of shareholders of the Corporation, exclusive of persons who are in the employment of the Corporation and exclusive of persons who, having been formerly in the employment of the Corporation, were, while in that employment and have continued after the termination of that employment to be, shareholders of the Corporation, is limited to not more than fifty, two or more persons who are jointly registered owners of one or more shares being counted as one shareholder; and  
b) any invitation to the public to subscribe for securities of the Corporation is prohibited.
2. In addition to, and without limiting such other powers which the Corporation may by law possess, the directors of the Corporation may, without authorization of the shareholders, by authentic deed, in particular but without limitation, for the purpose of securing any bonds, debentures or debenture stock which it is by law entitled to issue, hypothecate, mortgage, pledge, cede or transfer any property, moveable or immoveable, present or future, which it may own.

10. The names and addresses of the incorporators are  
Nom et adresse des fondateurs

First name, initials and surname or corporate name  
Prenom, initiale et nom de famille ou denomination  
sociale

Full residence address or address of registered  
office or of principal place of business giving  
street & No. or R.R. No municipality and  
postal code  
Adresse personnelle au complet adresse du siege  
social ou adresse de l'etablissement principal,  
y compris la rue et le numero, le numero de la  
R.R. le nom de la municipalite et le code postal

-----  
Roman Kroitor

38 Earl Street, Townhouse #11  
Toronto, Ontario M4Y 1M3

William Breukelman

1801 Stonepath Crescent  
Mississauga, Ontario L4X 1Y1

Adam Pivnick

156 Forest Hill Road  
Toronto, Ontario M5P 2M9

These articles are signed in duplicate

Les presents statuts sont signes en double  
exemplaire.

-----  
Signatures of incorporators  
(Signature des fondateurs)

/s/ Adam Pivnick

/s/ Roman Kroitor

-----  
Adam Pivnick

-----  
Roman Kroitor

/s/ William Breukelman

-----  
William Breukelman

A by-law relating generally to the conduct of the affairs of the Corporation.

INTERPRETATION

1. Interpretation. In this by-law and all other by-laws of the Corporation, unless the context otherwise specifies or requires:

(a) "Act" means the Business Corporations Act, 1982, S.O. 1982, c. 4 as from time to time amended and every statute that may be substituted therefor and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Act shall be read as references to the substituted provisions therefor in the new statute or statutes;

(b) "Regulations" means the Regulations made under the Act as from time to time amended and every regulation that may be substituted therefor and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Regulations shall be read as references to the substituted provisions therefor in the new regulations;

(c) "by-law" means any by-law of the Corporation from time to time in force and effect;

(d) all terms which are contained in the by-laws and which are defined in the Act or the Regulations shall have the meanings respectively given to such terms in the Act or the Regulations;

(e) words importing the singular number only shall include the plural and vice versa and words importing a specific gender shall include the other genders; and

(f) the headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

SEAL

2. Seal. The Corporation may but need not have a corporate seal. Any corporate seal adopted for the Corporation shall be such as the board of directors may by resolution from time to time approve.

DIRECTORS

3. Duties and Number. Subject to any unanimous shareholder agreement, the directors shall manage or supervise the management of the business and affairs of the Corporation. The board of directors shall consist of the number of directors set out in the articles of the Corporation or, where a minimum and maximum number is provided for in the articles, such number of directors as shall be determined from time to time by special resolution or, if the

special resolution empowers the directors to determine the number, by resolution of the directors. A majority of the directors shall be resident Canadians except that where the Corporation has only one or two directors, that director or one of the two directors, as the case may be, shall be a resident Canadian. If the Corporation is an offering corporation, at least one-third of the directors shall not be officers or employees of the Corporation or of any affiliate of the Corporation.

4. Term of Office. A director's term of office (subject to (a) the provisions of the articles of the Corporation; (b) the provisions of the Act; (c) any unanimous shareholder agreement; and (d) any expressly stated term of office) shall be from the date on which he is elected or appointed until the close of the annual meeting next following.

5. Vacation of Office. The office of a director shall ipso facto be vacated: (a) if he becomes bankrupt or suspends payment of his debts generally or compounds with his creditors or makes an authorized assignment or is declared insolvent; (b) if he is found to be a mentally incompetent person or of unsound mind; (c) subject to the provisions of the Act, if by notice in writing to the Corporation he resigns his office, which resignation shall be effective at the time it is received by the Corporation or at the time specified in the notice, whichever is later; (d) if he dies; or (e) if he is removed from office by the shareholders in accordance with paragraph 6.

6. Election and Removal. Subject to Section 120 of the Act the shareholders of the Corporation shall elect, at the first meeting of shareholders and at each succeeding annual meeting at which an election of directors is required, directors to hold office for a term expiring not later than the close of the third annual meeting of shareholders following the election. A director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of shareholders following his election, but, if qualified, is eligible for re-election. If directors are not elected at a meeting of shareholders, the incumbent directors continue in office until their successors are elected. Provided always that, subject to Section 122 of the Act, the shareholders of the Corporation may, by ordinary resolution passed at an annual or special meeting of shareholders, remove any director or directors from office and a vacancy created by the removal of a director may be filled at the meeting of the shareholders at which the director is removed.

7. Committee of Directors. The directors may appoint from among their number a committee of directors and subject to Subsection 127(3) of the Act may delegate to such committee any of the powers of the directors. A majority of the directors of any such committee must be resident Canadians. Subject to the by-laws and any resolution of the board of directors, the committee of directors, if any, may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit and may from time to time adopt, amend or repeal rules or procedures in this regard. Subject to the Act, except to the extent otherwise determined by the board of directors or, failing such determination, as determined by the committee of directors, the provisions of paragraphs 8 to 15, inclusive, shall apply, mutatis mutandis, to such committee.

## MEETINGS OF DIRECTORS

8. Place of Meeting. Meetings of the directors may be held within or outside Ontario and it shall not be necessary in any financial year of the Corporation to hold a majority of the meetings of the directors at a place within Canada.

9. Notice. A meeting of directors may be convened by the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President if he is a director, a Vice-President who is a director or any two directors at any time and the Secretary, when directed or authorized by any of such officers or any two directors, shall convene a meeting as directors. The notice of any meeting convened as aforesaid need not specify the purpose of or the business to be transacted at the meeting. Notice of any such meeting shall be served in the manner specified in paragraph 57 of this by-law not less than two days (exclusive of the day on which the notice is delivered or sent but inclusive of the day for which notice is given) before the meeting is to take place; provided always that a director may in any manner and at any time waive notice of a meeting of directors and attendance of a director at a meeting of directors shall constitute a waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called; provided further that meetings of directors may be held at any time without notice if all the directors are present (except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the absent directors waive notice before or after the date of such meeting.

If the first meeting of the directors following the election of directors by the shareholders is held immediately thereafter, then for such meeting or for a meeting of the directors at which a director is appointed to fill a vacancy in the board, no notice shall be necessary to the newly elected or appointed directors or director in order to legally constitute the meeting, provided that a quorum of the directors is present.

10. Omission of Notice. The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any person shall not invalidate any resolution passed or any proceeding taken at such meeting.

11. Adjournment. Any meeting of directors may be adjourned from time to time by the chairman of the meeting, with the consent of the meeting, to a fixed time and place. Notice of any adjourned meeting of directors is not required to be given if the time and place of the adjourned meeting is announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The directors who formed quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

12. Quorum. A majority of the directors shall form a quorum for the transaction of business and, notwithstanding any vacancy among the directors, a quorum of directors may exercise all the powers of directors. No business shall be transacted at a meeting of directors unless a quorum of the board of directors is present and, except as otherwise permitted by the Act, a majority of directors present are resident Canadians.

13. Telephone Participation. If all of the directors of the Corporation present at or participating in the meeting consent, a meeting of directors may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such meeting by such means is deemed for the purpose of the Act to be present at that meeting.

14. Voting. Questions arising at any meeting of the board of directors shall be decided by a majority of votes. In case of an equality of votes the chairman of the meeting in addition to his original vote shall have a second or casting vote.

15. Resolution in Lieu of Meeting. Notwithstanding any of the provisions of this law, but subject to the Act or any unanimous shareholder agreement, a resolution in writing, signed by all of the directors entitled to vote on that resolution at a meeting of the directors is as valid as if it had been passed at a meeting of the directors.

#### REMUNERATION OF DIRECTORS

16. Remuneration of Directors. The remuneration to be paid to the directors shall be such as the board of directors shall from time to time determine and such remuneration shall be in addition to the salary paid to any officer or employee of the Corporation who is also a member of the board of directors. The board of directors may also award special remuneration to any director undertaking any special services on the Corporation's behalf other than the routine work ordinarily required of a director by the Corporation and the confirmation of any such resolution or resolutions by the shareholders shall not be required. The directors shall also be entitled to be paid their traveling and other expenses properly incurred by them in connection with the affairs of the Corporation.

#### SUBMISSION OF CONTRACTS OR TRANSACTIONS TO SHAREHOLDERS FOR APPROVAL

17. Submission of Contracts or Transactions to Shareholders for Approval. The board of directors in its discretion may submit any contract, act or transaction for approval or ratification at any annual meeting of the shareholders or at any special meeting of the shareholders called for the purpose of considering the same and, subject to the provisions of Section 132 of the Act, any such contract, act or transaction that shall be approved or ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's articles or any other by-law) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified or confirmed by every shareholder of the Corporation.

FOR THE PROTECTION OF DIRECTORS AND OFFICERS

18. Conflict of Interest. In supplement of and not by way of limitation upon any rights conferred upon directors and officers by Section 132 of the Act, it is declared that no director or officer shall be disqualified from his office by, or vacate his office by reason of, holding any office or place of profit under the Corporation or under any body corporate in which the Corporation shall be a shareholder, or by reason of being otherwise in any way directly or indirectly interested in or contracting with the Corporation either as vendor, purchaser or otherwise or being concerned in any contract or arrangement made or proposed to be entered into with the Corporation in which he is in any way directly or indirectly interested either as vendor, purchaser or otherwise nor shall any director or officer be liable to account to the Corporation or any of its shareholders or creditors for any profit arising from any such office or place of profit; and, subject to the provisions of Section 132 of the Act, no contract or arrangement entered into by or on behalf of the Corporation in which any director or officer shall be in any way directly or indirectly interested shall be avoided or voidable and no director or officer shall be liable to account to the Corporation or any of its shareholders or creditors for any profit realized by or from any such contract or arrangement by reason of any fiduciary relationship. A director or officer of the Corporation who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, or is a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose the nature and extent of his interest at the time and in the manner provided in the Act. Except as provided in the Act, no such director of the Corporation shall vote on any resolution to approve such contracts or transactions but each such director may be counted to determine the presence of a quorum at the meeting of directors where such vote is being taken.

19. The Protection of Directors and Officers. Except as otherwise provided in the Act, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, including any person with whom or which any moneys, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board of directors. If any directors or officer of the Corporation shall be employed by or shall perform services for the Corporation

otherwise than as a director or officer or shall have an interest in a person which is employed by or performs services for the Corporation, the fact of his being a shareholder, director or officer of the Corporation shall not disentitle such director or officer or such person, as the case may be, from receiving proper remuneration for such services.

#### INDEMNITIES TO DIRECTORS AND OFFICERS

20. Indemnities to Directors and Officers. Subject to the provisions of Section 16 of the Act, the Corporation shall indemnify a director or officer, a former director or officer, or a person who acts or acted at the corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate, if (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful. The Corporation shall also indemnify any such person in such other circumstances as the Act or law permits or requires. Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law to the extent permitted by the Act or law.

#### OFFICERS

21. Appointment. The board of directors may annually or oftener as may be required appoint a Chairman of the Board, a Vice-Chairman of the Board, a President, a Managing Director, one or more Vice-Presidents, a Secretary, a Treasurer, one or more Assistant Secretaries, one or more Assistant Treasurers and/or a General Manager or Manager. Notwithstanding the foregoing, each incumbent officer shall continue in office until the earliest of (a) his resignation, which resignation shall be effective at the time a written resignation is received by the Corporation or at the time specified in the resignation, whichever is later, (b) the appointment of his successor, (c) his ceasing to be a director if such is a necessary qualification of his appointment, (d) the meeting at which the board of directors annually appoint the officers of the Corporation, (e) his removal, and (f) his death. A director may be appointed to any office of the Corporation but none of the officers except the Chairman of the Board, the Vice-Chairman of the Board and the Managing Director need be a member of the board of directors. Two or more of the aforesaid offices may be held by the same person. In case and whenever the same person holds the offices of Secretary and Treasurer he may but need not be known as the Secretary-Treasurer. The board of directors may from time to time appoint such other officers and agents as it shall deem necessary who shall have such authority and shall perform such duties as may from time to time be prescribed by the board of directors. The board of directors may from time to time and subject to the provisions of the Act, vary, add to or limit the duties and powers of any officer.

22. Remuneration and Removal. The remuneration of all officers appointed by the board of directors shall be determined from time to time by resolution of the board of directors. The fact that any officer or employee is a director or shareholder of the Corporation shall not



disqualify him from receiving such remuneration as may be determined. All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the board of directors at any time, with or without cause.

23. Powers and Duties. All officers shall sign such contracts, documents or instruments in writing as require their respective signatures and shall respectively have and perform all powers and duties incident to their respective offices and such other powers and duties respectively as may from time to time be assigned to them by the board of directors.

24. Duties May be Delegated. In case of the absence or inability to act of any officer of the Corporation except the, Managing Director or for any other reason that the board of directors may deem sufficient, the board of directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

25. Chairman of the Board. The Chairman of the Board, if any, shall, when present, preside as chairman at all meetings of the directors, the committee of directors, if any, and the shareholders.

26. Vice-Chairman of the Board. If the Chairman of the Board is absent or is unable or refuses to act, the Vice-Chairman of the Board, if any, shall, when present, preside as chairman at all meetings of the directors, the committee of directors, if any, and the shareholders.

27. President. The President shall be the chief executive officer of the Corporation unless otherwise determined by the board of directors. The President shall be vested with and may exercise all the powers and shall perform all the duties of the Chairman of the Board and/or Vice-Chairman of the Board if none be appointed or if the Chairman of the Board and the Vice Chairman of the Board are absent or are unable or refuse to act; provided, however, that unless he is a director he shall not preside as chairman at any meeting of directors or of the committee of directors, if any, or, subject to paragraph 41 of this by-law, at any meeting of shareholders.

28. Vice-President. The Vice-President or, if more than one, the vice presidents, in order of seniority, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President; provided, however, that a Vice-President who is not a director shall not preside as chairman at any meeting of directors or of the committee of directors, if any, or, subject to paragraph 41 of this by-law, at any meeting of shareholders.

29. Secretary. The Secretary shall give or cause to be given notices for all meetings of the directors, the committee of directors, if any, and the shareholders when directed to do so and shall have charge of the minute and record books of the Corporation and, subject to the provisions of paragraph 48 of this by-law, of the records (other than accounting records) referred to in Section 140 of the Act.

30. Treasurer. Subject to the provisions of any resolution of the board of directors, the Treasurer shall have the care and custody of all the funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or with such other depository or depositories as the board of directors may direct. He shall keep or cause to be kept the accounting records referred to in Section 140 of the Act. He may be required to give

such bond for the faithful performance of his duties as the board of directors in its uncontrolled discretion may require but no director shall be liable for failure to require any such bond or for the insufficiency of any such bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.

31. Assistant Secretary and Assistant Treasurer. The Assistant Secretary or, if more than one, the Assistant Secretaries in order of seniority, and the Assistant Treasurer or, if more than one, the Assistant Treasurers in order of seniority, shall respectively perform all the duties of the Secretary and the Treasurer, respectively, in the absence or inability or refusal to act of the Secretary or the Treasurer, as the case may be.

32. Managing Director. The Managing Director shall be a member of the board of directors, and a resident Canadian and shall exercise such powers and have such authority as may be delegated to him by the board of directors in accordance with the provisions of Section 127 of the Act.

33. General Manager or Manager. The board of directors may from time to time appoint one or more General Managers or Managers and may delegate to him or them full power to manage and direct the business and affairs of the Corporation (except such matters and duties as by law must be transacted or performed by the board of directors and/or by the shareholders) and to employ and discharge agents and employees of the Corporation or may delegate to him or them any lesser authority. A General Manager or Manager shall conform to all lawful orders given to him by the board of directors of the Corporation and shall at all reasonable times give to the directors or any of them all information they may require regarding the affairs of the Corporation. Any agent or employee appointed by a General Manager or Manager shall be subject to discharge by the board of directors.

34. Vacancies. If the office of any officer of the Corporation shall be or become vacant by reason of death, resignation, disqualification or otherwise, the board of directors may appoint a person to fill such vacancy.

#### SHAREHOLDERS' MEETINGS

35. Annual Meeting. Subject to the provisions of Section 94 of the Act, the annual meeting of the shareholders shall be held on such day in each year and at such time as the board of directors may determine and subject to the articles and any unanimous shareholder agreement shall be held at any place in or outside Ontario as the board of directors determine or, in the absence of such determination, at the place where the registered office of the Corporation is located.

36. Special Meetings. Special meetings of the shareholders may be convened by order of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President if he is a director, a Vice-President if he is a director or by the board of directors at any date and time and subject to the articles and any unanimous shareholder agreement shall be held at any place in or outside Ontario as the board of directors determines or, in the absence of such determination, at the place where the registered office of the Corporation is located.

37. Notice. A printed, written or typewritten notice stating the day, hour and place of meeting shall be given by serving such notice on each shareholder entitled to vote at such meeting, on each director and on the auditor of the Corporation in the manner specified in paragraph 57 of this by-law, not less than ten days or if the corporation is an offering corporation not less than twenty-one days but in either case not more than fifty days (in each case, subject to clause 1(1)13 of the Act, exclusive of the day on which the notice is delivered or sent and of the day for which notice is given) before the date of the meeting. Notice of a meeting at which special business, as defined in Section 96(5) of the Act, is to be transacted shall state or be accompanied by a statement of (a) the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon, and (b) the text of any special resolution or by-law to be submitted to the meeting. Provided that a meeting of shareholders may be held for any purpose on any day and at any time without notice if all of the shareholders and all other persons entitled to attend such meeting are present in person or, where appropriate, represented by proxy at the meeting (except where a shareholder or other person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the shareholders and all other persons entitled to attend such meeting who are not present in person or, where appropriate, represented by proxy thereat waive notice before or after the date of such meeting.

38. Waiver of Notice. A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of a meeting of shareholders and attendance of any such person at a meeting of shareholders shall constitute a waiver of notice of the meeting except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

39. Omission of Notice. The accidental omission to give notice of any meeting or any irregularity in the notice of any meeting or the non-receipt of any notice by any shareholder or shareholders, director or directors or the auditor of the Corporation shall not invalidate any resolution passed or any proceedings taken at any meeting of shareholders.

40. Votes. Every question submitted to any meeting of shareholders shall be decided in the first instance by a show of hands unless a person entitled to vote at the meeting has demanded a ballot and in the case of an equality of votes the chairman of the meeting shall both on a show of hands and on a ballot have a second or casting vote in addition to the vote or votes to which he may be otherwise entitled.

A ballot may be demanded either before or after any vote by show of hands by any person entitled to vote at the meeting. If at any meeting a ballot is demanded on the election of a chairman or on the question of adjournment it shall be taken forthwith without adjournment. If at any meeting a ballot is demanded on any other question or as to the election of directors, the vote shall be taken by ballot in such manner and either at once, later in the meeting or after adjournment as the chairman of the meeting directs. The result of a ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. A demand for a ballot may be withdrawn.

Where two or more persons hold the same share or shares jointly, one of those holders present at a meeting of shareholders may, in the absence of the other or others, vote the

share or shares but if two or more of those persons who are present, in person or by proxy, vote, they shall vote as one on the share or shares jointly held by them.

At any meeting unless a ballot is demanded a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

41. Chairman of the Meeting. In the event that the Chairman of the Board and the Vice-Chairman of the Board are absent and the President is absent or is not a director and there is no Vice-President present who is a director, the persons who are present and entitled to vote shall choose another director as chairman of the meeting and if no director is present or if all the directors present decline to take the chair then the persons who are present and entitled to vote shall choose one of their number to be chairman.

42. Proxies. Votes at meetings of shareholders may be given either personally or by proxy or, in the case of a shareholder who is a body corporate or association, by an individual authorized by the board of directors or governing body of the body corporate or association to represent it at meetings of shareholders of the Corporation. At every meeting at which he is entitled to vote every shareholder and/or person appointed by proxy and/or individual so authorized to represent a shareholder who is present in person shall have one vote on a show of hands. Upon a ballot at which he is entitled to vote, every shareholder present in person or represented by proxy or by an individual so authorized shall (subject to the provisions, if any, of the articles of the Corporation) have one vote for every share held by him.

A proxy shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a body corporate or association, by an officer or attorney thereof duly authorized. If the Corporation is an offering corporation a proxy appointing a proxyholder ceases to be valid one year from its date.

A person appointed by proxy need not be a shareholder.

Subject to the provisions of the Act and the Regulations, a proxy may be in the following form:

The undersigned shareholder of \_\_\_\_\_ hereby appoints \_\_\_\_\_ of \_\_\_\_\_, or failing him of \_\_\_\_\_ as the nominee of the undersigned to attend and act for the undersigned and on behalf of the undersigned at the meeting of the shareholders of the said Corporation to be held on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ and at any adjournment thereof in the same manner, to the same extent and with the same power as if the undersigned were present at the said meeting or such adjournment thereof. This proxy is (not) solicited by or on behalf of management of the Corporation.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

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Signature of Shareholder

The board of directors may from time to time make regulations regarding the lodging of proxies at some place or places other than the place at which a meeting or adjourned meeting of shareholders is to be held and for particulars of such proxies to be cabled or telegraphed or sent by telex or in writing before the meeting or adjourned meeting to the Corporation or any agent of the Corporation for the purpose of receiving such particulars and providing that proxies so lodged may be voted upon as though the proxies themselves were produced at the meeting or adjourned meeting and given in accordance with such regulations shall be valid and shall be counted. The chairman of any meeting of shareholders may, subject to any regulations made as aforesaid, in his discretion accept telegraphic or cable or telex or written communication as to the authority of any person claiming to vote on behalf of and to represent a shareholder notwithstanding that no proxy conferring such authority has been lodged with the Corporation, and any votes given in accordance with such telegraphic or cable or telex or written communication accepted by the chairman of the meeting shall be valid and shall be counted.

43. Adjournment. The chairman of any meeting may with the consent of the meeting adjourn the same from time to time to a fixed time and place and no notice of such adjournment need be given to the shareholders unless the meeting is adjourned by one or more adjournments for an aggregate of thirty days or more in which case subject to subsection 96 (4) of the Act notice of the adjourned meeting shall be given as for an original meeting. Any business may be brought before or dealt with at any adjourned meeting for which no notice is required which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The persons who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

44. Quorum. A quorum at any meeting of shareholders (unless a greater number of persons are required to be present or a greater number of shares are required to be represented by the Act or by the articles or any other by-law) shall be persons present not being less than two in number and holding or representing more than twenty per cent of the total number of the issued shares of the Corporation for the time being entitling the holders thereof to vote at such meeting. Notwithstanding the foregoing, if the Corporation has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting. No business shall be transacted at any meeting unless the requisite quorum be present at the time of the transaction of such business. If a quorum is not present at the time appointed for a meeting of shareholders or within such reasonable time thereafter as the shareholders present may determine, the persons present and entitled to vote may adjourn the meeting to a fixed time and place but may not transact any other business and the provisions of paragraph 43 with regard to notice shall apply to such adjournment.

45. Resolution in Lieu of Meeting. Notwithstanding any of the provisions of this by-law a resolution in writing signed by all of the shareholders entitled to vote on that resolution at a

meeting of the shareholders is, subject to Section 104 of the Act, as valid as if it had been passed at a meeting of the shareholders.

#### SECURITIES

46. Allotment and Issuance of Shares. Subject to the provisions of Section 23 of the Act, the articles, by-laws and any unanimous shareholder agreement, shares in the capital of the Corporation may be allotted and issued by the board of directors at such times and on such terms and conditions and to such persons or class or classes of persons as the board of directors determines.

47. Certificates. Security certificates and the instrument of transfer, if any, on the reverse side thereof shall (subject to Section 56 of the Act) be in such form as the board of directors may approve and such certificates shall be signed manually by at least one officer or director of the Corporation holding office at the time of signing or by or on behalf of a registrar, transfer agent, branch transfer agent or issuing or other authenticating agent of the Corporation, or by a trustee who certifies it in accordance with a trust indenture and any additional signatures required on a security certificate may be printed or otherwise mechanically reproduced thereon.

A security certificate containing the signature of a person which is printed, engraved, lithographed or otherwise mechanically reproduced thereon may be issued notwithstanding that the person has ceased to be a director or an officer, as the case may be, of the Corporation and shall be as valid as if he were a director or an officer, as the case may be, at the date of its issue.

#### TRANSFER OF SECURITIES

48. Transfer Agent and Registrar. For each class of securities and warrants issued by the Corporation, the board of directors may appoint (a) a trustee, transfer agent, or other agent to keep the securities register, and the register of transfers and one or more persons or agent to keep branch registers; and (b) a registrar, trustee or agent to maintain a record of issued securities, certificates and warrants, and, subject to Section 48 of the Act, one person may be appointed for the purposes of clauses (a) and (b) in respect of all securities and warrants of the Corporation or any class or classes thereof. In the event of any such appointment in respect of the shares (or the shares of any class or classes) of the Corporation, all share certificates issued by the Corporation in respect of the shares (or the shares of the class or classes in respect of which any such appointment has been made) of the Corporation shall be countersigned by or on behalf of one of the said transfer agents and/or branch transfer agents and by or on behalf of one of the said registrars and/or branch registrars, if any.

49. Securities Registers. The securities register and the register of transfers Corporation shall be kept at the registered office of the Corporation or at such other office or place in Ontario as may from time to time be designated by the board of directors and a branch register or registers of transfers may be kept at such office or offices of the Corporation or other place or places, either within or outside Ontario, as may from time to time be designated by the board of directors.

50. Surrender of Certificates. Subject to the Act and the provisions of paragraph 52, no transfer of a security issued by the Corporation shall be registered unless the security certificate representing the security to be transferred has been surrendered or, if no security certificate has been issued by the Corporation in respect of such security, unless a duly executed instrument of transfer in respect thereof has been delivered to the Corporation or its transfer agent, as the case may be.

51. Shareholder Indebted to the Corporation. Subject to subsection 40(2) of the Act, the corporation has a lien on a share registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation. Such lien on a share of the Corporation may, subject to the Act, be enforced as follows:

- (a) where such share is redeemable pursuant to the articles of the Corporation, by redeeming such share and applying the redemption price to such debt;
- (b) by purchasing such share for cancellation for a price equal to the book value of such share and applying the proceeds to such debts;
- (c) by selling such share to any third party whether or not such party is at arm's length to the Corporation including, without limitation, any officer or director of the Corporation, for the best price which the board of directors in their sole discretion consider to be obtainable for such share and applying the proceeds to such debt;
- (d) by refusing to permit the registration of a transfer of such share until such debt is paid; or
- (e) by any other means permitted by law.

52. Lost, Apparently Destroyed or Wrongfully Taken Security Certificates. Subject to the Act, in case of the loss, apparent destruction or wrongful taking of a security certificate, a new certificate may be issued in replacement of the one lost, apparently destroyed or wrongfully taken or a transfer of the securities represented by such certificate may be registered, upon such terms as the board of directors may from time to time prescribe, either generally or in respect of any particular loss, apparent destruction or wrongful taking of a security certificate.

#### DIVIDENDS

53. Dividends. The board of directors may from time to time declare and the Corporation may pay dividends on the issued and outstanding shares in the capital of the Corporation subject to the provisions (if any) of the articles of the Corporation.

The board of directors shall not declare and the Corporation shall not pay a dividend if there are reasonable grounds for believing that:

- (a) the Corporation is, or after the payment would be, unable to pay its liabilities as they become due; or

- (b) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and its stated capital of all classes.

The Corporation may pay a dividend by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation and, subject to the foregoing, the Corporation may pay a dividend in money or property.

In case several persons are registered as the joint holders of any shares, any one of such persons may give effectual receipts for all dividends and payments on account of dividends and/or redemption of shares (if any) subject to redemption.

#### VOTING SHARES AND SECURITIES IN OTHER BODIES CORPORATE

54. Voting Shares and Securities in other Bodies Corporate. All of the shares or other securities carrying voting rights of any other body corporate held from time to time by the Corporation may be voted at any and all meetings of shareholders or holders of other securities (as the case may be) of such other body corporate and in such manner and by such person or persons as the board of directors of the Corporation shall from time to time determine. The duly authorized signing officers of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the board of directors.

#### INFORMATION AVAILABLE TO SHAREHOLDERS

55. Confidential Information Not Available to Shareholders. Except as provided by the Act, no shareholder shall be entitled to discovery of any information respecting any details or conduct of the Corporation's business which in the opinion of the board of directors it would be inexpedient in the interests of the Corporation to communicate to the public.

56. Availability of Corporate Records to Shareholders. The board of directors may from time to time, subject to rights conferred by the Act, determine whether and to what extent and at what time and place and under what conditions or regulations the documents, books and registers and accounting records of the Corporation or any of them shall be open to the inspection of shareholders and no shareholder shall have any right to inspect any document or book or register or accounting record of the Corporation except as conferred by statute or authorized by the board of directors or by a resolution of the shareholders.

#### NOTICES

57. Service. Any notice or other document required by the Act, the Regulations, the articles or the by-laws to be sent to any shareholder or director or to the auditor shall be delivered personally or sent by prepaid mail or by telegram or cable or telex to any such shareholder at his latest address as shown in the records of the Corporation or its transfer agent and to any such director at his latest address as shown in the records of the Corporation or the most recent notice filed under the Corporations Information Act, whichever is the most current and to the auditor at his business address; provided always that notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto. If a



notice or document is sent to a shareholder by prepaid mail in accordance with this paragraph and the notice or document is returned on three consecutive occasions because the shareholder cannot be found, it shall not be necessary to send any further notices or documents to the shareholder until he informs the Corporation in writing of his new address.

58. Securities Registered in More Than One Name. All notices or other documents with respect to any securities in the capital of the Corporation registered in more than one name shall be given to whichever of such persons is named first in the records of the Corporation and any notice or other document so given shall be sufficiently given to all of the holders of such securities.

59. Persons Becoming Entitled by Operation of Law. Subject to Sect on 67 of the Act, every person who by operation of law, transfer or any other means whatsoever shall become entitled to any securities of the Corporation shall be bound by every notice or other document in respect of such securities which, previous to his name and address being entered in the records of the Corporation, shall have been duly given to the person or persons from whom he derives his title to such securities.

60. Deceased Security Holders. Subject to Section 67 of the Act, any notice or other document delivered or sent by post, telegram or telex or left at the address of any security holder as the same appears in the records of the Corporation shall, notwithstanding that such security holder be then deceased, and whether or not the Corporation has notice of his decease, be deemed to have been duly served in respect of the securities held by such security holder (whether held solely or with any other person or persons) until some other person be entered in his stead in the records of the Corporation as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors or administrators and on all persons, if any, interested through him or with him in such, securities.

61. Signature to Notices. The signature of any director or officer of the Corporation to any notice or document to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

62. Computation of Time. Where a given number of days' notice or notice extending over a period is required to be given under any provisions of the articles or by-laws of the Corporation, the day of service or posting of the notice or document shall not, unless it is otherwise provided, be counted in such number of days or other period.

63. Proof of Service. With respect to every notice or other document sent by post it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed as provided in paragraph 57 of this by-law and put into a Post office or into a letter box. A certificate of an officer of the Corporation in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of shares of any class of the Corporation as to facts in relation to the sending or delivery of any notice or other document to any security holder, director, officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every security holder, director, officer or auditor of the Corporation, as the case may be.

CHEQUES, DRAFTS AND NOTES

64. Cheques, Drafts and Notes. All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or persons, whether or not officers of the Corporation, and in such manner as the board of directors may from time to time designate.

CUSTODY OF SECURITIES

65. Custody of Securities. All shares and other securities owned by the Corporation shall be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the board of directors, with such other depositaries or in such other manner as may be determined from time to time by the board of directors.

All shares and other securities belonging to the Corporation may be issued or held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer to be completed and registration to be effected.

EXECUTION OF INSTRUMENTS

66. Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by

(a) any one of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President or a Vice-President together with any one of the Secretary or the Treasurer;

(b) any two directors; or

(c) any one of the aforementioned officers together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board of directors shall have power from time to time to appoint any officer or officers, or any person or persons, on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the Corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers, person or persons, appointed as aforesaid by the board of directors by any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include the deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and

discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

(a) any one of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President or a Vice-President together with any one of the Secretary or the Treasurer;

(b) any two directors; or

(c) any one of the aforementioned officers together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Corporation and to sign and execute (under the seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President, a Vice-President, the Secretary, the Treasurer, or any director or directors of the Corporation and/or of any other officer or officers, person or persons, appointed as aforesaid by the board of directors may, if specifically authorized by the board of directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization by the board of directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation.

FINANCIAL YEAR

67. Financial Year. The financial year of the Corporation shall terminate on such date in each year as the board of directors may from time to time determine.

ENACTED as of the 1st day of December, 1987.

Signed

Signed

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President

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Secretary

HIKARI KINEMA LTD.

BY-LAW NO. 2

A by-law respecting the borrowing of money and the issue of securities by HIKARI KINEMA LTD.

BE IT ENACTED by the Directors of HIKARI KINEMA LTD. as a by-law of the said Corporation as follows:

1. That the Directors of the company may from time to time:

(a) borrow money upon the credit of the Company by obtaining loans or advances or by way of overdraft or otherwise;

(b) issue, sell or pledge securities of the Company including bonds, debentures, debenture stock, for such sums on such terms and at such prices as they may deem expedient;

(c) assign, transfer, convey, hypothecate, mortgage, pledge, charge or give security in any manner upon all or any of the real or personal, moveable or immoveable property, rights, powers, choses in action, or other assets, present or future, of the Company to secure any such securities or other securities of the Company or any money borrowed or to be borrowed or any obligations or liabilities as aforesaid or otherwise of the Company heretofore, now or hereafter made or incurred directly or indirectly or otherwise; and

(d) without in any way limiting the powers herein conferred upon the Directors, give security or promises to give security, agreements, documents and instruments in any manner or form under the Bank Act or otherwise to secure any money borrowed or to be borrowed or any obligations or liabilities as aforesaid or otherwise of the Company heretofore, now or hereafter made or incurred directly or indirectly or otherwise.

2. That any or all of the foregoing powers may from time to time be delegated by the Director to any one or more of the directors or officers of the Company.

3. That this By-law shall remain in force and be binding upon the Company as regards any person acting on the faith thereof until such person has received written notification from the Company that this By-law has been repealed or replaced.

ENACTED as of the 1st day of December, 1987.

Signed

Signed

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President

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Secretary

HIKARI KINEMA LTD.

SPECIAL RESOLUTION OF THE SOLE SHAREHOLDER

ARTICLES OF AMENDMENT - CHANGE OF NAME

BE IT RESOLVED THAT:

1. the Articles of the Corporation are amended to change the name of the Corporation to:

Imax (Titanica) Ltd.

2. any one officer or director of the Corporation be and is hereby authorized and directed on behalf of the Corporation to deliver Articles of Amendment, in duplicate, to the Director under the Business Corporations Act, 1982 and to sign and execute all documents and to do all things necessary or advisable in connection with the foregoing; and

3. the Board of Directors of the Corporation is hereby authorized to revoke this special resolution without further approval of the shareholders of the Corporation, at any time before such resolution is acted upon.

The undersigned, being the sole shareholder of HIKARI KINEMA LTD., hereby signs the foregoing special resolution this 11th day of March, 1993.

IMAX CORPORATION  
Per:

Signed

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AMENDED AND RESTATED CERTIFICATE OF FORMATION

OF

CHICAGO THEATRE LLC

This Amended and Restated Certificate of Formation of Chicago Theatre LLC (the "LLC"), dated October 16, 2002, is being duly executed and filed pursuant to Section 18-208 of the Delaware Limited Liability Company Act (6 Del.C. ss.18-101, et seq.) by G. Mary Ruby, as an authorized person, to amend and restate the original Certificate of Formation of the LLC, filed on September 23, 2002, in its entirety, as follows.

FIRST. The name of the limited liability company formed and continued hereby is Imax Chicago Theatre LLC.

SECOND. The address of the registered office of the LLC in the State of Delaware is c/o RL&F Service Corp., One Rodney Square, 10th Floor, Tenth and King Streets, Wilmington, New Castle County, Delaware 19801.

THIRD. The name and address of the registered agent for service of process on the LLC in the State of Delaware is RL&F Service Corp., One Rodney Square, 10th Floor, Tenth and King Streets, Wilmington, New Castle County, Delaware 19801.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of the date first above written.

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G. Mary Ruby  
Authorized Person

CERTIFICATE OF FORMATION

OF

CHICAGO THEATRE LLC

This Certificate of Formation of Chicago Theatre LLC (the "LLC"), dated as of September 23, 2002, is being duly executed and filed by G. Mary Ruby, as an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act (6 Del.C. ss.18-101, et seq.).

FIRST. The name of the limited liability company formed hereby is Chicago Theatre LLC.

SECOND. The address of the registered office of the LLC in the State of Delaware is c/o RL&F Service Corp., One Rodney Square, 10th Floor, Tenth and King Streets, Wilmington, New Castle County, Delaware 19801.

THIRD. The name and address of the registered agent for service of process on the LLC in the State of Delaware is RL&F Service Corp., One Rodney Square, 10th Floor, Tenth and King Streets, Wilmington, New Castle County, Delaware 19801.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of the date first above written.

-----  
G. Mary Ruby  
Authorized Person



LIMITED LIABILITY COMPANY AGREEMENT  
OF  
IMAX CHICAGO THEATRE LLC

THIS LIMITED LIABILITY COMPANY AGREEMENT is made and entered into as of the 16th day of October, 2002, by and between IMAX THEATRE HOLDING (CALIFORNIA I) CO. a Delaware corporation in its capacity as a member of the Company ("California I"), and IMAX THEATRE HOLDING (CALIFORNIA II), CO. a Delaware corporation in its capacity as a member of the Company ("California II").

W I T N E S S E T H:

WHEREAS, on September 23, 2002, an executed Certificate of Formation forming a limited liability company known as "CHICAGO THEATRE LLC" (the "Company"), under the Delaware Limited Liability Company Act (the "Act") as in effect at that time in the State of Delaware, was filed with the Delaware Secretary of State; and

WHEREAS, an amended and restated certificate of formation was filed with the Delaware Secretary of State on October 16, 2002 changing the name of the Company to IMAX CHICAGO THEATRE LLC;

WHEREAS, the parties desire to enter into a limited liability company with the terms and conditions set forth below; and

WHEREAS, this Limited Liability Company Agreement, dated as of October 16, 2002, is made and entered into by and between California I and California II for the purpose of setting forth the rights, obligations, and duties of California I and California II.

NOW, THEREFORE, the parties hereto hereby agree that the Company shall be governed and operated pursuant to the terms of this Limited Liability Company Agreement as hereinafter set forth.

ARTICLE I

NAME, TERM, PRINCIPAL ADDRESS AND REGISTERED AGENT

1.1 Name. The name of the limited liability company is IMAX CHICAGO THEATRE LLC.

1.2 Term. The term of the Company will continue in full force and effect until December 31, 2096, unless sooner dissolved in accordance with the Act (as such term is defined herein) or provisions of this Limited Liability Company Agreement.

1.3 Principal Place of Business. The office and principal place of business of the Company shall be maintained at 700 East Grand Avenue, Suite 115, Chicago, Illinois

60611, may from time to time change such office and principal place of business and in such event shall notify the Company in writing, at least ten (10) days prior to the effective date of any such change. The Managing Member may establish additional places of business of the Company when and where required by the Company's business.

1.4 Admission and Addresses. Upon its execution of this Agreement, each of California I and California II is hereby admitted to the Company as a member of the Company. The address of each Member is as follows:

IMAX Theatre Holding (California I) Co.  
2525 Speakman Drive  
Mississauga, Ontario  
Canada  
L5K 1B1

IMAX Theatre Holding (California II) Co.  
2525 Speakman Drive  
Mississauga, Ontario  
Canada  
L5K 1B1

A Member may change its address by written notice to the Company and each of the other Members.

1.5 Registered Office and Registered Agent. The location of the registered office of the Company shall be One Rodney Square, 10th Floor, Tenth and King Streets, Wilmington, New Castle County, Delaware 19801 and the name of the registered agent of the Company at such office shall be RL&F Service Corp.

1.6 Authorized Person. The Members hereby approve and ratify the execution, delivery and filing with the Secretary of State of the State of Delaware of the Certificate of Formation of the Company and the Amended and Restated Certificate of Formation of the Company by G. Mary Ruby, as an authorized person within the meaning of the Act, on behalf of the Company. Hereafter, G. Mary Ruby's powers as an authorized person within the meaning of the Act shall cease and the Managing Member, as an authorized person within the meaning of the Act, shall execute, deliver and file all certificates (and any amendments and/or restatements thereof) required or permitted by the Act to be filed with the Secretary of State of the State of Delaware.

## ARTICLE II

### BUSINESS OF THE COMPANY

2.1 Purposes and Powers. The Company shall have the authority to engage in any lawful business purpose or activity permitted by the Act and shall possess and may exercise all of the powers and privileges granted by the Act.

ARTICLE III

CERTAIN DEFINITIONS

3.1 Act. The Delaware Limited Liability Company Act, as from time to time amended.

3.2 Adjusted Capital Contribution. The amount contributed to the capital of the Company by a Member as provided in Article IV.

3.3 Affiliate. Any person that directly or indirectly controls, is controlled by or is under common control with any other person. For this purpose, the term "control" shall mean the direct or indirect ownership of twenty-five (25%) or more of the beneficial interests or voting power of any entity or the spouse, lineal ascendants, lineal descendants and the brothers and sisters of a Person, as applicable.

3.4 Available Cash. All cash of the Company resulting from normal business operations (as distinguished from Extraordinary Events or the sale of all or substantially all of the Company's property and/or the dissolution of the Company), including, without limitation, dividend income, rental income, and any other income derived from the Company property which the Managing Member, in its sole and absolute discretion, determines is available for distribution to the Members after payment of all Company cash expenditures, including but not limited to, real and personal property taxes, use taxes, principal and interest payments then due on all loans, (including any mortgages encumbering the Company's property), expenses incident to the construction and rental of the Company property, insurance, present maintenance, including, but not limited to management fees, brokerage fees, or other fees incurred by the Company, capital improvements, accounting and legal fees, and other costs and expenses of the Company, and the setting aside of any amounts which the Managing Member may determine, in its discretion, to be necessary as a reserve for operating expenses, capital improvements and contingencies.

3.5 Capital Account. The account established and maintained by the Company for each Member, as set forth in Section 4.5 hereof.

3.6 Capital Contribution. The amount of money and the initial fair market value of any property (other than money) contributed to the Company by a Member with respect to the Company Interest held by such Member.

3.7 Code. The Internal Revenue Code of 1986, as same may be amended from time to time.

3.8 Extraordinary Event. Any financing, refinancing, insurance award (other than for substantially complete destruction of all or substantially all of the Company's property) and sale of Company assets (but less than all or substantially all of such assets), which in accordance with generally accepted accounting principles are attributable to capital but which do not result in a dissolution of the Company.

3.9 Original Capital Contribution. The amount contributed to the capital of the Company by a Member as provided in Article IV.

3.10 Managing Member. California I, in its capacity as managing member of the Company, and any Person admitted to the Company as a substitute member for California I or its successors.

3.11 Members. Collectively, California I and California II, each in its capacity as a member of the Company, and any person admitted as a substitute or an additional member of the Company in accordance with this Limited Liability Company Agreement.

3.12 Company. IMAX CHICAGO THEATRE LLC, a Delaware limited liability company.

3.13 Company Interest. The entire ownership interest of a Member in the Company at the relevant time, including the limited liability company interest in the Company of each such Member the right of such Member to any and all benefits to which a Member may be entitled as provided in this Limited Liability Company Agreement, together with the obligations of such Member to comply with all the terms and provisions of this Limited Liability Company Agreement. A Company Interest does not include any rights or obligations that a Member may have for providing services or goods for which it is separately compensated as a Person who is not a Member.

3.14 Person. Any individual, corporation, trust, partnership or other form of association.

3.15 Profits and Losses. The Company's income or loss, as the case may be, for each fiscal year of the Company determined in accordance with Code Section 703(a) (including all items of income, gain, deduction or loss that are required to be separately stated). The Company's Profits and Losses shall also include: (i) income of the Company which is exempt from tax; and (ii) the excess of the deductions for depletion over the basis of the property subject to depletion. Similarly, the Company's Losses shall include expenditures for the Company which are not deductible in computing its taxable income and are not properly chargeable to a capital account. Notwithstanding anything to the contrary in this Limited Liability Company Agreement, Profits and Losses shall not include allocations under Code Section 704(c) (which are set forth at Section 4.9 hereof) or Regulatory Allocations.

3.16 Regulatory Allocations. The allocations set forth at Sections 4.10, 4.11, 4.12, 4.13 and 4.15.

3.17 Service. Internal Revenue Service.

3.18 Percentage Interest. For each Member, the percentage of the total issued and outstanding Company Interests that are owned by each member. Where the Company Interest held by a Member varies over a given period, the Percentage Interest of each Member shall be determined pursuant to any reasonable method that is selected by the Managing Member.

ARTICLE IV

CONTRIBUTIONS TO CAPITAL; DISTRIBUTIONS; ALLOCATIONS

4.1 Capital Contributions of the Members. By the mutual agreement of the two Members, each Member will contribute to the Company cash in exchange for its Company Interest in the Company.

California I	US\$9,900.00	99%
California II	US\$ 100.00	1%

4.2 Withdrawal and Return of Capital. Except upon the dissolution and liquidation of the Company, a Member shall have no right to withdraw any of its Capital Contributions without the consent of the other Member(s). Under circumstances requiring a return of a Member's Capital Contributions, no Member shall have the right to receive property other than cash except as may be specifically provided herein.

4.3 Additional Capital Contributions. The Company may accept additional capital contributions to the extent that such contributions are consented to by both Members and are in accordance with the requirements of Section 5.3 hereof. The Percentage Interests of the Members shall be appropriately adjusted to take into account additional capital contributions to the Company.

4.4 Loans to the Company. The Members may make loans to the Company from time to time, as authorized by the Managing Member (subject to the requirements of Section 5.3 hereof), in excess of their contributions to the capital of the Company, and any such loans shall not be treated as a contribution to the capital of the Company for any purposes hereunder, nor shall any such loans entitle such Member to any increase in its share of the profits, losses or distributions of the Company. The amount of any such loan shall be an obligation of the Company to such Member and shall bear interest at a rate agreed to by the Managing Member. Any such loan shall be repaid prior to any distributions being made to the Members pursuant to Sections 4.8.2 and 8.3 hereof.

4.5 Capital Accounts. A separate Capital Account shall be determined and maintained for each Member in accordance with the rules of Treas. Reg. Section 1.704-1(b)(2)(iv). Except as otherwise provided in Treas. Reg. Section 1.704-1(b)(2)(iv), each Member's Capital Account shall initially consist of such Member's Capital Contribution and shall be further credited with each Member's additional Capital Contributions and allocable share of the Company's Profits, as determined in Section 4.6 below and items that are specially allocated in Sections 4.10, 4.11, 4.12, 4.15 and 4.16, and shall be debited by all distributions made by the Company to a Member together with each such Member's allocable share of the Company's losses, as determined in Section 4.6 below and items that are specially allocated in Sections 4.10, 4.11, 4.12, 4.15 and 4.16. In the event that the Company, in conformity with the above Treasury Regulations, has property on its books at a value ("book value") greater than or less than its adjusted

tax basis, the Members' Capital Accounts shall be adjusted to reflect only allocations to them of depreciation, amortization and gain or loss as computed for book purposes (and not for tax purposes) with respect to such property. In such event, items of book depreciation, amortization and gain or loss shall be calculated in conformity with the rules of Treas. Reg. Section 1.704-1(b)(2)(iv)(g). For purposes of calculating a Member's Capital Account, the following adjustments shall be included as Profits and Losses:

- (a) any and all adjustments made to Capital Accounts pursuant to Treas. Reg. Section 1.704-1(b)(2)(iv)(f) (optional revaluation of Capital Accounts), as it may be amended or supplemented from time to time;
- (b) any and all adjustments made to Capital Accounts pursuant to Treas. Reg. Section 1.704-1(b)(2)(iv)(e) (adjustment resulting from property distribution), as it may be amended or supplemented from time to time; and
- (c) any and all adjustments made to Capital Accounts pursuant to Treas. Reg. Section 1.704-1(b)(2)(iv)(m)(4) (as it may be amended or supplemented from time to time), as it relates to distributions other than in liquidation of a Member's interest in the Company.

4.6 Allocation of Income and Losses.

All items of Profits and Losses incurred by the Company shall be allocated to the Members in accordance with their relative Percentage Interests.

4.7 Principles of Allocation. It is the intention of the Members that the allocations of Profits and Losses hereunder have substantial economic effect in accordance with the tests therefor set forth in the Treasury Regulations under Section 704(b) of the Code. Accordingly, allocations not specifically provided for in this Limited Liability Company Agreement shall be made in such a manner as shall conform to the allocation rules and principles as set forth in such Treasury Regulations as in effect from time to time, and the Capital Accounts of the Members shall be maintained in accordance with the provisions hereof construed and interpreted in the light of such Treasury Regulations.

4.8 Distributions.

4.8.1 Available Cash shall be distributed periodically, as determined by the Managing Member in its sole discretion, to the Members in accordance with their relative Percentage Interests.

4.8.2 Net Proceeds from an Extraordinary Event which are not reinvested in other real property shall, to the extent determined by the Managing Member as being available for distribution, be distributed as expeditiously as possible, in the following order of priority:

- (a) first, to the payment of any unpaid principal and interest on any third-party financing then due;

(b) next, to the prepayment of any unpaid principal and interest on any third-party financing, if and to the extent determined by the Managing Member;

(c) next, to the repayment of any loans made by the Members to the Company pursuant to Section 4.4 hereof, in proportion to the total amount of principal and interest payable to each such Member, such distributions being treated first as in payment of accrued interest on such loans and next as in payment of principal of such loans;

(d) next, to the Members in proportion to their positive capital account balances until such Capital Account balances have been reduced to zero; and

(e) the balance, if any, in accordance with the Members' relative Percentage Interests.

4.8.3 Distributions in connection with the sale of all or substantially all of the Company's property and/or the dissolution and winding up of the Company shall be made in accordance with Section 9.3 of this Limited Liability Company Agreement.

4.8.4 Notwithstanding anything in this Limited Liability Company Agreement to the contrary, the Company shall not make a distribution to any Member if such distribution would violate Sections 18-607 or 18-804 of the Act, or any other applicable law.

4.9 Allocations of Certain Tax Items. If the fair market value of any Company property differs from its adjusted basis as of the day it is contributed to the Company, then items of income, gain, loss, deductions and credit related to such property for tax purposes shall be allocated between the Members so as to take into account the variation between the adjusted basis of the property for tax purposes and its fair market value in the manner provided for under Code Section 704(c). Except as may be otherwise required by Code Section 704(c), depreciation, amortization and gain or loss, as computed for tax purposes with respect to Company property which has a book value greater or less than its adjusted tax basis, shall be allocated among the Members in a manner that takes into account the variation between the adjusted tax basis and the book value of such property, in the same manner as variations between the adjusted tax basis and fair market value of property contributed to the Company are taken into account in determining the Members' share of tax items under Code Section 704(c), as required by Treas. Reg. Section 1.704-1(b)(2)(iv)(f)(4) and Treas. Reg. Section 1.704-1(b)(4)(i). In complying with the requirements of Code Section 704(c), the Managing Member is authorized to utilize any method permitted by the Treasury Regulations under Code Section 704(c). Allocations pursuant to this Section 4.9 are solely for purposes of complying with federal, state and local tax requirements, and shall not affect, or in any way be taken into account, in computing any Member's share of income, gain, loss, deduction or credit.

4.10 Minimum Gain Chargeback. Nonrecourse deductions shall be allocated to Members in accordance with their relative Percentage Interests. Notwithstanding any other provision of this Article IV, if there is a net decrease in partnership minimum gain (as such term is defined in Treas. Reg. Section 1.704-2(f)) during any Company fiscal year, a Member shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to its share of the net decrease in the minimum gain. The items to be so allocated shall be determined in accordance with Section 1.704-2(f) of the Treasury Regulations. This Section 4.10 is intended to comply with the minimum gain chargeback requirement in such Section of the Treasury Regulations and shall be interpreted consistently therewith.

4.11 Partner Nonrecourse Deductions. Any partner nonrecourse deductions for any fiscal year or other period shall be allocated to the Member who bears the risk of loss with respect to the loan to which such partner nonrecourse deduction is attributable in accordance with Regulations Section 1.704-2(i), if such sections of the Regulations become applicable to the Company. Partner nonrecourse debt minimum gain shall be charged back to the Members in accordance with Regulations Section 1.704-2(i)(4).

4.12 Qualified Income Offset. In the event a Member unexpectedly receives any adjustments, allocations, or distributions described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6) of the Treasury Regulations, items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the adjusted capital account deficit (as such term is used in Section 1.704-2(f) of the Treasury Regulations) of the Member as quickly as possible, provided that an allocation pursuant to this Section 4.12 shall be made only if and to the extent that the Member would have an adjusted capital account deficit after all other allocations provided for in this Article IV have been tentatively made as if this Section 4.12 were not in this Limited Liability Company Agreement. This Section 4.12 is intended to constitute a "qualified income offset" within the meaning of Section 1.704-1(b)(2)(ii)(d)(3) of the Treasury Regulations, and is to be interpreted, to the extent possible, to comply with the requirements of such Treasury Regulation as it may be amended or supplemented from time to time.

4.13 Loss Limitation. The Losses allocated to the Members pursuant to Section 4.7 hereof shall not exceed the maximum amount of Losses that can be so allocated without causing the Member to have a deficit Capital Account at the end of any Fiscal Year after: (a) increasing a Member's Capital Account by amounts that it is obligated to restore pursuant to this Limited Liability Company Agreement or is deemed obligated to restore pursuant to the penultimate sentences of Treas. Reg. Sections 1.7042(g)(1) and 1.704-2(i)(5), as they may be amended or supplemented from time to time; and (b) decreasing the Member's Capital Account by the items described in Treas. Reg. Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(d)(5) and 1.704-1(b)(2)(d)(6), as it may be amended or supplemented from time to time (an "Adjusted Deficit Capital Account"). All Losses in excess of the limitations set forth in this Section 4.13 shall be allocated to the Members in accordance with their relative Percentage Interests.



4.14 Future Amendments; Revaluation of Company Property. The Members, by a vote of a majority in interest in the Company will have complete discretion to amend the provisions of this Limited Liability Company Agreement if such amendment would not have a material adverse effect on the Members and if, in the opinion of counsel for the Company, such amendment is advisable for purposes of complying with Section 1.704-1 and 1.704-2 of the Treasury Regulations (as it may be amended or supplemented from time to time). The Members, by a vote of a majority in interest in the Company, may revise the Members' Capital Accounts to reflect a revaluation of the Company property, provided that the revaluation adheres to the requirements of Section 1.704-1(b)(2)(iv)(f) of the Treasury Regulations.

4.15 Gross Income Allocation. In the event a Member has a deficit Capital Account at the end of any Company fiscal year which is in excess of the sum of (i) the amount the Member is obligated to restore pursuant to any provision of this Limited Liability Company Agreement, and (ii) the amount the Member is deemed to be obligated to restore pursuant to the penultimate sentences of Treas. Reg. Sections 1.704-2(g)(1) and 1.704-2(i)(5), the Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 4.15 shall be made only if and to the extent that the Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article IV have been made, as if Article 4.12 hereof and this Section 4.15 were not in this Limited Liability Company Agreement.

4.16 Curative Allocations. In the event that income, loss or items thereof are allocated to one or more Members pursuant to Sections 4.10, 4.11, 4.12, 4.13, and 4.15, above, subsequent income and loss first will be allocated (subject to the provisions of Sections 4.10, 4.11, 4.12, 4.13, and 4.15) to the Members in a manner designed to result in each Member having a Capital Account balance equal to what it would have been if the original allocation of income or loss pursuant to Sections 4.10, 4.11, 4.12, 4.13, and 4.15 had not occurred.

#### ARTICLE V

##### MANAGEMENT OF THE COMPANY

5.1 Rights and Duties of the Members. Except as otherwise provided herein, the Managing Member shall have full, exclusive and complete authority and discretion in the management and control of the business of the Company and shall make all decisions affecting the business of the Company. Further, the Managing Member shall have all of the rights and powers of a member and manager as provided in the Act and as otherwise provided by law or this Limited Liability Company Agreement, and, except as otherwise provided herein, any action taken by the Managing Member shall constitute the act of and serve to bind the Company. The Managing Member shall manage and control the affairs of the Company to the best of its ability and shall use its best efforts to carry out the business of the Company as set forth in Limited Liability Company Agreement.

5.2 Exculpation and Indemnification of the Members and others. The Members and all Affiliates of the Members and their respective shareholders, partners, officers, directors and employees (hereinafter referred to individually as an "Indemnitee") shall not be liable to the Company or any other Member for any loss incurred in connection with any action or inaction of an Indemnitee, if such Indemnitee, in good faith, determined that such course of conduct was in the best interest of the Company and did not constitute gross negligence of such Indemnitee. To the fullest extent permitted by law, an Indemnitee shall be indemnified and held harmless by the Company against any and all losses, judgments, liabilities, expenses, costs (including attorney's fees) actually and reasonably incurred by said Indemnitee in connection with the defense of any suit or action (including, without limitation, all costs of appeal) to which the Indemnitee is made a party by reason of its position herein, to the fullest extent permitted under the provisions of the Act or any other applicable statute. Nothing herein shall make any Affiliate of a Member liable in any way for the acts, omissions, obligations or liabilities of a Member.

5.3 Tax Matters Partner. If the Company is required by the Code or the Treasury Regulations to have a Tax Matters Partner ("TMP"), the Managing Member shall serve as the TMP for the Company. The TMP agrees to act as a liaison between the Company and the Service in connection with all administrative and judicial proceedings involving tax controversies of the Company, and agrees to assume all the rights and duties of a TMP as set forth in the Code and the Regulations promulgated thereunder. These rights and duties include, but are not limited to:

(a) the duty to notify and keep all other Members informed of all administrative and judicial proceedings, as required by Section 6223(g) of the Code, and to furnish to each Member, who so requests in writing, a copy of each notice or other communication received by the TMP from the Service;

(b) the right to settle any claims by the Service against the Company;

(c) the right to initiate judicial proceedings contesting adverse determinations by the Service against the Company;

(d) the right to enter into an agreement to extend the statute of limitations;

(e) the right to employ experienced tax counsel to represent the Company in connection with any audit or investigation of the Company by the Service, and in connection with all subsequent administrative and judicial proceedings arising out of such audit. The fees and expenses of such counsel shall be a Company expense and shall be paid by the Company. Such counsel shall be responsible for representing the Company; it shall be the responsibility of the Members, at their expense, to employ tax counsel to represent their respective separate interests; and

(f) arrange for the preparation and delivery of Company information returns and Schedule K's to the Members.

The TMP shall be entitled to be reimbursed for all expenses incurred when acting in its capacity as TMP.

5.4 Company Basis Elections. In the event of a distribution of property by the Company within the meaning of Section 734 of the Code, or the transfer of any interest in the Company within the meaning of Section 743 of the Code, the Managing Member, in its sole and absolute discretion, may cause the Company to elect to adjust the basis of its assets pursuant to Section 754 of the Code. The Members affected by this election, if made, shall supply to the Company any information that may be required to make such election.

#### ARTICLE VI

##### LIABILITY OF MEMBERS AND TRANSFERABILITY OF INTERESTS

6.1 Limited Liability of the Members. Except as otherwise provided in the Act or any other applicable law, the Members are not personally liable for the expenses, liabilities or obligations of the Company beyond the amount of its Capital Contribution.

6.2 Transfer of a Member's Company Interest. A Member shall not transfer, sell, encumber, assign or otherwise dispose (a "Transfer") of part or all of its Company Interest representing its Company Interest without the permission of the other Member. Any certificate evidencing ownership of the Company Interests shall contain the foregoing restriction.

#### ARTICLE VII

##### ADMISSION AND RESIGNATION OF MEMBERS

7.1 Admission. The Members may jointly select and admit additional members.

7.2 Resignation. A Member may not resign or withdraw from the Company without the written consent of the remaining Member(s).

#### ARTICLE VIII

##### TERMINATION OF THE COMPANY

8.1 Dissolution. The Company shall be dissolved upon the happening of any of the following events:

- (a) The termination of the legal existence of the last remaining Member or the occurrence of any other event that terminates the continued membership of the last remaining member in the company unless the

Company is continued without dissolution in a manner permitted by this Agreement or the Act;

- (b) The unanimous written consent of the Members, or
- (c) The entry of a decree of judicial dissolution under Section 18-802 of the Act.

Notwithstanding any other provision of this Agreement, the bankruptcy (defined in the Act) of a Member shall not cause the member to cease to be a member of the Company, and upon the occurrence of such an event, the Company shall continue without dissolution.

8.2 Effectiveness. Dissolution of the Company shall be effective on December 31, 2096, or the day on which the event occurs giving rise to the dissolution, but the Company shall not terminate until the assets of the Company shall have been distributed as provided in Section 8.3 below and the Certificate of Cancellation of the Amended and Restated Certificate of Formation shall have been executed by the Liquidating Trustee (as defined below) as an authorized person and filed with the Secretary of State of the State of Delaware. Notwithstanding the dissolution of the Company, prior to the termination of the Company, as aforesaid, the business of the Company and the affairs of the Members, as such, shall continue to be governed by this Limited Liability Company Agreement.

8.3 Liquidation. Upon dissolution of the Company, the Managing Member or if California I is no longer a member of the Company, a Person appointed by a majority in interest of the remaining Members (California I or such other Person, the "Liquidating Trustee"), shall wind up the affairs of the Company, apply and distribute its assets or the proceeds thereof as contemplated by this Limited Liability Company Agreement and cause the cancellation of the Certificate of Formation. As soon as possible after the dissolution of the Company, a full account of the assets and liabilities of the Company shall be taken, and a statement shall be prepared by a certified public accountant to be selected by Liquidating Trustee, setting forth the assets and liabilities of the Company. A copy of such statement shall be furnished to each of the Members within thirty (30) days after such dissolution. Thereafter, the Liquidating Trustee shall, in its sole and absolute discretion, either liquidate the assets as promptly as is consistent with obtaining in so far as possible the fair value thereof or determine to distribute all or part of the assets in kind. Any proceeds from liquidation, together with any assets that the Liquidating Trustee determines to distribute in kind shall be applied to the following order:

- (a) first, to the creditors of the Company, excluding Members who are creditors, to the extent otherwise permitted by law, in satisfaction of the liabilities of the Company (whether by payment or the making of reasonable provision for payment thereof). Any reserves shall be held for the purpose of disbursement in payment of any of the aforementioned contingencies, and at the expiration of such period as the Liquidating Trustee shall deem advisable, the Company shall distribute the balance remaining in the manner provided for herein;

(b) next, to the repayment (or satisfaction thereof, whether by payment or the making of reasonable provision for payment thereof) of any debts and liabilities of the Company to Members not in respect of their Company Interests, including, without limitation, unpaid expense accounts or advances made to or for the benefit of the Company;

(c) next, to the Members in proportion to their then Capital Account balances until such Capital Account balances have been reduced to zero; and

(d) the balance, if any, in accordance with the Members' relative Percentage Interests.

8.4 Gain or Loss From Dissolution. The net gain or loss, if any, resulting from such dissolution and termination shall be allocable to the Members as provided in Section 4.6 hereof.

#### ARTICLE IX

##### BOOKS AND RECORDS; REPORTS

9.1 Books and Records. The Managing Member shall keep adequate books and records at one or more of its places of business, setting forth a true and accurate account of all business transactions arising out of and in connection with the conduct of the Company. Members or their designated representatives shall have the right, at any reasonable time, to have access to and inspect and copy the contents of said books or records for any purpose reasonably related to such Member's interest in the Company.

9.2 Annual Reports. The Members shall be furnished annually by the Company with an unaudited financial statement for the year then ended. Upon request by any Member, the Company shall furnish audited financial statements, with such costs being borne by the Company.

#### ARTICLE X

##### GENERAL PROVISIONS

10.1 Notices. Any notice, payment, demand or communication required or permitted to be given by any provision of this Limited Liability Company Agreement shall be in writing and delivered personally, sent by overnight courier or sent by registered or certified mail, return receipt requested, to a party at the address specified in Section 1.4 hereof. Any such notice shall be deemed to be given as of the date of receipt or refusal of receipt to the party at its address. Any Member may from time to time specify a different address by written notice to the Company.

10.2 Jurisdiction and Applicable Law. Each party hereto and with regard solely to matters arising out of, or in connection with, this Limited Liability Company Agreement hereby designates the laws of the State of Delaware without reference to conflict of laws provisions thereof, as the law applicable hereto.

10.3 Survival of Rights. Except as otherwise provided, this Limited Liability Company Agreement shall be binding upon and inure to the benefit of the Members, their personal representatives, successors and permitted assigns.

10.4 Validity. In the event that any provision of this Limited Liability Company Agreement shall be held to be invalid, the same shall not affect in any respect whatsoever the validity of this Limited Liability Company Agreement.

10.5 Agreement in Counterparts. This Limited Liability Company Agreement may be executed in several counterparts, and as executed shall constitute one agreement, binding on all the parties hereto, notwithstanding that all the parties are not signatory to the original or to the same counterpart.

10.6 Waiver of Partition. The Members hereby waive any right of partition as to the Company's property or any right to take any other action that otherwise might be available to them for the purpose of severing their relationship in connection with Company property.

10.7 Headings. The headings, titles and subtitles used in this Limited Liability Company Agreement are for ease of reference only and shall not control or affect the meaning or construction of any provision hereof.

10.8 Amendments. This Limited Liability Company Agreement may be amended by California I as permitted by Section 4.14 hereof. All other amendments of this Limited Liability Company Agreement must be unanimously consented to by the Members.

10.9 Entire Agreement. This Limited Liability Company Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof. This Limited Liability Company Agreement replaces and supersedes all previous agreements and amendments entered into by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Limited Liability Company Agreement as of the 16th day of October, 2002.

IMAX THEATRE HOLDING (CALIFORNIA I) CO.,  
a Delaware corporation

By: /s/ G. Mary Ruby

-----  
Name and Title: G. Mary Ruby  
Secretary

By: /s/ Ed MacNeil

-----  
Name and Title: Ed MacNeil  
Vice President

IMAX THEATRE HOLDING (CALIFORNIA II) CO.,  
a Delaware corporation

By: /s/ G. Mary Ruby

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Name and Title: G. Mary Ruby  
Secretary

By: /s/ Ed MacNeil

-----  
Name and Title: Ed MacNeil  
Vice President

CERTIFICATE OF INCORPORATION  
OF  
IMAX FILM HOLDING CO.

I, the undersigned, for the purposes of incorporating and organizing a corporation under the General Corporation Law of the State of Delaware, do execute this Certificate of Incorporation and do hereby certify as follows:

FIRST. The name of the corporation is Imax Film Holding Co.

SECOND. The address of the corporation's registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH. The total number of shares of stock which the corporation shall have authority to issue is 100. All such shares are to be Common Stock, par value of \$.01 per share, and are to be of one class.

FIFTH. The incorporator of the corporation is Siobhan Cameron, whose mailing address is c/o Richards, Layton & Finger, One Rodney Square, P.O. Box 551, Wilmington, Delaware 19899.

SIXTH. Unless and except to the extent that the by-laws of the corporation shall so require, the election of directors of the corporation need not be by written ballot.

SEVENTH. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors of the corporation is expressly authorized to make, alter and repeal the by-laws of the corporation, subject to the power of the stockholders of the corporation to alter or repeal any by-law whether adopted by them or otherwise.

EIGHTH. A director of the corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.



NINTH. The corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this article.

TENTH. The powers of the incorporator are to terminate upon the filing of this Certificate of Incorporation with the Secretary of State of the State of Delaware. The name and mailing address of the person who is to serve as the sole initial director of the corporation until the first annual meeting of stockholders of the corporation, or until his successor is duly elected and qualified, is:

G. Mary Ruby  
241 Inglewood Drive  
Toronto, Ontario M4T 1H8

The undersigned incorporator hereby acknowledges that the foregoing certificate of incorporation is her act and deed on this the 5th day of April, 2000.

/s/ Siobhan Cameron

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Siobhan Cameron  
Incorporator

BY-LAWS

OF

IMAX FILM HOLDING CO.

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ARTICLE I

Meetings of Stockholders

Section 1.1. Annual Meetings. An annual meeting of stockholders shall be held for the election of directors at such date, time and place, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting.

Section 1.2. Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by the Board of Directors, but such special meetings may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 1.3. Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given that shall state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the certificate of incorporation or these by-laws, the written notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation.

Section 1.4. Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 1.5. Quorum. Except as otherwise provided by law, the certificate of incorporation or these by-laws, at each meeting of stockholders the presence in person or by proxy of the holders of a majority in voting power of the outstanding shares of stock

entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. In the absence of a quorum, the stockholders so present may, by a majority in voting power thereof, adjourn the meeting from time to time in the manner provided in Section 1.4 of these by-laws until a quorum shall attend. Shares of its own stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the corporation or any subsidiary of the corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 1.6. Organization. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in his absence by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 1.7. Voting; Proxies. Except as otherwise provided by or pursuant to the provisions of the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary of the corporation. Voting at meetings of stockholders need not be by written ballot. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect. All other elections and questions shall, unless otherwise provided by the certificate of incorporation, these by-laws, the rules or regulations of any stock exchange applicable to the corporation, as otherwise provided by law or pursuant to any regulation applicable to the corporation, be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock of the corporation which are present in person or by proxy and entitled to vote thereon.

Section 1.8. Fixing Date for Determination of Stockholders of Record. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other

distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (1) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting; (2) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten (10) days from the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (3) in the case of any other action, shall not be more than sixty (60) days prior to such other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action of the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation in accordance with applicable law, or, if prior action by the Board of Directors is required by law, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action; and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 1.9. List of Stockholders Entitled to Vote. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. Upon the willful neglect or refusal of the directors to produce such a list at any meeting for the election of directors, they shall be ineligible for election to any office at such meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 1.10. Action By Written Consent of Stockholders. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which minutes of proceedings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall, to the extent required by law, be given to those stockholders who have not consented in writing.

Section 1.11. Inspectors of Election. The corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

Section 1.12. Conduct of Meetings. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and

procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

## ARTICLE II

### Board of Directors

Section 2.1. Number; Qualifications. The Board of Directors shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

Section 2.2. Election; Resignation; Vacancies. The Board of Directors shall initially consist of the persons named as directors in the certificate of incorporation or elected by the incorporator of the corporation, and each director so elected shall hold office until the first annual meeting of stockholders or until his successor is duly elected and qualified. At the first annual meeting of stockholders and at each annual meeting thereafter, the stockholders shall elect directors each of whom shall hold office for a term of one year or until his successor is duly elected and qualified, subject to such director's earlier death, resignation, disqualification or removal. Any director may resign at any time upon written notice to the corporation. Unless otherwise provided by law or the certificate of incorporation, any newly created directorship or any vacancy occurring in the Board of Directors for any cause may be filled by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum, or by a plurality of the votes cast at a meeting of stockholders, and each director so elected shall hold office until the expiration of the term of office of the director whom he has replaced or until his successor is elected and qualified.

Section 2.3. Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine.

Section 2.4. Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the President, any Vice President, the Secretary, or by any member of the Board of Directors. Notice of a special meeting of the Board of Directors shall be given by the person or persons calling the meeting at least twenty-four hours before the special meeting.

Section 2.5. Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 2.6. Quorum; Vote Required for Action. At all meetings of the Board of Directors a majority of the whole Board of Directors shall constitute a quorum for the transaction of business. Except in cases in which the certificate of incorporation, these

by-laws or applicable law otherwise provides, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.7. Organization. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in their absence by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8. Action by Written Consent of Directors. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or such committee.



## ARTICLE III

### Committees

Section 3.1. Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it.

Section 3.2. Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these by-laws.

## ARTICLE IV

### Officers

Section 4.1. Executive Officers; Election; Qualifications; Term of Office; Resignation; Removal; Vacancies. The Board of Directors shall elect a President and Secretary, and it may, if it so determines, choose a Chairman of the Board and a Vice Chairman of the Board from among its members. The Board of Directors may also choose one or more Vice Presidents, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers. Each such officer shall hold office until the first meeting of the Board of Directors after the annual meeting of stockholders next succeeding his election, and until his successor is elected and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the corporation. The Board of Directors may remove any officer with or without cause at any time, but such removal shall be without prejudice to the contractual rights of such officer, if any, with the corporation. Any number of offices may be held by the same person. Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

Section 4.2. Powers and Duties of Executive Officers. The officers of the corporation shall have such powers and duties in the management of the corporation as may be prescribed in a resolution by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors. The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his duties.

ARTICLE V

Stock

Section 5.1. Certificates. Every holder of stock shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the corporation certifying the number of shares owned by him in the corporation. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 5.2. Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

## ARTICLE VI

### Indemnification

Section 6.1. Right to Indemnification. The corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "Indemnitee") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the corporation or, while a director or officer of the corporation, is or was serving at the written request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnitee. Notwithstanding the preceding sentence, except as otherwise provided in Section 6.3, the corporation shall be required to indemnify an Indemnitee in connection with a proceeding (or part thereof) commenced by such Indemnitee only if the commencement of such proceeding (or part thereof) by the Indemnitee was authorized by the Board of Directors.

Section 6.2. Prepayment of Expenses. The corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnitee in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Indemnitee to repay all amounts advanced if it should be ultimately determined that the Indemnitee is not entitled to be indemnified under this Article VI or otherwise.

Section 6.3. Claims. If a claim for indemnification or advancement of expenses under this Article VI is not paid in full within sixty (60) days after a written claim therefor by the Indemnitee has been received by the corporation, the Indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the corporation shall have the burden of proving that the Indemnitee is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 6.4. Nonexclusivity of Rights. The rights conferred on any Indemnitee by this Article VI shall not be exclusive of any other rights which such Indemnitee may have or hereafter acquire under any statute, provision of the certificate of incorporation, these by-laws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.5. Other Sources. The corporation's obligation, if any, to indemnify or to advance expenses to any Indemnitee who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Indemnitee may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

Section 6.6. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article VI shall not adversely affect any right or protection hereunder of any Indemnitee in respect of any act or omission occurring prior to the time of such repeal or modification.

Section 6.7. Other Indemnification and Prepayment of Expenses. This Article VI shall not limit the right of the corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Indemnitees when and as authorized by appropriate corporate action.

## ARTICLE VII

### Miscellaneous

Section 7.1. Fiscal Year. The fiscal year of the corporation shall be determined by resolution of the Board of Directors.

Section 7.2. Seal. The corporate seal shall have the name of the corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 7.3. Manner of Notice. Except as otherwise provided herein, notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the corporation. Notice to directors may be given by telegram, telecopier, telephone or other means of electronic transmission.

Section 7.4. Waiver of Notice of Meetings of Stockholders, Directors and Committees. Any written waiver of notice, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 7.5. Interested Directors; Quorum. No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if: (1) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders. Common or interested directors may

be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 7.6. Form of Records. Any records maintained by the corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs, or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time.

Section 7.7. Amendment of By-Laws. These by-laws may be altered, amended or repealed, and new by-laws made, by the Board of Directors, but the stockholders may make additional by-laws and may alter and repeal any by-laws whether adopted by them or otherwise.

Section 7.8 Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the corporation may be signed by:

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the corporation without any further authorization or formality. The Board of Directors shall have power from time to time to appoint any person or persons, on behalf of the corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any person or persons appointed as aforesaid by the Board of Directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

- (a) any two officers;

(b) any two directors; or

(c) any one officer together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the corporation and to sign and execute (under the seal of the corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of any officer or officers, or any director or directors of the corporation and/or of any other person or persons, appointed as aforesaid by the Board of Directors may, if specifically authorized by the Board of Directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation executed or issued by or on behalf of the corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization, by the Board of Directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation.



CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION

OF

IMAX FORUM RIDE, INC.

BEFORE ISSUING STOCK

The undersigned, being the original incorporator of IMAX FORUM RIDE, INC., a

Nevada corporation (the "Corporation"), does hereby declare and state as follows:

1. That the Articles of Incorporation of the Corporation were duly filed with the Nevada Secretary of State on April 23, 1996.
2. That to this date, no stock of the Corporation has been issued.
3. That the Articles of Incorporation of the Corporation are hereby amended as follows:

Article III thereof is amended to read in its entirety:

ARTICLE III

Authorized Shares

The aggregate number of shares that the Corporation shall have the authority to issue is 25,000 shares of stock with a par value of \$.01 per share.

4. That this certificate is made pursuant to Nevada Revised Statutes Section 78.380.

DATED: May 1, 1996.

/s/ Christy L. Connor

\_\_\_\_\_  
CHRISTY L. CONNOR

STATE OF NEVADA

COUNTY OF CLARK

This instrument was acknowledged before me on May 1, 1996 by Christy L. Connor.

/s/ Andrea Leviton

\_\_\_\_\_  
NOTARY PUBLIC

My Commission expires:\_\_\_\_\_ .

Notary Seal

CODE OF BYLAWS

OF

IMAX FORUM RIDE, INC.

ARTICLE I

IDENTIFICATION

Section 1.01. Name. The name of the corporation is IMAX FORUM RIDE, INC.

Section 1.02. Registered Office and Resident Agent. The address of the registered office of the corporation is 1700 Bank of America Plaza, 300 South Fourth Street, Las Vegas, Nevada 89101; and the name of the resident agent at this address is LIONEL SAWYER & COLLINS.

Section 1.03. Fiscal Year. The fiscal year of the corporation shall begin on the 1st day of January in each year and end on the 31st day of December next following.

ARTICLE II

STOCK

Section 2.01. Issuance of Shares. Shares of stock may be issued for labor, services, personal property, real estate or leases thereof or for money from time to time by the Board of Directors. Treasury shares may be disposed of by the corporation for such consideration as aforesaid from time to time by the Board of Directors.

Section 2.02. Payment of Shares. The consideration for the issuance of shares may be paid, in whole or in part, in money, in other property, as aforesaid, or in labor or services actually performed for the corporation. When payment of the consideration for which shares are to be issued shall have been received by the corporation, such shares shall be deemed to be fully paid and nonassessable. Future services shall not constitute payment or part payment for shares of the corporation. In the absence of fraud in the transaction, the judgment of the Board of Directors as to the value of the consideration received for shares shall be conclusive. No certificate shall be issued for any share until the share is fully paid.

Section 2.03. Certificates Representing Shares. Each holder of the shares of stock of the corporation shall be entitled to a certificate signed by the President or a Vice President and the Secretary or an Assistant Secretary of the corporation, certifying the number of shares owned by him in the corporation.

Section 2.04. Transfer of Stock. The corporation shall register a transfer of a stock certificate presented to it for transfer if:

(a) Endorsement. The certificate is properly endorsed by the registered holder or by his duly authorized attorney;

(b) Witnessing. The endorsement or endorsements are witnessed by one witness unless this requirement is waived by the Secretary of the corporation;

(c) Adverse Claims. The corporation has no notice of any adverse claims or has discharged any duty to inquire into any such claims;

(d) Collection of Taxes. There has been compliance with any applicable law relating to the collection of taxes.

### ARTICLE III

#### THE SHAREHOLDERS

Section 3.01. Place of Meetings. Meetings of the Shareholders of the corporation shall be held at the office of Messrs. Lionel Sawyer & Collins, legal counsel to the corporation, 1700 Bank of America Plaza, 300 South Fourth Street, Las Vegas, Nevada, 89101, or at any other place within or without the State of Nevada as may be designated in the notice thereof.

Section 3.02. Annual Meetings. Unless the Shareholders shall have executed and delivered a written consent electing at least one-fourth of the directors annually, the annual meeting of the Shareholders shall be held each year at the principal office of the corporation at the hour of 10:00 o'clock A.M. on the anniversary date of the incorporation of this corporation, if this day shall fall on a normal business day, and if not, then on the first following normal business day. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the corporation.

Section 3.03. Special Meetings. Special meetings of the Shareholders may be called by the President, the Board of Directors, or by the Secretary at the written request (stating the purpose or purposes for which the meeting is called) of the holders of not less than one-tenth of all the shares entitled to vote at the meeting.

Section 3.04. Notice of Meetings; Waiver. Written notice stating the place, day, and hour of the meeting and, in case of a special meeting the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officer or persons calling the meeting, to each registered holder entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the registered holder at his address as it appears on the stock transfer books of the corporation, with postage on it prepaid. Waiver by a Shareholder in writing of notice of a Shareholders' meeting shall constitute a waiver of notice of the meeting, whether executed and/or delivered before or after such meeting.

Section 3.05. Quorum. A majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of the Shareholders. The Shareholders present at a duly organized meeting may continue to do business until adjournment,

notwithstanding the withdrawal of enough Shareholders to leave less than a quorum. The act of a majority of the shares entitled to vote at a meeting at which a quorum is present shall be the act of the Shareholders, unless a greater number is required by applicable law.

Section 3.06. Proxies. A Shareholder may vote either in person or by proxy executed in writing by the Shareholder or by his duly authorized attorney-in-fact. No proxy shall be valid after six months from the date of its creation, unless otherwise provided in the proxy.

Section 3.07. Action Without A Meeting. Any action that may be taken at a meeting of the Shareholders, or of a committee, may be taken without a meeting if a consent in writing, setting forth the actions taken, shall be signed by the Shareholders, or the members of the committee, holding at least a majority of the voting power, unless a greater proportion of voting power is required for such an action at a meeting, as the case may be.

#### ARTICLE IV

##### THE BOARD OF DIRECTORS

Section 4.01. Number and Qualifications. The business and affairs of the corporation shall be managed by a Board of one (1) Director. The number of Directors may be increased or decreased from time to time and at any time by the Shareholders, or Board of Directors.

Section 4.02. Election. Members of the initial Board of Directors shall hold office until the first annual meeting of Shareholders and until their successors shall have been elected and qualified. At the first annual meeting of Shareholders and at each annual meeting thereafter, the Shareholders shall elect Directors to hold office until the next succeeding annual meeting. Each Director shall hold office for the term for which he is elected and until his successor shall be elected and qualified. Notwithstanding anything herein to the contrary, any Director may be removed from office at any time by the vote or written consent of Shareholders representing not less than two-thirds of the issued and outstanding stock entitled to vote.

Section 4.03. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of the majority of the remaining Directors though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office, subject to removal as aforesaid.

Section 4.04. Place of Meeting. The Board of Directors, annual, regular or special, may be held either within or without the State of Nevada.

Section 4.05. Annual Meetings. Immediately after the annual meeting of the Shareholders, the Board of Directors may meet each year for the purpose of organization, election of officers, and consideration of any other business that may properly be brought before the meeting. No notice of any kind to either old or new members of the Board of Directors for this annual meeting shall be necessary.

Section 4.06. Other Meetings. Other meetings of the Board of Directors may be held upon notice by letter, telegram, facsimile, cable, or radiogram, delivered for transmission not later than during the third day immediately preceding the day for the meeting, or by word of

mouth, telephone, or radiophone received not later than during the second day preceding the day for the meeting, upon the call of the President or Secretary of the corporation at any place within or without the State of Nevada. Notice of any meeting of the Board of Directors may be waived in writing signed by the person or persons entitled to the notice, whether before or after the time of the meeting. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of notice of the meeting.

Section 4.07. Quorum. A majority of the number of Directors holding office shall constitute a quorum for the transaction of business. The act of the majority of the Directors present at a meeting at which a quorum has been achieved shall be the act of the Board of Directors unless the act of a greater number is required by applicable law.

Section 4.08. Action Without A Meeting. Any action that may be taken at a meeting of the Directors, or of a committee, may be taken without a meeting if a consent in writing, setting forth the actions taken, shall be signed by all of the Directors, or all of the members of the committee, as the case may be.

Section 4.09. Loans. The Board of Directors shall have the following power with respect to the lending of funds:

(a) Loan of Funds, Generally. To lend money in furtherance of any of the purposes of the corporation; to invest the funds of the corporation from time to time; and to take and hold any property as security for the payment of funds so loaned or invested; but to make no loans secured by the shares of the corporation.

(b) Loan to Employees. To lend money to its employees, other than its officers and Directors, and to otherwise assist its employees, officers, and Directors; but to make no loans secured by the shares of the corporation.

## ARTICLE V

### THE OFFICERS

Section 5.01. Officers. The officers of the corporation shall consist of a President, Secretary and Treasurer, and may also include a Chairman of the Board, one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers, or such other officers or assistant officers or agents as may be provided herein, or otherwise deemed necessary, from time to time by the Board of Directors. Officers need not be Directors of the corporation. Each officer so elected shall hold office until his successor is elected and qualified, but shall be subject to removal at any time by the vote or written consent of a majority of the Directors.

Section 5.02. Vacancies. Whenever any vacancies shall occur in any office by death, resignation, increase in the number of offices of the corporation, or otherwise, the same shall be filled by the Board of Directors, and the officer so elected shall hold office until his successor is elected and qualified, subject to removal as aforesaid.

Section 5.03. The Chairman of the Board of Directors. The Chairman of the Board of Directors shall preside at all meetings of the Directors, discharge all duties incumbent upon the presiding officer, and perform such other duties as the Board of Directors may prescribe.

Section 5.04. The President. The President shall have active executive management of the operations of the corporation, subject, however, to the control of the Board of Directors. He shall preside at all meetings of Shareholders, discharge all the duties incumbent upon a presiding officer, and perform such other duties as this Code of Bylaws provides or the Board of Directors may prescribe. The President shall have full authority to execute proxies in behalf of the corporation, to vote stock owned by it in any other corporation, and to execute powers of attorney appointing other corporations, partnerships, or individuals the agent of the corporation.

Section 5.05. The Vice President. The Vice President shall perform all duties incumbent upon the President during the absence or disability of the President, and shall perform such other duties as this Code of Bylaws may provide or the Board of Directors may prescribe.

Section 5.06. The Secretary. The Secretary shall attend all meetings of the Shareholders and of the Board of Directors, and shall keep a true and complete record of the proceedings of these meetings. He shall be custodian of the records of the corporation. He shall attend to the giving of all notices and shall perform such other duties as this Code of Bylaws may provide or the Board of Directors may prescribe.

Section 5.07. The Treasurer. The Treasurer shall keep correct and complete records of account, showing accurately at all times the financial condition of the corporation. He shall be the legal custodian of all moneys, notes, securities, and other valuables that may from time to time come into the possession of the corporation. He shall immediately deposit all funds of the corporation coming into his hands in some reliable bank or other depository to be designated by the Board of Directors, and shall keep this bank account in the name of the corporation. He shall furnish at meetings of the Board of Directors, or whenever requested, a statement of the financial condition of the corporation, and shall perform such other duties as this Code of Bylaws may provide or the Board of Directors may prescribe. The Treasurer may be required to furnish bond in such amount as shall be determined by the Board of Directors.

Section 5.08. Transfer of Authority. In case of the absence of any officer of the corporation, or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may transfer the powers or duties of that officer to any other officer or to any Director or employee of the corporation, provided a majority of the full Board of Directors concurs.

## ARTICLE VI

### NEGOTIABLE INSTRUMENTS, DEEDS, AND CONTRACTS

Section 6.01. All checks, drafts, notes, bonds, bills of exchange, and orders for the payment of money of the corporation; all deeds, mortgages, and other written contracts and agreements to which the corporation shall be a party; and all assignments or endorsements of stock certificates, registered bonds, or other securities owned by the corporation shall, unless

otherwise required by law, or otherwise authorized by the Board of Directors as hereinafter set forth, be signed by the President or by anyone of the following officers: Vice President, Secretary, or Treasurer. The Board of Directors may designate one or more persons, officers or employees of the corporation, who may, in the name of the corporation and in lieu of, or in addition to, those persons hereinabove named, sign such instruments; and may authorize the use of facsimile signatures of any of such, persons. Any shares of stock issued by any other corporation and owned or controlled by the corporation may be voted at any Shareholders' meeting of the other corporation by the President of the corporation, if he be present; or, in his absence, by the Secretary of the corporation and, in the event both the President and Secretary shall be absent, then by such person as the President of the corporation shall, by duly executed proxy, designate to represent the corporation at such Shareholders' meeting.

#### ARTICLE VII

##### INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS; INSURANCE

Section 7.01. The corporation shall indemnify, to the maximum extent permitted by the law, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and that, with respect to any criminal action or proceeding, he had reasonable cause to believe that his conduct was unlawful.

Section 7.02. The corporation shall indemnify, to the maximum extent permitted by the law, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including attorneys' fees, actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, but no indemnification shall be made in respect of any claim, issue or matter as to which such person has been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the court in which such action or suit was brought



determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

Section 7.03. To the extent that a director, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in sections 1 and 2, or in defense of any claim, issue or matter therein, he shall be indemnified by the corporation against expenses, including attorneys' fees, actually and reasonably incurred by him in connection with such defense.

Section 7.04. Any indemnification under sections 1 and 2, unless ordered by a court, shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in sections 1 and 2. Such determination shall be made:

(a) By the stockholders;

(b) By the board of directors by majority vote of a quorum consisting of directors who were not parties to such act, suit or proceeding;

(c) If such a quorum of disinterested directors so orders, by independent legal counsel in a written opinion; or

(d) If such a quorum of disinterested directors cannot be obtained, by independent legal counsel in a written opinion.

Section 7.05. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it is ultimately determined that he is entitled to be indemnified by the corporation as authorized in this section.

Section 7.06. The indemnification provided by this section:

(a) Does not exclude any other rights to which a person seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office; and

(b) Shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 7.07. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or as serving at the request of the corporation as a director, officer, employee or agent of another corporation,

partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this section.

ARTICLE VIII

AMENDMENTS

Section 8.01. The power to alter, amend, or repeal this Code of Bylaws, or adopt a new Code of Bylaws, is vested in the Board of Directors, but the affirmative vote of a majority of the Board of Directors holding office shall be necessary to effect any such action.

I hereby certify that the foregoing Bylaws are a true and correct copy of the Bylaws of IMAX FORUM RIDE, INC. as adopted on the \_\_\_\_\_ day of \_\_\_\_\_, 1996

/s/ G. Mary Ruby

\_\_\_\_\_  
G. MARY RUBY, Secretary

UNANIMOUS CONSENT OF  
BOARD OF DIRECTORS OF  
IMAX FORUM RIDE, INC.  
FOR CORPORATE ORGANIZATION

The undersigned, being the sole Director of IMAX FORUM RIDE, INC., a Nevada corporation, does hereby consent to the adoption of, and adopt, the following preambles and resolutions pursuant to Section 78.315(2) of the Nevada Revised Statutes:

WHEREAS, the Board of Directors deems it advisable and in the best interest of the corporation to adopt and approve certain organizational procedures of the corporation;

RESOLVED: That the Articles of Incorporation having been filed with the Secretary of State of the State of Nevada on April 23, 1996, be inserted in the minute book of the corporation showing the filing as stated;

RESOLVED: That the form of corporate seal and stock certificate presented to the Directors be, and the same hereby are, adopted and approved as the seal and stock certificate of the corporation, a specimen copy of the stock certificate to be inserted in the minute book;

RESOLVED: That the following are elected as officers of the corporation:

John M. Davison	President Vice President-Finance Treasurer
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Barry Kemper	Vice President-Attraction Development
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G. Mary Ruby	Secretary
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FURTHER RESOLVED: That any two officers be and hereby are authorized for and on behalf of the Corporation to designate from time to time one or more banks, trust companies or other banking institutions (any thereof being hereinafter referred to as a "bank") to act as depository or depositories for the funds of the Corporation for and during such period as he may from time to time deem necessary or

desirable in the interests of the Corporation and to open and close out from time to time accounts in any such depository so selected or reselected.

FURTHER RESOLVED: That any two officers of the Corporation be and hereby are authorized (1) to designate officers and employees who shall have authority to sign checks drawn against, and all orders for the payment or transfer of monies from, funds of the Corporation on deposit with any of the aforesaid banks, and (2) to revoke the authority of officers and employees now or hereafter authorized to sign such check and orders.

FURTHER RESOLVED: That any two officers or directors are authorized and empowered collectively to prepare, execute and deliver on behalf of the corporation from time to time any and all such agreements, documents, certificates and instruments they may deem necessary.

WHEREAS, the Directors of this corporation have not as yet adopted any Code of Bylaws for the regulation of its affairs; and

WHEREAS, there has been presented to the Directors a form of Code of Bylaws for the regulation of the affairs of this corporation;

WHEREAS, it is deemed to be in the best interests of this corporation and its shareholders that said Code of Bylaws be adopted by this Board of Directors as and for the Code of Bylaws of this corporation;

NOW, THEREFORE, BE IT RESOLVED: That the Code of Bylaws presented to and discussed by the Directors be, and the same hereby is adopted as and for the Code of Bylaws of this corporation; and

FURTHER RESOLVED: That the Secretary of this corporation be, and she hereby is, authorized and directed to execute a certificate of the adoption of said Code of Bylaws and to insert said Code of Bylaws as so certified in the minute book of this corporation, and to see that a copy of the said Code of Bylaws, similarly certified, is kept at the registered office of the corporation for the transaction of business;

RESOLVED: That the corporation issue to the persons hereinafter named the number of shares set forth after their respective names for the sum of \$0.01 per share, and that the

President and Secretary are authorized and directed to execute the certificates of such shares upon receipt of payment therefor in cash or cash equivalent.

NAME	No. of Shares
IMAX U.S.A. Inc.	100

WHEREAS, Nevada Revised Statutes Section 364A.130 requires that an officer or some other person be specifically authorized to sign the application for the business license issued by the Department of Taxation required pursuant to Nevada Revised Statutes Section 364A.130 ("Application");

NOW, THEREFORE, BE IT RESOLVED: That G. Mary Ruby be hereby authorized to sign the Application.

RESOLVED: That the corporation hereby elect to amortize its organizational expenditures over a five-year period and claim each year's pro rata allocation as a tax deduction, pursuant to the provisions of Section 248 of the Internal Revenue Code and Regulation 1.248-1(c).

DATED: \_\_\_\_\_, 1996

\_\_\_\_\_  
G. MARY RUBY

CERTIFICATE OF INCORPORATION

OF

IMAX II U.S.A. INC.

The undersigned, for the purposes of incorporating and organizing a corporation under the General Corporation Law of the State of Delaware, does hereby certify as follows:

ARTICLE I

The name of the Corporation is Imax II U.S.A. Inc.

ARTICLE II

The registered office of the Corporation in the State of Delaware is 1209 Orange Street, Wilmington, County of New Castle, Delaware 19801. The name of the Corporation's registered agent is The Corporation Trust Company.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

ARTICLE IV

The total number of shares of stock which the Corporation shall have authority to issue is 100. All such shares are to be common stock, par value of \$.01 per share, and are to be of one class.

ARTICLE V

The name and mailing address of the Incorporator is William J. Haubert, P.O. Box 551, Wilmington, Delaware 19899.

ARTICLE VI

The powers of the Incorporator shall terminate upon the filing of this Certificate of Incorporation. The name and mailing address of the person who is to serve as the initial director of the Corporation until the first annual meeting of the stockholders of the Corporation, or until her successors are elected and qualify, is:

NAME	MAILING ADDRESS
G. Mary Ruby	c/o Imax Corporation 38 Isabella Street Toronto, Ontario, Canada M4Y 1N1

ARTICLE VII

Unless and except to the extent that the By-laws of the Corporation shall so require, the election of directors of the Corporation need not be by written ballot.

ARTICLE VIII

In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized and empowered to make, alter and repeal the By-Laws of the Corporation, subject to the power of the stockholders of the Corporation to alter or repeal any by-law made by the Board of Directors.

ARTICLE IX

A director of this Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any repeal or modification of the foregoing sentence shall not adversely affect any right or protection of a director of the Corporation existing hereunder with respect to any act or omission occurring prior to such repeal or modification.

ARTICLE X

The Corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this Article X.

IN WITNESS WHEREOF, I, the undersigned, being the Incorporator hereinabove named, do hereby further certify that the facts hereinabove stated are truly set forth, and accordingly I have hereunto set my hand this 8th day of December, 1995.

/s/ William J. Haubert

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Incorporator



BY-LAWS  
OF  
IMAX II U.S.A. INC.

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ARTICLE I  
Stockholders

Section 1.1. Annual Meetings. An annual meeting of stockholders shall be held for the election of directors at such date, time and place, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting.

Section 1.2. Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by the Board of Directors, or by a committee of the Board of Directors that has been duly designated by the Board of Directors and whose powers and authority, as expressly provided in a resolution of the Board of Directors, include the power to call such meetings, but such special meetings may not be called by any other person or persons.

Section 1.3. Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given that shall state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the certificate of incorporation or these by-laws, the written notice of any meeting shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation.

Section 1.4. Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 1.5. Quorum. Except as otherwise provided by law, the certificate of incorporation or these by-laws, at each meeting of stockholders the presence in person or

by proxy of the holders of a majority in voting power of the outstanding shares of stock entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. In the absence of a quorum, the stockholders so present may, by majority vote, adjourn the meeting from time to time in the manner provided in Section 1.4 of these by-laws until a quorum shall attend. Shares of its own stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the corporation or any subsidiary of the corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 1.6. Organization. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in his absence by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting. The chairman of the meeting shall announce at the meeting of stockholders the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote.

Section 1.7. Voting; Proxies. Except as otherwise provided by the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by him which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary of the corporation. Voting at meetings of stockholders need not be by written ballot. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect. All other elections and questions shall, unless otherwise provided by law, the certificate of incorporation or these by-laws, be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock which are present in person or by proxy and entitled to vote thereon.

Section 1.8. Fixing Date for Determination of Stockholders of Record. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the

Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (1) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty nor less than ten days before the date of such meeting; (2) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten days from the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (3) in the case of any other action, shall not be more than sixty days prior to such other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action of the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation in accordance with applicable law, or, if prior action by the Board of Directors is required by law, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action; and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 1.9. List of Stockholders Entitled to Vote. The Secretary shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. Upon the willful neglect or refusal of the directors to produce such a list at any meeting for the election of directors, they shall be ineligible for election to any office at such meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 1.10. Action By Consent of Stockholders. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action

so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered (by hand or by certified or registered mail, return receipt requested) to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of minutes of stockholders are recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

Section 1.11. Inspectors of Election. The corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

Section 1.12. Conduct of Meetings. The Board of Directors of the corporation may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of stock holders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the

meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

## ARTICLE II

### Board of Directors

Section 2.1. Number; Qualifications. The Board of Directors shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

Section 2.2. Election; Resignation; Removal; Vacancies. The Board of Directors shall initially consist of the persons named as directors in the certificate of incorporation, and each director so elected shall hold office until the first annual meeting of stockholders or until his successor is elected and qualified. At the first annual meeting of stockholders and at each annual meeting thereafter, the stockholders shall elect directors each of whom shall hold office for a term of one year or until his successor is elected and qualified. Any director may resign at any time upon written notice to the corporation. Any newly created directorship or any vacancy occurring in the Board of Directors for any cause may be filled by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum, or by a plurality of the votes cast at a meeting of stockholders, and each director so elected shall hold office until the expiration of the term of office of the director whom he has replaced or until his successor is elected and qualified.

Section 2.3. Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine, and if so determined notices thereof need not be given.

Section 2.4. Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the President, any Vice President, the Secretary, or by any member of the Board of Directors. Notice of a special meeting of the Board of Directors shall be given by the person or persons calling the meeting at least twenty-four hours before the special meeting.

Section 2.5. Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 2.6. Quorum; Vote Required for Action. At all meetings of the Board of Directors a majority of the whole Board of Directors shall constitute a quorum for the transaction of business. Except in cases in which the certificate of incorporation, these by-laws or applicable law otherwise provides, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.7. Organization. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chair man of the Board, if any, or in his absence by the President, or in their absence by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8. Informal Action by Directors. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or such committee.

## ARTICLE III

### Committees

Section 3.1. Committees. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it.

Section 3.2. Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these by-laws.



## ARTICLE IV

### Officers

Section 4.1. Executive Officers; Election; Qualifications; Term of Office; Resignation; Removal; Vacancies. The Board of Directors shall elect a President and Secretary, and it may, if it so determines, choose a Chairman of the Board and a Vice Chairman of the Board from among its members. The Board of Directors may also choose one or more Vice Presidents, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers. Each such officer shall hold office until the first meeting of the Board of Directors after the annual meeting of stockholders next succeeding his election, and until his successor is elected and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the corporation. The Board of Directors may remove any officer with or without cause at any time, but such removal shall be without prejudice to the contractual rights of such officer, if any, with the corporation. Any number of offices may be held by the same person. Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

Section 4.2. Powers and Duties of Executive Officers. The officers of the corporation shall have such powers and duties in the management of the corporation as may be prescribed in a resolution by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors. The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his duties.

ARTICLE V

Stock

Section 5.1. Certificates. Every holder of stock shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the corporation certifying the number of shares owned by him in the corporation. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 5.2. Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

## ARTICLE VI

### Indemnification

Section 6.1. Right to Indemnification. The corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans (an "indemnitee"), against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such indemnitee. The corporation shall be required to indemnify an indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if the initiation of such proceeding (or part thereof) by the indemnitee was authorized by the Board of Directors of the corporation.

Section 6.2. Prepayment of Expenses. The corporation shall pay the expenses (including attorneys' fees) incurred by an indemnitee in defending any proceeding in advance of its final disposition, provided, however, that the payment of expenses incurred by a director or officer in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that the director or officer is not entitled to be indemnified under this Article or otherwise.

Section 6.3. Claims. If a claim for indemnification or payment of expenses under this Article is not paid in full within sixty days after a written claim therefor by the indemnitee has been received by the corporation, the indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the corporation shall have the burden of proving that the indemnitee was not entitled to the requested indemnification or payment of expenses under applicable law.

Section 6.4. Nonexclusivity of Rights. The rights conferred on any person by this Article VI shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the certificate of incorporation, these by-laws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.5. Other Indemnification. The corporation's obligation, if any, to indemnify or advance expenses to any person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such person may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or nonprofit enterprise.

Section 6.6. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article VI shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

## ARTICLE VII

### Miscellaneous

Section 7.1. Fiscal Year. The fiscal year of the corporation shall be determined by resolution of the Board of Directors.

Section 7.2. Seal. The corporate seal shall have the name of the corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 7.3. Waiver of Notice of Meetings of Stockholders, Directors and Committees. Any written waiver of notice, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 7.4. Interested Directors; Quorum. No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if: (1) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 7.5. Form of Records. Any records maintained by the corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photo graphs, microphotographs, or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time.

Section 7.6. Amendment of By-laws. These by-laws may be altered or repealed, and new by-laws made, by the Board of Directors, but the stockholders may make additional by-laws and may alter and repeal any by-laws whether adopted by them or otherwise.

ARTICLES OF ORGANIZATION  
OF  
IMAX INDIANAPOLIS LLC

These Articles of Organization of IMAX INDIANAPOLIS LLC (the "Company"), are dated as of the 23rd day of January, 2001, and are being executed and filed by the undersigned person pursuant to the Indiana Business Flexibility Act (the "Act"):

ARTICLE I

Name

The name of the Company is Imax Indianapolis LLC.

ARTICLE II

Registered Office and Agent

The street address of the Company's registered office in the State of Indiana at the time of filing these Articles of Organization is 2300 One American Square, Indianapolis, Indiana 46282, and the name of its registered agent at such office is currently Andrew A. Kleiman.

ARTICLE III

Term of Existence

The latest date on which the Company is to dissolve is December 31, 2049 unless sooner dissolved in accordance with the Act or the Company's Operating Agreement as in effect from time to time hereafter.

ARTICLE IV

Managers and Officers

The Company may be managed by managers and/or officers.

IN WITNESS WHEREOF, the undersigned person has executed these Articles of Organization as of the date first above written.

/s/ G. Mary Ruby

-----  
G. Mary Ruby

OPERATING AGREEMENT

OF

IMAX INDIANAPOLIS LLC

This Operating Agreement of IMAX INDIANAPOLIS LLC, a limited liability company organized pursuant to the Indiana Business Flexibility Act, is entered into as of the 1st day of February, 2001, by and among the undersigned person executing this Agreement as Member.

ARTICLE I  
DEFINITIONS

For purposes of this Agreement, unless the context clearly indicates otherwise, the capitalized terms shall have the meanings set forth in Article XV.

ARTICLE II  
FORMATION

2.1. Organization. The Members hereby ratify and authorize G. Mary Ruby, as agent for the Company, for the formation of the Company as an Indiana limited liability company pursuant to the provisions of the Act to be effective upon the filing of the Articles with the Indiana Secretary of State.

2.2. Registered Agent and Office. The registered agent for the service of process and the registered office shall be that Person and location reflected in the Articles as filed with the Indiana Secretary of State. A Majority-In-Interest of the Members may, from time to time, change the registered agent or office through appropriate filings with the Secretary of State. In the event the registered agent ceases to act as such for any reason or the registered office shall change, the Directors shall promptly designate a replacement registered agent or file a notice of change of address as the case may be. If the Directors shall fail to designate a replacement registered agent or change of address of the registered office, any Member may designate a replacement registered agent or file a notice of change of address.

2.3. Principal Office. The principal office of the Company shall be located at:

2525 Speakman Drive  
Mississauga, Ontario L5K 1B1

2.4. Business. The business of the Company shall be:

(a) To pursue any lawful business whatsoever, or which shall at any time appear conducive to or expedient for the benefit of the Company or the protection of its assets.

(b) To exercise all powers which may be legally exercised under the Act.



(c) To engage in any activities reasonably necessary or convenient to the foregoing.

ARTICLE III  
ACCOUNTING AND RECORDS

3.1. Records to be Maintained. The Company shall maintain the following records at its principal office:

(a) A list of the full name and last known mailing address of each Member and Assignee from the date of organization;

(b) Copies of the Articles and all amendments thereto;

(c) Copies of the Company's federal, state, and local income tax returns and financial statements, if any, for the three (3) most recent years, or if the returns and statements were not prepared, copies of the information and statements provided to Members to enable them to prepare their federal, state, and local tax returns for the same period.

(d) Copies of this Agreement and all amendments thereto and copies of any written operating agreements no longer in effect; and

(e) Any other agreements or documents required by the Act or this Agreement.

3.2. Accounts. The Company shall maintain appropriate books and records, kept in accordance with the income tax basis of accounting and a record of the Capital Account for each Member and Assignee in accordance with Article XV hereof. Upon prior written notice to the Directors or other custodian of the Company's records, and during normal business hours, each Member shall have the right to inspect and copy any books and records of the Company.

3.3. Reports to Members. The tax returns of the Company shall be prepared and a copy of the returns shall be provided to each Member within ninety (90) days following the end of each Fiscal Year.

ARTICLE IV  
MANAGEMENT

4.1. Management Rights. Except as otherwise provided herein, the business and affairs of the Company shall be managed by the Directors and Officers described below.

4.2. Directors. At the first annual meeting of the Members, and at each annual meeting thereafter, Directors shall be elected by the holders of the Units, for a term of one year; and they shall hold office until their respective successors are chosen and qualified. Until the first annual meeting, and thereafter, unless changed by appropriate amendment of this Section, the business of the Company shall be managed by one (1) director. Any vacancy occurring relating to a Director caused by increase in the number of Directors, at any time provided for herein, shall be filled by vote of the Members at their next annual meeting, or at any special meeting called for such purpose.

4.3. Vacancies. Any vacancy occurring related to a Director caused by resignation, death or other incapacity shall be filled by a majority vote of the remaining Directors, until the next annual meeting of the Members. If the vote of the remaining members of the Board shall result in a tie, such vacancy may be filled by vote of the Members at a special meeting called for the purpose.

4.4. Meetings. Meetings of the Directors may be called at any time by the President or any Vice President, or any of the Directors. Notice of such a meeting shall be sent by the Secretary to each Director at his residence or usual place of business by letter, telegram, cable or radiogram, at such time that, in regular course, such notice would reach such place not later than during the second day immediately preceding the day for such meeting; or may be delivered by the Secretary to a Director personally at any time during such second preceding day. In lieu of such notice, a Director may sign a written waiver of notice either before the time of the meeting, at the time of the meeting, or after the time of the meeting.

Any meeting of the Directors for which notice is required shall be a legal meeting, without notice thereof having been given, if all the Directors, who have not waived notice thereof in writing, shall be present in person.

4.5. Place of Meetings. The Directors may hold their meetings, have one or more offices, and keep the books of the Company (except as may be provided by law), within and without the State of Indiana, at any office or offices of the Company, or at any other place, as they may from time to time by resolution determine.

4.6. Quorum. A majority of the actual number of Directors elected and qualified, from time to time, shall be necessary to constitute a quorum for the transaction of any business except the filling of vacancies, and the act of a majority of the Directors present at a meeting, at which a quorum is present, shall be the act of the Directors, unless the act of a greater number is required by the Act, by the Articles of Organization or by this Operating Agreement. A Director who is present at a meeting of the Directors at which action on any corporate matter is taken, shall be conclusively presumed to have assented to the action taken, unless (a) his dissent shall be affirmatively stated by him at and before the adjournment of such meeting (in which event the act of such dissent shall be entered by the secretary of the meeting in the minutes of the meeting), or (b) he shall forward such dissent by registered mail to the Secretary of the Company immediately after the adjournment of the meeting. The right of dissent provided for by either Clause (a) or Clause (b) of the immediately preceding sentence shall not be available, in respect of any matter acted upon at any meeting, to a Director who voted at the meeting in favor of such matter and did not change his vote prior to the time that the result of the vote on such matter was announced by the chairman of such meeting.

4.7. Action by Consent. Any action required or permitted to be taken at any meeting of the Directors or of any committee thereof may be taken without a meeting, if prior to such action a written consent to such action is signed by all members of the Board or such committee as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.

4.8. Removal. Any Director may be removed, either for or without cause, at any special meeting of Members called for that purpose by the affirmative vote of a majority in number of Units of the Members of record present in person or by proxy and entitled to vote for the election of such Director, if notice of the intention to act upon such matter shall have been given in the notice calling such meeting. If the notice calling such meeting shall so provide, the vacancy caused by such removal may be filled at such meeting by vote of a majority of the Members present and entitled to vote for the election of Directors.

If less than all of the Directors are to be removed, no one of the directors may be removed if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of all of the directors.

Whenever the holders of the Units are entitled to elect one or more directors, the provisions of this section shall apply, in respect of the removal of a director or directors so elected, to the vote of the holders of the outstanding Units of that class and not the vote of the outstanding Units as a whole.

4.9. Powers of Director. The Directors shall exercise all the powers of the Company, subject to the restrictions imposed by law, by the Articles of Organization or by this Operating Agreement.

4.10. Officers. The Officers of the Company shall be chosen by the Directors and shall consist of at least a Vice President and a Secretary. The Directors may also choose one or more Vice Presidents and a Treasurer. Any number of offices may be held by the same person. The Directors may appoint such other Offices and agents as it shall have deemed necessary or advisable who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Directors. The salaries of all Officers and agents of the Company shall be fixed by or in the manner prescribed by the Directors. The Officers of the Company shall hold office until their successors are chosen and qualified. Any Officer elected or appointed by the Directors may be removed at any time, with or without cause, by the affirmative vote of the majority of the Directors. Any vacancy occurring in any office of the Company shall be filled by the Directors.

4.11. President. The President shall be the chief executive officer of the Company, shall preside at all meetings of the Members, if any, and the Directors; shall be responsible for the general and active management of the business of the Company; and shall see that all orders and resolutions of the Directors are carried into effect.

4.12. Vice President. In the absence of the President or in the event of the President's inability to act, the Vice President, if any (or in the event there is more than one Vice President, the Vice Presidents in the order designated by the Directors, or in the absence of any designation, then in the order of their election), shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents, if any, shall perform such other duties and have such other powers as the Directors may from time to time prescribe.

4.13. Secretary. The Secretary shall be responsible for filing legal documents and maintaining records for the Company. The Secretary shall attend all meetings of the Directors and all meetings of the Members, if any, and record all the proceedings of the meetings of the Company and of the Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the Members, if any, and special meetings of the Directors, and shall perform such other duties as may be prescribed by the Directors or the President, under whose supervision the Secretary shall serve.

4.14. Officers as Agents. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by action of the Directors not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business, and the actions of the Officers taken in accordance with such powers shall bind the Company.

4.15. Duties of Directors and Officer. Except to the extent otherwise provided herein, each Director and Officer shall have a fiduciary duty of loyalty and care similar to that of directors and officers of business corporations organized under the Indiana Business Corporation Law.

4.16. Execution of Deeds, Contracts, Notes, Mortgages, Guaranties, etc. Execution of Deeds, Contracts, Notes, Mortgages, Guaranties, etc. Unless otherwise directed by the Directors or unless otherwise required by law, all deeds, mortgages, notes, and guaranties made by the Company, and all other written contracts and agreements to which the Company shall be a party, shall be executed in the name of the Company by any two (2) of the Officers and/or Directors. Only if required by applicable law shall the Secretary attest the signature of the party executing the instrument on behalf of the Company and only when required by applicable law shall affix the corporate seal thereto.

#### ARTICLE V MEMBERS

5.1. Liability of Members. No Member shall be personally liable for the liabilities of the Company. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business or affairs under this Agreement or the Act shall not be grounds for imposing personal liability on the Members for liabilities of the Company.

5.2. Representations and Warranties. Each Member hereby represents and warrants to each other Member that (a) the Member is acquiring the Units for the Member's own account as an investment and without an intent to distribute the Units, and (b) the Member acknowledges that the Units have not been registered under the Securities Act of 1933, as amended, or any state securities laws, and may not be resold or transferred by the Member without appropriate registration or the availability of an exemption from such requirements.

5.3. Conflict of Interest. No transaction with the Company shall be void or voidable solely because a Member has a direct or indirect interest in the transaction if the disinterested Members, holding in the aggregate more than fifty-one percent (51%) of the Units held by such

disinterested Members, knowing the material facts of the transaction and the Member's interest, authorize, approve, or ratify the transaction.

5.4. Meetings of Members. The Members shall meet annually at such times as shall be determined by resolution of the Members, commencing with the year 2001, for the purpose of transacting such business as may come before the meeting; provided, however, the failure to hold an annual meeting shall not be grounds for dissolution of the Company. Special meetings of the Members for any purpose or purposes, may be called by the Directors or any Member or Members holding at least ten percent (10%) of the outstanding Units. The Members may designate any place, either within or outside the State of Indiana, as the place of meeting for any meeting of the Members. If no designation is made, the place of meeting shall be the principal office of the Company. Members may participate in any annual or special meeting through the use of any means of communications by which all of the Members may simultaneously hear each other during the meeting. A Member participating in a meeting by this means is deemed to be present in person at the meeting.

5.5. Notice and Record Date of Meetings. Except as otherwise provided herein, written notice stating the place, day and hour of a meeting and the purpose or purposes for which the meeting is called shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered two (2) calendar days after being deposited in the United States mail, addressed to the Member at its address as it appears on the books of the Company, with postage thereon prepaid. Members may waive prior notice by attending the meeting or by executing a written waiver of notice before or after the meeting. The date on which notice of the meeting is mailed shall be the record date for such determination of Members entitled to notice of or to vote at any meeting of Members.

5.6. Quorum. A Majority-In-Interest of the Members represented in person or by proxy, shall constitute a quorum at any meeting of Members. If a quorum is present, the affirmative vote of a Majority-In-Interest of the Members shall be the act of the Members, unless the vote of a greater or lesser proportion or number is otherwise required by the Act, by the Articles, or by this Agreement. Unless otherwise expressly provided herein or required under applicable law, Members who have an interest (economic or otherwise) in the outcome of any particular matter upon which the Members vote or consent may vote upon any such matter and their Units shall be counted in the determination of whether the requisite matter was approved by the Members.

5.7. Proxies. At all meetings of Members a Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Directors, or if none present, with the Member acting as Chairman of the meeting, before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

5.8. Action by Members Without a Meeting. Any action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by the Members approving such action and delivered to the Directors or other custodian of the Company's records for filing with

the Company records. Unless an action requires unanimous approval, the written consent will be effective upon approval by Members holding the number of Units necessary to approve the action. Any action taken under this Section 5.8 is effective when the Members holding the number of necessary Units have signed the consent, unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

5.9. Withdrawal of Member. A Member shall not have the right to withdraw or otherwise dissociate as a Member of the Company and require a distribution of cash or property from the Company without the unanimous consent of the remaining Members.

ARTICLE VI  
CONTRIBUTIONS AND COMMITMENTS

6.1. Initial Capital Contributions. Concurrently with the execution of this Agreement, the Members have made an Initial Capital Contribution in cash in the amount set forth opposite its name on Exhibit A.

6.2. Additional Capital Contributions and Repayment.

(a) In the event that the Directors determine that the Company requires additional capital, the Directors shall give notice of such determination and the amount of the additional capital required to each of the Members. The Members shall not be required to make Additional Capital Contributions.

(b) In the event the Directors decide that additional capital is required by the Company or that a lender requires the guaranty of one or more Members to provide a loan to the Company, which loan the Directors desire to obtain, all Members shall have the right (but not the obligation) to (i) provide their share (the "Share"), based upon a fraction, the numerator of which shall be the number of Units held by such Member and the denominator of which shall be the number of all Units of the Members making such contribution of the capital needed by the Company or (ii) guaranty not less than their Share to a lender ("Guaranty") or if the lender requires joint and/or several guaranties, to execute a cross indemnification agreement ("Indemnity") among the Members desiring to execute such guaranty, whereby each such Member is liable for its respective Share of the liability to the lender. In the event of any of the foregoing, the contribution of the Share or execution of the Guaranty or Indemnity shall constitute Additional Capital Contributions, and Units shall be issued to such Members making the Additional Capital Contributions based upon 1 Unit for each \$1.00 provided as an Additional Capital Contribution, provided that in no event shall the Company issue more than 100,000 additional Units under this Section or under Article X. For purposes of this Section 6.2, the Initial Capital Contribution of the interest of all Members shall be deemed to be the cash contributions described in Exhibit "A".

6.3. Member Loans. Any Member may, with the unanimous approval of the Directors, loan funds to the Company. The repayment terms and interest rate for such Member loans shall be those unanimously approved by the Directors; provided, however, such Member

loan shall bear interest at commercially reasonable rates and will not exceed the prime rate of Bank One Indianapolis, N.A. or its successor, plus two percent ( 2 %).

ARTICLE VII  
ALLOCATIONS AND DISTRIBUTIONS

7.1. Allocations of Profits. Except as provided in Sections 7.3 and 7.4 hereof, Profits of the Company shall be allocated among the Members and Assignees in equal portions.

7.2. Allocation of Losses. Except as provided in Sections 7.3 and 7.4 hereof, Losses of the Company shall be allocated among the Members in equal portions.

7.3. Special Allocations. The following special allocations shall be made in the following order.

(a) Except as otherwise provided in Section 1.704-2(f) of the Regulations, if there is a net decrease in Company Minimum Gain during any Fiscal Year, each Member and Assignee shall be specially allocated items of income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Person's share of the net decrease in Company Minimum Gain, determined in accordance with Section 1.704-2(g) of the Regulations. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member and Assignee pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(f)(6) and 1.704-2(j)(2) of the Regulations. This Section is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(f) of the Regulations and shall be interpreted consistently therewith.

(b) Except as otherwise provided in Section 1.704-1(i)(4) of the Regulations, if there is a net decrease in Member Nonrecourse Debt Minimum Gain during any Fiscal Year, each Member and Assignee who has a share of the Member Nonrecourse Debt Minimum Gain, determined in accordance with Section 1.704-2(i)(5) of the Regulations, shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Person's share of the net decrease in Member Nonrecourse Debt Minimum Gain, determined in accordance with Section 1.704-2(i)(4) of the Regulations. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member and Assignee pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(i)(4) and 1.704-2(j)(2) of the Regulations. This Section is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(c) If any Member or Assignee receives any adjustments, allocations, or distributions described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Regulations that causes such Person to have an Adjusted Capital Account Deficit as of the end of any Fiscal Year or increases such Person's Adjusted Capital Account Deficit, gross income and gain shall be allocated to such Member or Assignee in an amount and manner

sufficient to eliminate such deficit as quickly as possible in accordance with Section 1.704-1(b)(2)(ii)(d) of the Regulations. Any such allocation of gross income or gain pursuant to this paragraph shall be in proportion to the amounts of the Adjusted Capital Account Deficits. This subsection is intended to constitute a "qualified income offset" within the meaning of Section 1.704(b)(2)(ii)(d) of the Regulations.

(d) Nonrecourse Deductions for any Fiscal Year shall be specially allocated in proportion to the Units.

(e) Member Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Members or Assignees who bear the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Section 1.704-2(i)(1) of the Regulations.

(f) For income tax purposes, any item of income, gain, loss, deduction, or credit with respect to any property (other than money) that has been contributed by a Member or Assignee to the capital of the Company and which is required to be allocated to Members and Assignees for income tax purposes under Section 704(c) of the Code so as to take into account the variation between the tax basis of such property and its fair market value at the time of its contribution, shall be allocated to the Members and Assignees for income tax purposes in the manner required by Section 1.704-1(b)(2)(iv)(g) of the Regulations. If the Capital Accounts are required to be adjusted pursuant to Section 1.704-1(b)(2)(iv)(f) or (g) of the Regulations with respect to a revaluation of any asset of the Company, subsequent allocations of income, gain, loss, and deduction, including without limitation depreciation or deductions for cost recovery with respect to such asset, shall take account of any variation between the then existing adjusted basis of such asset for federal income tax purposes and the fair market value of such asset as required by Section 1.704-1(b)(2)(iv)(g) of the Regulations.

(g) Losses shall not be allocated to the extent that such allocation would cause a Member or Assignee to have an Adjusted Capital Account Deficit or would increase such Person's Adjusted Capital Account Deficit. Losses that are not allocated to a Member or Assignee by reason of the limitation in this subsection shall be allocated to the Members or Assignees to whom this limitation does not apply in proportion to their Units.

7.4. Curative Allocations. The allocations set forth in Section 7.3 (the "Regulatory Allocations") are intended to comply with certain requirements of the Regulations. It is the intent of the parties hereto that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section. Therefore, notwithstanding any other provision of this Article (other than the Regulatory Allocations), the Directors shall make such offsetting special allocations of income, gain, loss or deduction in whatever manner they determine appropriate so that, after such offsetting allocations are made, each Capital Account balance is, to the extent possible, equal to the Capital Account balance such Person would have had if the Regulatory Allocations were not part of this Agreement. In exercising this discretion under this Section 7.4, the Directors shall obtain all of the Members' approval and take into



account future Regulatory Allocations that, although not yet made, are likely to offset other Regulatory Allocations previously made under Section 7.3.

7.5. Distributions. Distributions shall be declared and made in intervals determined by the Directors. No Distributions may be declared or paid if, after giving effect thereto, either (a) the Company would not be able to pay its debts as they become due in the ordinary course of business; or (b) the fair market value of Company's total assets would be less than its total liabilities (including any amounts needed in connection with the winding-up of the Company to satisfy preferential rights superior to the rights of Members and Assignees to such Distribution). Distributions in anticipation of a Dissolution Event or subsequent to a Dissolution Event shall be made as provided in Section 12.3. All other Distributions shall be allocated among the Members in equal proportions. The Directors shall use diligent efforts to make distributions to the Members to satisfy substantially all of the Members' liability for income taxes resulting from Company's operations.

7.6. Allocations and Distributions to New Members and Assignees. If Units are transferred or if additional Units are issued to a new Member during any Fiscal Year, Profits and Losses, or each item thereof, and all other items attributable to such Units for such Fiscal Year shall be allocated to the Assignee or the new or Substitute Member in accordance with Section 706(d) of the Code, using any conventions permitted by law and selected by the Directors. All Distributions declared on or before the date of a Transfer shall be made to the transferor, and all Distributions thereafter shall be made to the transferee. If a Transfer does not comply with the provisions of Article IX hereof, then all of such items shall be allocated to the Person who attempted to make the Transfer.

#### ARTICLE VIII TAXES

8.1. Method of Accounting For Tax Purposes. The records of the Company shall be maintained on the cash method of accounting for federal income tax purposes.

8.2. Tax Matters Partner. Edward MacNeil shall be designated as the "tax matters partner" of the Company pursuant to Section 6231 (a)(7) of the Code. Such Officer shall take such actions as are necessary to cause each other Member and Assignee to become a "notice partner" within the meaning of Section 6223 of the Code. The Directors shall not take any action contemplated by Sections 6223 through 6229 of the Code without the prior written consent of a Majority-In-Interest of the Members.

#### ARTICLE IX TRANSFER OF UNITS

9.1. General. Except as otherwise specifically provided herein, a Member or Assignee may not Transfer all or any part of such Person's Units, without the prior written consent of the Directors. Any purported Transfer of Units not in compliance with this Article IX shall be null and void.

9.2. Assignee Not A Substitute Member in Absence of Consent

(a) Except as otherwise expressly provided in this Article, a transferee of Units (including a third party who acquires Units pursuant to Section 9.3 hereof) shall be an Assignee and have no right to participate in the management of the business and affairs of the Company or to become a Substitute Member, unless a Majority-In-Interest of the remaining Members in their sole and absolute discretion, by written consent, approve the admission of the transferee as a Substitute Member; provided, however, that no consent shall be required if the transferee of the Units is a Member exercising the right of first refusal under Section 9.3.

(b) Upon the Transfer of all of a Member's Units which does not at the same time Transfer the balance of the rights associated with the Units (including, without limitation, the rights of the transferring Member to participate in the management of the business and affairs of the Company) to a Person who is not then a Member, the Company shall purchase from the transferring Member, and the transferring Member shall sell to the Company for a purchase price of \$100.00, all remaining rights and interests retained by the transferring Member which immediately prior to such sale or gift were associated with the transferred Units.

(c) Any transfer of Units or admission of an Assignee as a Substitute Member in compliance with this Article IX shall be deemed effective as of the last day of the calendar month in which the Assignee or Substitute Member fully complies with Section 9.4.

9.3. Right of First Refusal.

(a) A Member or Assignee which desires to sell all or any portion of its Units to a third party shall first obtain from such third party a bona fide written offer to purchase such Units, stating the terms and conditions upon which the purchase is to be made and the consideration offered therefor (the "Offer"). The transferring Person shall give notice to the remaining Members of its intention to sell, furnishing a copy of the Offer.

(b) If the Member or Assignee desires to sell the Units, then the other Members, based on a prorata basis to the Units of the Members exercising their right, shall have the right to purchase all (but not less than all) of the Units proposed to be sold upon the same terms and conditions stated in the Offer from the selling Person by giving notice to the transferring Person of his/her intention to do so within forty-five (45) days after notice from the transferring Person. If the other Members fail to notify the transferring Person of an interest to exercise his/her right of first refusal within the forty-five (45) day period, then the right of first refusal for such Member with respect to the Offer shall terminate.

(c) If none of the Members exercise their right of first refusal, the transferring Person shall be entitled to consummate the proposed sale of its Units, provided that such sale is (i) on the same terms as the Offer and (ii) consummated within forty-five (45) days

of the expiration of the last Member's right of first refusal. If the proposed sale is not consummated within the forty-five (45) day period, the Units shall continue to be subject to all provisions of this Article IX. In the event the remaining Members (or any one or more of the remaining Members) gives written notice to the transferring Person within forty-five (45) days after notice from the transferring Person of their intention to exercise their right of first refusal and to purchase all of the transferring Member's Units on the terms and conditions stated in the Offer, the remaining Members so purchasing the Units shall have the right to designate the time, date and place of closing, provided that the date of closing shall be within sixty (60) days after receipt of the written notification to the transferring Person from the remaining Members of their intention to exercise their right of first refusal.

9.4. Other Requirements for Effectiveness of Transfer. As a condition to recognizing the effectiveness of any proposed Transfer of Units or admission of an Assignee as a Substitute Member, the Directors or the remaining Members may unanimously agree to require the transferring Person and/or the proposed transferee, to execute such instruments of transfer, assignment, assignment and assumption and such other documents, and to perform all such other acts which the Directors or the remaining Members may deem necessary or desirable to:

(a) constitute such transferee, as an Assignee or a Substitute Member;

(b) confirm that the Person desiring to acquire Units, or to be admitted as a Member, has accepted, assumed and agreed to be subject and bound by all of the terms, obligations and conditions of this Agreement, as the same may have been further amended (whether such Person is to be admitted as a Substitute Member or will merely be an Assignee);

(c) preserve, after the Transfer, the Company's status under the laws of each jurisdiction in which the Company is qualified, organized or does business;

(d) maintain the Company's classification as a partnership for federal income tax purposes; and

(e) assure compliance with any applicable state and federal laws including securities laws and regulations.

#### ARTICLE X ADDITIONAL MEMBERS

From the date of the formation of the Company, any Person acceptable to all of the Members thereto may become a Member in this Company either by the issuance by the Company of Units for such consideration as all of the Members shall determine but subject to the provisions of Section 6.2, or as an approved transferee of a Member's Units or any portion thereof, subject to the terms and conditions of this Agreement.

ARTICLE XI  
DISSOCIATION OF A MEMBER

11.1. Dissociation. A Person shall cease to be a Member upon the happening of any of the following events:

- (a) the withdrawal of a Member;
- (b) a Member becoming a Bankrupt Member;
- (c) in the case of a Member who is a natural person, the death of the Member;
- (d) in the case of a Member who is acting as a Member by virtue of being a trustee of a trust, the termination of the trust (but not merely the substitution of a new trustee);
- (e) in the case of a Member that is an organization other than a corporation, the dissolution and commencement of winding up of the separate organization;
- (f) in the case of a Member that is a corporation, the filing of a certificate of dissolution, or its equivalent, for the corporation or the revocation of its charter; or
- (g) in the case of a Member that is an estate, the distribution by the fiduciary of the estate's Units.

11.2. Rights of Dissociating Member. In the event any Member dissociates prior to the dissolution and winding up of the Company:

- (a) if the Dissociation causes a dissolution and winding up of the Company under Article XII hereof, the Member shall be entitled to participate in the winding up of the Company to the same extent as any other Member except that any Distributions to which the Member would have been entitled shall be reduced by the damages sustained by the Company as a result of the Dissolution and winding up; and
- (b) if the Dissociation does not cause a dissolution and winding up of the Company under Article XII hereof, the dissociated Person shall thereafter hold Units as an Assignee.

11.3. Notice to Remaining Members. In the event any Member dissociates, the Directors shall promptly give notice of the Dissociation to the remaining Members. If the Directors fail to give such notice to the remaining Members, any Member may give notice of the Dissociation to the remaining Members.

ARTICLE XII  
DISSOLUTION AND WINDING UP

12.1. Dissolution. The Company shall be dissolved and its affairs wound up, upon the first to occur of the following events:

(a) at the time or on the occurrence of events specified in this Operating Agreement;

(b) the written consent of the Directors and a majority in interest of the Members;

(c) when the Company is required to be dissolved under applicable law; provided, however, that the Company shall not dissolve upon the death of the last Member if the personal representative of that Member shall within ninety (90) days of the Member's death elect to cause the Company to be continued and shall designate a person to serve as successor Member in accordance with applicable law; or

(d) a decree of judicial dissolution is entered pursuant to I.C. 23-18-9-2.

12.2. Effect of Dissolution. Upon dissolution, the existence of the Company shall continue, but the Members shall wind up all of the Company's affairs and proceed to liquidate all of the Company's assets as promptly as is consistent with obtaining their fair value.

12.3. Distribution of Assets on Dissolution. Upon the winding up of the Company, the Company property shall be distributed:

(a) to creditors, including Members who are creditors, to the extent permitted by law, in satisfaction of liabilities of the Company;

(b) to the Members who are admitted following the date of this Agreement in the amount of their Initial Capital Contributions less any distributions paid to such Members;

(c) to Members and Assignees in proportion to the Units owned. Liquidation proceeds shall be paid within 60 days of the end of the Company's taxable year or, if later, within 90 days after the date of liquidation. Such Distributions shall be in cash or property (which need not be distributed proportionately) or partly in both, as determined by all of the Members.

12.4. Winding Up and Certificate of Dissolution. The winding up of the Company shall be completed when all debts, liabilities, and obligations of the Company have been paid and discharged or reasonable adequate provision therefor has been made, and all of the remaining property and assets of the Company have been distributed to the Members. Upon the completion of winding up of the Company, a certificate of dissolution shall be delivered to the Secretary of State for filing. The certificate of dissolution shall set forth the information required by the Act.

ARTICLE XIII  
INDEMNIFICATION

13.1. General. The Company shall indemnify any Person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, by reason of the fact that it is or was a Member of the Company, or who, while a Member of the Company, is or was serving at the request of the Company as a director, officer, partner, member, trustee, employee or agent of another corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise, whether for profit or not, against expenses (including counsel fees), judgments, settlements, penalties and fines (including excise taxes assessed with respect to employee benefit plans) actually or reasonably incurred in accordance with such action, suit or proceeding, if such Member acted in good faith and in a manner reasonably believed by such Member to have been, in the case of conduct taken as a Member, in the best interest of the Company and in all other cases, not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, either such Person had reasonable cause to believe such conduct was lawful or no reasonable cause to believe such conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Person did not meet the prescribed standard of conduct. The Company may also, with the consent of all of the Members, indemnify any Assignee or employee or agent of the Company who is not a Member in the manner and to the extent that it shall indemnify Members pursuant to this Section.

13.2. Authorization. To the extent that a Member has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Section 13.1, or in the defense of any claim, issue or matter therein, the Company shall indemnify such Person against expenses (including counsel fees) actually and reasonably incurred by such Person in connection therewith. Any other indemnification under Section 13.1 shall be made by the Company only as authorized in the specific case, upon a determination that indemnification of the Member, employee or agent is permissible in the circumstances because such Person has met the applicable standard of conduct. Such determination may be made by either: (a) a Majority-In-Interest of the Members who are not at the time parties to such action, suit or proceeding; or (b) a third party designated by a Majority-In-Interest of the Members.

13.3. Reliance on Information. For purposes of any determination under Section 13.1, a Person shall be deemed to have acted in good faith and to have otherwise met the applicable standard of conduct set forth in Section 13.1 if the action is based on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by (a) one or more Members or employees of the Company or another enterprise whom the Person reasonably believes to be reliable and competent in the matters presented; (b) legal counsel, appraisers or other persons as to matters reasonably believed to be within such person's professional or expert competence unless the person seeking indemnification knew or should have known that the report, opinion or statement was based upon information that was materially misleading or the professional issuing the report, opinion or statement did not have knowledge of the material facts necessary for the report, opinion or statement to be accurate; or (c) the board of directors or other governing body of another enterprise. The term "another

enterprise" as used in this Section 13.3 shall mean any other corporation or any partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise of which such Person is or was serving at the request of the Company as a director, officer, partner, member, trustee, employee or agent. The provisions of this Section 13.3 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Section 13.1.

13.4. Advancement of Expenses. Expenses incurred in connection with any civil or criminal action, suit or proceeding may be paid for or reimbursed by the Company in advance of the final disposition of such action, suit or proceeding, as authorized in the specific case in the same manner described in Section 13.2, upon receipt of a written affirmation of the Member, employee or agent's good faith belief that such Person has met the standard of conduct described in Section 13.1 and upon receipt of a written undertaking by or on behalf of such Person to repay such amount if it shall ultimately be determined that such Person did not meet the standard of conduct, and a determination is made that the facts then known to those making the determination shall not preclude indemnification under this Article.

13.5. Non-Exclusive Provisions; Vesting. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which a Person seeking indemnification may be entitled. The right of any Person to indemnification under this Article shall vest at the time of occurrence or performance of any event, act or omission giving rise to any action, suit or proceeding of the nature referred to in Section 13.1 and, once vested, shall not later be impaired as a result of any amendment, repeal, alteration or other modification of any or all of these provisions.

13.6. Definitions. For purposes of this Article, serving an employee benefit plan at the request of the Company shall include any service as a director, officer, employee or agent of an entity which imposes duties on, or involves services by such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries. A Person who acted in good faith and in a manner reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interest of the Company" referred to in this Article. For purposes of this Article, "party" includes any individual who is or was a plaintiff, defendant or respondent in any action, suit or proceeding, or who is threatened to be made a named defendant or respondent in any action, suit or proceeding.

#### ARTICLE XIV RISKS

14.1. General Risk. Ownership, development and management of real estate is highly competitive and involves numerous risks, including those described in this Article 15. The inclusion of the risk described herein does not imply that there are no other substantial risks incident to an investment in the Units. Sale of the Company or a transfer of the assets of the Company may be subject to significant legal, contractual and/or practical restrictions. This Company has not been in business and is commonly known as a "start up" company. There can be no assurance that the Company will be successful.

14.2. No Assurance of Company Appreciation or Company Profits. There is no assurance that the Company will operate at a profit, will appreciate in value or can be sold at a profit. The marketability and value of the Company will depend upon many factors beyond the control of the Directors. Since investments in "start up" companies are generally speculative, there is no assurance that there will be a market for sale of the Company.

14.3. Lack of Operating History/Reliance on Management. The Company is a new business entity with no prior operating experience or history. All decisions with respect to the management of the Company will be made by the unanimous agreement of the Directors except as otherwise provided in Article 4 of this Agreement. The success of the Company will, to a large extent, depend upon the ability of the Directors to supervise, manage and operate the Company.

14.4. Conflicts of Interest. The interest of all Members, may be inconsistent in some respects with the interest of the Directors notwithstanding the fact that the Directors may have a fiduciary obligation to the Company and the Members.

14.5. Limitation on Directors' Liability. The Directors may be accountable to the Members as fiduciaries, and if so, are required to exercise good faith and integrity in handling Company affairs. This Agreement provides that the Directors shall not be liable to the Members or the Company for any loss or liability incurred under certain conditions in connection with the Company's affairs, so long as such loss or liability does not result from misconduct or negligence. Accordingly, a Member may have a more limited right of action against the Directors than the Member would have absent these provisions in this Agreement.

14.6. Restrictions on Transfers of Units. Transferability of the Units in the Company is severely restricted and limited. Units may be acquired for investment purposes only and not with a view to or for resale in connection with any distribution thereof. The Units will not be registered under the Securities Act of 1933 for resale or public sale, in reliance upon an exemption therefrom, which depends in part upon the investment intent of the Members. The Company has no present intention of registering the Units in the future. Members will not have the right to withdraw their Initial Capital Contributions from the Company or to receive the return of all or any part of their Initial Capital Contributions, except upon a sale of the Company, and then only pursuant to the terms of this Agreement.

14.7. Absence of Market for Company Units. In addition to security laws and contractual restrictions on transfers, it is not anticipated that there will be a market for resale of Units in the Company. No Member may withdraw from the Company without the written approval of the Directors. Accordingly, a Member may not be able to sell or otherwise dispose of such Member's interest in the Company. However, if a Member would be able to sell such Member's interest in the Company, it may be that such member would receive less than the amount of such Member's Initial Capital Contribution and would also likely suffer adverse tax consequences.



ARTICLE XV  
MISCELLANEOUS PROVISIONS

15.1. Entire Agreement. This Agreement and the Articles represent the entire agreement among all the Members.

15.2. Amendment or Modification of this Agreement. This Agreement may be amended or modified from time to time only by a written instrument approved by all of the Members.

15.3. No Partnership Intended for Nontax Purposes. The Members have formed the Company under the Act, and expressly do not intend hereby to form a partnership or a limited partnership. The Members do not intend to be partners one to another, or partners as to any third party. To the extent any Member, by word or action, represents to another person that any other Member is a partner or that the Company is a partnership, the Member making such wrongful representation shall be liable to any other Member who incurs personal liability by reason of such wrongful representation.

15.4. Rights of Creditors and Third Parties under this Agreement. This Agreement is entered into among the Members for the exclusive benefit of the Company, its Members, and their successors and assignees. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other Person. Except and only to the extent provided by applicable statute, no such creditor or third party shall have any rights under this Agreement or any agreement between the Company and any Member with respect to any Capital Contribution or otherwise.

15.5. Notice. All notices required or permitted by this Agreement shall be in writing. Notice to the Company shall be given to its principal office or personally delivered to Directors or other custodian of the Company's records. Notice to a Member or Assignee shall be given or personally delivered to the Member or Assignee at the address reflected in the Company's records unless such Member or Assignee has notified the Company in writing of a different address.

15.6. Headings. Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define or limit the scope, extent or intent of any provision of this Agreement.

15.7. Severability. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason, such illegality or invalidity shall not affect the legality or validity of the remainder of this Agreement.

15.8. Number and Gender. All provisions and references to gender shall be deemed to refer to masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

15.9. Binding Effect. Except as otherwise provided in this Agreement, every covenant, term and provision of this Agreement shall be binding upon and inure to the benefit of the Members and their respective heirs, legatees, legal representatives, successors and assigns.

15.10. Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all such parties executed the same document. All such counterparts shall constitute one agreement.

15.11. Indiana Law Controlling. The laws of the State of Indiana, including the Act, shall govern the validity of this Agreement, the construction of its terms and the interpretation of the rights and duties of the parties hereto.

#### ARTICLE XVI DEFINITIONS

For purposes of this Agreement, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

"Act" means the Indiana Business Flexibility Act, Ind. Code ' 23-18-1-1, et seq., and all amendments to the Act.

"Additional Capital Contribution" means a Capital Contribution required pursuant to Section 6.2 hereof.

"Adjusted Capital Account Deficit" of a Member or Assignee means the deficit balance, if any, in a Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(i) Increase such Capital Account by any amounts which such Person is obligated to restore to the Company pursuant to Section 1.704-1(b)(2)(ii)(c) of the Regulations or is deemed to be obligated to restore pursuant to the next to the last sentence of Section 1.704-2(g)(1) of the Regulations or the next to the last sentence of Section 1.704-2(i)(5) of the Regulations; and

(ii) Decrease such Capital Account by the amount of the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5), and (6) of the Regulations.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

"Agreement" means this Operating Agreement as amended from time to time.

"Articles" means the Articles of Organization of the Company as properly adopted and amended from time to time by the Members and filed with the Indiana Secretary of State pursuant to the Act.

"Assignee" means an assignee of Units who has not been admitted as a Substitute Member.

"Bankrupt Member" means a Member who: (i) has become the subject of a decree or order for relief under any bankruptcy, insolvency or similar law affecting creditors' rights now

existing or hereafter in effect; or (ii) has initiated, either in an original proceeding or by way of answer in any state insolvency or receivership proceeding, an action for liquidation, arrangement, composition, readjustment, dissolution, or similar relief.

"Capital Account" means the amount of cash and fair market value of property (net of any liabilities secured by such contributed property that the Company is considered to assume or take subject to under Section 752 of the Code) that a Member or Assignee has contributed to the Company as Capital Contributions pursuant to Article VI hereof, adjusted as follows:

(i) The Capital Account shall be increased by all Profits allocated to such Person pursuant to Article VII hereof.

(ii) The Capital Account shall be decreased by (a) the amount of cash and the fair market value of all property distributed to such Person by the Company (net of liabilities securing such distributed property that such Person is considered to assume or take subject to under Section 752 of the Code) and (b) all Losses allocated to such Person pursuant to Article VII hereof.

(iii) The Capital Account shall be credited in the case of an increase or debited in the case of a decrease to reflect such Person's allocable share of any adjustment to the adjusted basis of Company assets pursuant to Section 734(b) of the Code to the extent provided by Section 1.704-1(b)(2)(iv)(m) of the Regulations.

(iv) The Capital Account shall be adjusted in any other manner required by Section 1.704-1(b)(2)(iv) of the Regulations or otherwise, in order to be deemed properly maintained for federal income tax purposes.

(v) Capital Accounts shall not bear interest.

(vi) The transferee of Units shall succeed to the Capital Account attributable to the Units transferred.

"Capital Contribution" means any contribution of property or services to the Company made by or on behalf of a Member or Assignee pursuant to Article VI hereof.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commitment" means the obligations of a Member or Assignee to make a Capital Contribution or Additional Capital Contribution.

"Company" means the limited liability company organized pursuant to the Articles and this Agreement, and any successor limited liability company.

"Company Liability" means any enforceable debt or obligation for which the Company is liable or which is secured by any Company property.

"Company Minimum Gain" means the aggregate amounts of gain which would be realized by the Company if it disposed of all property subject to Nonrecourse Liabilities in full

satisfaction of such liabilities. Such amounts shall be calculated as described in Section 1.704-2(d)(1) of the Regulations.

"Contributing Members" means those Members making contributions as a result of the failure of a Delinquent Member to fulfill a Commitment as described in Article VI hereof.

"Delinquent Member" means a Member or Assignee who has failed to meet the Commitment of that Member or Assignee.

"Directors" means the Persons designated pursuant to Article IV hereof.

"Distribution" means a transfer of property to a Member or Assignee on account of Units as described in Article VII hereof.

"Dissociation" means any action which causes a Person to cease being a Member as described in Article XI hereof.

"Dissolution Event" means an event, the occurrence of which will result in the dissolution of the Company under Article XII hereof.

"Fiscal Year" means the taxable year of the Company.

"Majority-In-Interest" means, at any given time, Members (or, if the context expressly designates a smaller group of Members, such group of Members) holding in the aggregate more than fifty percent (50%) of the outstanding Units held by all such Members.

"Member" means any Person (i) who has signed this Agreement as a Member or who is hereafter admitted as a Member of the Company pursuant to this Agreement and (ii) who holds Units in the Company.

"Member Nonrecourse Debt" has the meaning set forth in Section 1.7042(b)(4) of the Regulations.

"Member Nonrecourse Debt Minimum Gain" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Regulations.

"Member Nonrecourse Deductions" has the meaning set forth in Sections 1.704-2(i)(1) and (2) of the Regulations.

"Nonrecourse Liability" means any Company Liability (or portion thereof) for which no Member or Assignee bears the economic risk of loss as determined in accordance with Sections 1.704-2(b)(3) and 1.752-1(a)(2) of the Regulations (without regard to whether those Sections apply to such liability).

"Person" means a natural person, trust, estate, partnership, limited liability company or any incorporated or unincorporated organization.

"Prime Rate" means that interest rate per annum announced from time to time by a lender selected by agreement of the Directors at the time any loan by a Member is made to the Company as its "prime rate". The Prime Rate shall automatically and immediately change from time to time, effective as of the effective date of each change in the prime rate of the lender. If the lender selected by the Directors should cease to exist, the Directors shall designate a successor lender.

"Profits" and "Losses" for any Fiscal Year means the net income or net loss of the Company for such Fiscal Year or fraction thereof, as determined for federal income tax purposes in accordance with the accounting method used by the Company for federal income tax purposes adjusted as follows:

(i) Tax-exempt income as described in Section 705(a)(1)(B) of the Code realized by the Company during such fiscal year shall be taken into account as if it were taxable income;

(ii) Expenditures of the Company described in Section 705(a)(2)(B) of the Code for such year, including items treated under Section 1.704-1(b)(2)(iv)(i) of the Regulations as items described in Section 705(a)(2)(B) of the Code, shall be taken into account as if they were deductible items;

(iii) Items that are specially allocated under Section 7.3(f) shall not be taken into account;

(iv) With respect to property (other than money) which has been contributed to the capital of the Company, Profit and Loss shall be computed in accordance with the provisions of Section 1.704-1(b)(2)(iv)(g) of the Regulations by computing depreciation, amortization, gain or loss upon the fair market value of such property on the books of the Company;

(v) With respect to any property of the Company which has been revalued as required or permitted by the Regulations under Section 704(b) of the Code, Profit or Loss shall be determined based upon the fair market value of such property as determined in such revaluation;

(vi) The difference between the adjusted basis for federal income tax purposes and the fair market value of any asset of the Company shall be treated as gain or loss from the disposition of such asset in the event (i) any new or existing Member acquires an additional interest in the Company in exchange for a contribution to the capital of the Company; or (ii) such asset of the Company is distributed to a Member pursuant to Section 7.5 or as consideration for a reduction of such Member's interest in the Company or in liquidation of such interest as defined in Section 1.704-1(b)(2)(ii)(g) of the Regulations; and

(vii) Interest paid on loans made to the Company by a Member and salaries, fees and other compensation paid to any Member shall be deducted in computing Profit and Loss.

"Regulations" except where the context indicates otherwise, means the permanent, temporary, proposed, or proposed and temporary regulations of Department of the Treasury under the Code as such regulations may be changed from time to time.

"Substitute Member" means an Assignee who has been admitted as a Member.

"Transfer" means any transfer, sale, gift, assignment, pledge, granting of a security interest or other disposition, including any disposition by operation of law.

"Unit" means an interest of a Member or Assignee in the Profits, Losses and Distributions of the company as determined in accordance with this Agreement. As of the date of this Agreement, the company has 1,000 Units outstanding. The number of Units initially issued to each Member in exchange for their Initial Capital Contribution is set forth on Exhibit A which shall be amended in the event that the Company issues additional Units or acquires any outstanding Units.

IN WITNESS WHEREOF, this Agreement has been executed as of the date first above written.

IMAX U.S.A. INC., a Delaware corporation

By: /s/ G. Mary Ruby  
-----  
Printed: G. Mary Ruby  
Title: Secretary

By: /s/ Robert D. Lister  
-----  
Printed: Robert D. Lister  
Title: Vice President

EXHIBIT A

Member	Initial Capital Contribution and Value	Membership Units
IMAX U.S.A. Inc.	\$ 1,000	1,000

CERTIFICATE OF INCORPORATION  
OF  
IMAX MINNESOTA HOLDING CO.

I, the undersigned, for the purposes of incorporating and organizing a corporation under the General Corporation Law of the State of Delaware, do execute this Certificate of Incorporation and do hereby certify as follows:

FIRST. The name of the corporation is Imax Minnesota Holding Co.

SECOND. The address of the corporation's registered office in the State of Delaware is One Rodney Square, 10th Floor, Tenth and King Streets in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is RL&F Service Corp.

THIRD. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH. The total number of shares of stock which the corporation shall have authority to issue is 100. All such shares are to be Common Stock, par value of \$.01 per share, and are to be of one class.

FIFTH. The incorporator of the corporation is Siobhan Cameron, whose mailing address is c/o Richards, Layton & Finger, One Rodney Square, P.O. Box 551, Wilmington, Delaware 19899.

SIXTH. Unless and except to the extent that the by-laws of the corporation shall so require, the election of directors of the corporation need not be by written ballot.

SEVENTH. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors of the corporation is expressly authorized to make, alter and repeal the by-laws of the corporation, subject to the power of the stockholders of the corporation to alter or repeal any by-law whether adopted by them or otherwise.

EIGHTH. A director of the corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.



NINTH. The corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this article.

TENTH. The powers of the incorporator are to terminate upon the filing of this Certificate of Incorporation with the Secretary of State of the State of Delaware. The name and mailing address of the person who is to serve as the sole initial director of the corporation until the first annual meeting of stockholders of the corporation, or until his successor is duly elected and qualified, is:

G. Mary Ruby  
241 Inglewood Drive  
Toronto, Ontario M4T 1H8

The undersigned incorporator hereby acknowledges that the foregoing certificate of incorporation is her act and deed on this the 26th day of May, 2000.

/s/ Siobhan Cameron

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Siobhan Cameron  
Incorporator

BY-LAWS

OF

IMAX MINNESOTA HOLDING CO.

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ARTICLE I

Meetings of Stockholders

Section 1.1. Annual Meetings. An annual meeting of stockholders shall be held for the election of directors at such date, time and place, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting.

Section 1.2. Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by the Board of Directors, but such special meetings may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 1.3. Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given that shall state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the certificate of incorporation or these by-laws, the written notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation.

Section 1.4. Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 1.5. Quorum. Except as otherwise provided by law, the certificate of incorporation or these by-laws, at each meeting of stockholders the presence in person or by proxy of the holders of a majority in voting power of the outstanding shares of stock

entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. In the absence of a quorum, the stockholders so present may, by a majority in voting power thereof, adjourn the meeting from time to time in the manner provided in Section 1.4 of these by-laws until a quorum shall attend. Shares of its own stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the corporation or any subsidiary of the corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 1.6. Organization. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in his absence by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 1.7. Voting; Proxies. Except as otherwise provided by or pursuant to the provisions of the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary of the corporation. Voting at meetings of stockholders need not be by written ballot. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect. All other elections and questions shall, unless otherwise provided by the certificate of incorporation, these by-laws, the rules or regulations of any stock exchange applicable to the corporation, as otherwise provided by law or pursuant to any regulation applicable to the corporation, be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock of the corporation which are present in person or by proxy and entitled to vote thereon.

Section 1.8. Fixing Date for Determination of Stockholders of Record. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other

distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (1) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting; (2) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten (10) days from the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (3) in the case of any other action, shall not be more than sixty (60) days prior to such other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action of the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation in accordance with applicable law, or, if prior action by the Board of Directors is required by law, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action; and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 1.9. List of Stockholders Entitled to Vote. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. Upon the willful neglect or refusal of the directors to produce such a list at any meeting for the election of directors, they shall be ineligible for election to any office at such meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 1.10. Action By Written Consent of Stockholders. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which minutes of proceedings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall, to the extent required by law, be given to those stockholders who have not consented in writing.

Section 1.11. Inspectors of Election. The corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

Section 1.12. Conduct of Meetings. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and

procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

## ARTICLE II

### Board of Directors

Section 2.1. Number; Qualifications. The Board of Directors shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

Section 2.2. Election; Resignation; Vacancies. The Board of Directors shall initially consist of the persons named as directors in the certificate of incorporation or elected by the incorporator of the corporation, and each director so elected shall hold office until the first annual meeting of stockholders or until his successor is duly elected and qualified. At the first annual meeting of stockholders and at each annual meeting thereafter, the stockholders shall elect directors each of whom shall hold office for a term of one year or until his successor is duly elected and qualified, subject to such director's earlier death, resignation, disqualification or removal. Any director may resign at any time upon written notice to the corporation. Unless otherwise provided by law or the certificate of incorporation, any newly created directorship or any vacancy occurring in the Board of Directors for any cause may be filled by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum, or by a plurality of the votes cast at a meeting of stockholders, and each director so elected shall hold office until the expiration of the term of office of the director whom he has replaced or until his successor is elected and qualified.

Section 2.3. Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine.

Section 2.4. Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the President, any Vice President, the Secretary, or by any member of the Board of Directors. Notice of a special meeting of the Board of Directors shall be given by the person or persons calling the meeting at least twenty-four hours before the special meeting.

Section 2.5. Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 2.6. Quorum; Vote Required for Action. At all meetings of the Board of Directors a majority of the whole Board of Directors shall constitute a quorum for the transaction of business. Except in cases in which the certificate of incorporation, these

by-laws or applicable law otherwise provides, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.7. Organization. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in their absence by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8. Action by Written Consent of Directors. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or such committee.



## ARTICLE III

### Committees

Section 3.1. Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it.

Section 3.2. Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these by-laws.

## ARTICLE IV

### Officers

Section 4.1. Executive Officers; Election; Qualifications; Term of Office; Resignation; Removal; Vacancies. The Board of Directors shall elect a President and Secretary, and it may, if it so determines, choose a Chairman of the Board and a Vice Chairman of the Board from among its members. The Board of Directors may also choose one or more Vice Presidents, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers. Each such officer shall hold office until the first meeting of the Board of Directors after the annual meeting of stockholders next succeeding his election, and until his successor is elected and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the corporation. The Board of Directors may remove any officer with or without cause at any time, but such removal shall be without prejudice to the contractual rights of such officer, if any, with the corporation. Any number of offices may be held by the same person. Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

Section 4.2. Powers and Duties of Executive Officers. The officers of the corporation shall have such powers and duties in the management of the corporation as may be prescribed in a resolution by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors. The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his duties.

ARTICLE V

Stock

Section 5.1. Certificates. Every holder of stock shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the corporation certifying the number of shares owned by him in the corporation. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 5.2. Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

## ARTICLE VI

### Indemnification

Section 6.1. Right to Indemnification. The corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "Indemnitee") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the corporation or, while a director or officer of the corporation, is or was serving at the written request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnitee. Notwithstanding the preceding sentence, except as otherwise provided in Section 6.3, the corporation shall be required to indemnify an Indemnitee in connection with a proceeding (or part thereof) commenced by such Indemnitee only if the commencement of such proceeding (or part thereof) by the Indemnitee was authorized by the Board of Directors.

Section 6.2. Prepayment of Expenses. The corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnitee in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Indemnitee to repay all amounts advanced if it should be ultimately determined that the Indemnitee is not entitled to be indemnified under this Article VI or otherwise.

Section 6.3. Claims. If a claim for indemnification or advancement of expenses under this Article VI is not paid in full within sixty (60) days after a written claim therefor by the Indemnitee has been received by the corporation, the Indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the corporation shall have the burden of proving that the Indemnitee is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 6.4. Nonexclusivity of Rights. The rights conferred on any Indemnitee by this Article VI shall not be exclusive of any other rights which such Indemnitee may have or hereafter acquire under any statute, provision of the certificate of incorporation, these by-laws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.5. Other Sources. The corporation's obligation, if any, to indemnify or to advance expenses to any Indemnitee who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Indemnitee may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

Section 6.6. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article VI shall not adversely affect any right or protection hereunder of any Indemnitee in respect of any act or omission occurring prior to the time of such repeal or modification.

Section 6.7. Other Indemnification and Prepayment of Expenses. This Article VI shall not limit the right of the corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Indemnitees when and as authorized by appropriate corporate action.

ARTICLE VII

Miscellaneous

Section 7.1. Fiscal Year. The fiscal year of the corporation shall be determined by resolution of the Board of Directors.

Section 7.2. Seal. The corporate seal shall have the name of the corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 7.3. Manner of Notice. Except as otherwise provided herein, notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the corporation. Notice to directors may be given by telegram, telecopier, telephone or other means of electronic transmission.

Section 7.4. Waiver of Notice of Meetings of Stockholders, Directors and Committees. Any written waiver of notice, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 7.5. Interested Directors; Quorum. No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if: (1) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders. Common or interested directors may

be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 7.6. Form of Records. Any records maintained by the corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs, or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time.

Section 7.7. Amendment of By-Laws. These by-laws may be altered, amended or repealed, and new by-laws made, by the Board of Directors, but the stockholders may make additional by-laws and may alter and repeal any by-laws whether adopted by them or otherwise.

Section 7.8 Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the corporation may be signed by:

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the corporation without any further authorization or formality. The Board of Directors shall have power from time to time to appoint any person or persons, on behalf of the corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any person or persons appointed as aforesaid by the Board of Directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

- (a) any two officers;

(b) any two directors; or

(c) any one officer together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the corporation and to sign and execute (under the seal of the corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of any officer or officers, or any director or directors of the corporation and/or of any other person or persons, appointed as aforesaid by the Board of Directors may, if specifically authorized by the Board of Directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation executed or issued by or on behalf of the corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization, by the Board of Directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation.



Request ID: 003236515 Province of Ontario  
Demande no: Province de l'Ontario  
Transaction ID: 015087836 Ministry of Consumer and Commercial Relations  
Transaction no: Ministère de la Consommation et du Commerce  
Category ID: CT Companies Branch  
Categorie: Direction des compagnies

Date Report Produced: 2000/12/11  
Document produit le:  
Time Report Produced: 13:37:24  
Imprime a:

CERTIFICATE OF INCORPORATION  
CERTIFICAT DE CONSTITUTION

This is to certify that Ceci certifie que

I M A X M U S I C L T D .

Ontario Corporation No. Numero matricule de la personne  
morale en Ontario

0 0 2 0 0 0 4 3 4

is a corporation incorporated, est une societe constituee aux termes  
under the laws of the Province des lois de la province de l'Ontario.  
of Ontario.

These articles of incorporation Les presents statuts constitutifs  
are effective on entrent en vigueur le

D E C E M B E R 11 D E C E M B R E, 2 0 0 0

(Signature)

Director/Directrice  
Business Corporations Act/Loi sur les societes par actions

Request ID / Demande no	Ontario Corporation Number Numero de la compagnie en Ontario
3236515	2000434

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FORM 1	FORMULE NUMERO 1
BUSINESS CORPORATIONS ACT	LOI SUR LES COMPAGNIES

ARTICLES OF INCORPORATION  
STATUTS CONSTITUTIFS

1. The name of the corporation is: Denomination sociale de la compagnie:

IMAX MUSIC LTD.

2. The address of the registered office is: Adresse du siege social:

SPEAKMAN DRIVE 2525

(Street & Number, or R.R. Number & if Multi-Office Building give Room No.)  
(Rue et numero, ou numero de la R.R. et, s'il s'agit edifice a bureau, numero du bureau)

MISSISSAUGA  
CANADA

ONTARIO  
L5K 1B1

(Name of Municipality or Post Office) (Postal Code/Code postal)  
(Nom de la municipalite ou du bureau de poste)

3. Number (or minimum and maximum number) of directors is: Nombre (ou nombres minimal et maximal) d'administrateurs:

1 10

4. The first director(s) is/are: Premier(s) administrateur(s):

First name, initials and surname  
Prenom, initiales et nom de famille

Resident Canadian State Yes or No  
Resident Canadien Oui/Non

Address for service, giving Street & No. or R.R. No., Municipality and Postal Code

Domicile élu, y compris la rue et le numero, le numero de la R.R., ou le nom de la municipalite et le code postal

\* LAURA S. UYENAKA YES

88 CHARLES STREET EAST 502

TORONTO ONTARIO  
CANADA M4Y 1V4

Request ID / Demande no

Ontario Corporation Number  
Numero de la compagnie en Ontario

3236515

2000434

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5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.  
Limites, s'il y a lieu, imposees aux activites commerciales ou aux pouvoirs de la compagnie.

There are no restrictions.

6. The classes and any maximum number of shares that the corporation is authorized to issue:  
Categories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisee a emettre:

The Corporation is authorized to issue an unlimited number of common shares.

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:

Droits, privileges, restrictions et conditions, s'il y a lieu, rattaches a chaque categorie d'actions et pouvoirs des administrateurs relatifs a chaque categorie d'actions que peut etre emise en serie:

The rights, privileges, restrictions and conditions attaching to the common shares are as follows:

(a) Payment of Dividends: The holders of the common shares shall be entitled to receive dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends in such amounts and payable in such manner as the board of directors may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to or concurrently with the holders of the common shares, the board of directors may in its sole discretion declare dividends on the common shares to the exclusion of any other class of shares of the Corporation.

(b) Participation upon Liquidation, Dissolution or Winding Up: In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the common shares shall, subject to the rights of the holders of any other class of shares of the Corporation entitled to receive assets of the Corporation upon such a distribution in priority to or concurrently with the holders of the common shares, be entitled to participate in the distribution. Such distribution shall be made in equal amounts per share on all the common shares at the time outstanding without preference or distinction.

(c) Voting Rights: The holders of the common shares shall be entitled to receive notice of and to attend all annual and special meetings of the shareholders of the Corporation and to one vote in respect of each common share held at all such meetings.

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2000434

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8. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:

L'emission, le transfert ou la propriete d'actions est/n'est pas restreinte. Les restrictions, s'il y a lieu, sont les suivantes:

No share in the capital of the Corporation shall be transferred without the consent of the directors expressed by the votes of a majority of the directors at a meeting of the directors or by an instrument or instruments in writing signed by a majority of the directors.

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9. Other provisions, (if any, are):  
Autres dispositions, s'il y a lieu:

(1) The number of shareholders of the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been formerly in the employment of the Corporation, were, while in that employment and have continued after the termination of that employment to be, shareholders of the Corporation, is limited to not more than 50, 2 or more persons who are the joint registered owners of 1 or more shares being counted as 1 shareholder.

(2) Any invitation to the public to subscribe for securities of the Corporation is prohibited.

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3236515

2000434

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10. The names and addresses of the incorporators are  
Nom et adresse des fondateurs

First name, initials and last name      Prenom, initiale et nom de  
or corporate name                          famille ou denomination sociale

Full address for service or address of registered office or of principal  
place of business giving street & No. or R.R. No., municipality and postal  
code

Domicile élu, adresse du siege social au adresse de l'etablissement  
principal, y compris la rue et le numero, le numero de la R.R., le nom de  
la municipalite et le code postal

\* LAURA S. UYENAKA

88 CHARLES STREET EAST      502

TORONTO ONTARIO  
CANADA M4Y 1V4

BY-LAW NO. 1

A by-law relating generally to the  
transaction of the business  
and affairs of

IMAX MUSIC LTD.

(the "Corporation")

DIRECTORS

1. Calling of and notice of meetings - Meetings of the board shall be held at such time and on such day as the Secretary or the board of directors may determine. Notice of meetings of the board shall be given to each director not less than 48 hours before the time when the meeting is to be held. Each newly elected board may without notice hold its first meeting for the purposes of organization and the appointment of officers immediately following the meeting of shareholders at which such board was elected.

2. Place of meetings - Meetings of the board may be held at any place within or outside Ontario and in any financial year of the Corporation it shall not be necessary for a majority of the meetings of the board to be held at a place within Canada.

3. Votes to govern - At all meetings of the board every question shall be decided by a majority of the votes cast on the question; and in case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote.

4. Interest of directors and officers generally in contracts - No director or officer shall be disqualified by office from contracting with the Corporation nor shall any contract or arrangement entered into by or on behalf of the Corporation with any director or officer or in which any director or officer is in any way interested be liable to be voided nor shall any director or officer so contracting or being so interested be liable to account to the Corporation for any profit realized by any such contract or arrangement by reason of such director or officer holding that office or of the fiduciary relationship thereby established; provided that the director or officer shall have complied with the provisions of the Business Corporations Act (Ontario) (the "Act").

SHAREHOLDERS' MEETINGS

5. Quorum - At any meeting of shareholders, a quorum shall be one or more persons present in person and each entitled to vote thereat and holding or representing by proxy not less than a majority of the votes entitled to be cast thereat.

6. Casting Vote - In the case of an equality of votes at any meeting of shareholders the chairman of the meeting shall not be entitled to a second or casting vote.



7. Meetings by Telephonic or Electronic Means - A meeting of the shareholders may be held by telephonic or electronic means and a shareholder who, through those means, votes at a meeting of shareholders or establishes a communications link to the meeting shall be deemed for the purposes of the Act to be present at the meeting.

#### INDEMNIFICATION

8. Indemnification of directors and officers - The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives to the extent permitted by the Act.

9. Indemnity of others - Except as otherwise required by the Act and subject to paragraph 8, the Corporation may from time to time indemnify and save harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, agent of or participant in another body corporate, partnership, joint venture, trust or other enterprise, against expenses (including legal fees), judgments, fines and any amount actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted honestly and in good faith with a view to the best interests of the Corporation and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his conduct was lawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction shall not, of itself, create a presumption that the person did not act honestly and in good faith with a view to the best interests of the Corporation and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had no reasonable grounds for believing that his conduct was lawful.

10. Right of indemnity not exclusive - The provisions for indemnification contained in the by-laws of the Corporation shall not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors or otherwise, both as to action in his official capacity and as to action in another capacity, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and legal representatives of such a person.

11. No liability of directors or officers for certain matters - To the extent permitted by law, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or body corporate with whom or which any moneys, securities or other assets belonging to the

Corporation shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to act honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Corporation, the fact of his being a director or officer of the Corporation shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

#### BANKING ARRANGEMENTS, CONTRACTS, ETC.

12. Banking arrangements - The banking business of the Corporation, or any part thereof, shall be transacted with such banks, trust companies or other financial institutions as the board may designate, appoint or authorize from time to time by resolution and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers and/or other persons as the board may designate, direct or authorize from time to time by resolution and to the extent therein provided.

13. Execution of instruments - Contracts, documents or instruments in writing requiring execution by the Corporation shall be signed manually, electronically, by facsimile or in counterpart by (i) any two directors; (ii) any two officers; or (iii) any one officer together with any one director, and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board is authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation to sign and deliver either manually, electronically or by facsimile either contracts, documents or instruments in writing generally or to deliver specific contracts, documents or instruments in writing. The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, charges, conveyances, powers of attorney, transfers and assignments of property of all kinds (including specifically but without limitation transfers and assignments of shares, warrants, bonds, debentures or other securities), proxies for shares and other securities and all paper writings.

#### MISCELLANEOUS

14. Invalidity of any provisions of this by-law - The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

15. Omissions and errors - The accidental omission to give any notice to any shareholder, director, officer or auditor or the non-receipt of any notice by any shareholder, director, officer or auditor or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

INTERPRETATION

16. Interpretation - In this by-law and all other by-laws of the Corporation words importing the singular number only shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders; words importing persons shall include an individual, partnership, association, body corporate, executor, administrator or legal representative and any number or aggregate of persons; "articles" include the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles or reorganization, articles of arrangement and articles of revival; "board" shall mean the board of directors of the Corporation; "Business Corporations Act" shall mean the Business Corporations Act, R.S.O. 1990, c. B.16 as amended from time to time or any Act that may hereafter be substituted therefor; and "meeting of shareholders" shall mean and include an annual meeting of shareholders and a special meeting of shareholders.

MADE as of December 11, 2000

/s/ G. Mary Ruby

-----  
Secretary

RESOLVED that the foregoing By-Law No. 1 is made a by-law of the Corporation. The undersigned, being the sole director of IMAX Music Ltd., signs the foregoing resolution.

DATED as of December 11, 2000

/s/ G. Mary Ruby

-----  
G. Mary Ruby

RESOLVED that the foregoing By-Law No. 1 of the by-laws of the Corporation is confirmed.

The undersigned, being the sole shareholder of IMAX Music Ltd., signs the foregoing resolution.

DATED as of December 11, 2000

IMAX CORPORATION

Per /s/

John M. Davison  
President and  
Chief Operating Office

Per: /s/

Mark J. Thornley  
Senior Vice President Finance

CERTIFICATE OF INCORPORATION

OF

IMAX PICTURES CORPORATION

The undersigned, for the purposes of incorporating and organizing a corporation under the General Corporation Law of the State of Delaware, does hereby certify as follows:

ARTICLE I

The name of the Corporation is Imax Pictures Corporation.

ARTICLE II

The registered office of the Corporation in the State of Delaware is 1209 Orange Street, Wilmington, County of New Castle, Delaware 19801. The name of the Corporation's registered agent is The Corporation Trust Company.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

ARTICLE IV

The total number of shares of stock which the Corporation shall have authority to issue is 100. All such shares are to be common stock, par value of \$.01 per share, and are to be of one class.

ARTICLE V

The name and mailing address of the Incorporator is Natalie E.B. Gibison, P.O. Box 551, Wilmington, Delaware 19899.

ARTICLE VI

The powers of the Incorporator shall terminate upon the filing of this Certificate of Incorporation. The name and mailing address of the person who is to serve as the initial director of the Corporation until the first annual meeting of the stockholders of the Corporation, or until her successors are elected and qualify, is:

Name	Mailing Address
G. Mary Ruby	c/o Imax Corporation 38 Isabella Street Toronto, Ontario, Canada M4Y 1N1

ARTICLE VII

Unless and except to the extent that the By-laws of the Corporation shall so require, the election of directors of the Corporation need not be by written ballot.

ARTICLE VIII

In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized and empowered to make, alter and repeal the By-Laws of the Corporation, subject to the power of the stockholders of the Corporation to alter or repeal any by-law made by the Board of Directors.

ARTICLE IX

A director of this Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any repeal or modification of the foregoing sentence shall not adversely affect any right or protection of a director of the Corporation existing hereunder with respect to any act or omission occurring prior to such repeal or modification.

ARTICLE X

The Corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this Article X.

IN WITNESS WHEREOF, I, the undersigned, being the Incorporator hereinabove named, do hereby further certify that the facts hereinabove stated are truly set forth, and accordingly I have hereunto set my hand this 15th day of February, 1995.

/s/ Natalie E.B. Gibson  
-----  
Incorporator

BY-LAWS  
OF  
MAX PICTURES CORPORATION

ARTICLE I

Stockholders

Section 1.1 Annual Meetings. An annual meeting of stockholders shall be held for the election of directors at such date, time and place, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting.

Section 1.2 Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by the Board of Directors, or by a committee of the Board of Directors that has been duly designated by the Board of Directors and whose powers and authority, as expressly provided in a resolution of the Board of Directors, include the power to call such meetings, but such special meetings may not be called by any other person or persons.

Section 1.3 Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given that shall state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the certificate of incorporation or these by-laws, the written notice of any meeting shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation.

Section 1.4 Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 1.5 Quorum. Except as otherwise provided by law, the certificate of incorporation or these by-laws, at each meeting of stockholders the presence in person or by proxy of the holders of a majority in voting power of the outstanding shares of stock entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. In the absence of a quorum, the stockholders so present may, by majority vote, adjourn the meeting from time to time in the manner provided in Section 1.4 of these by-laws until a quorum shall attend. Shares



of its own stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the corporation or any subsidiary of the corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 1.6 Organization. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in his absence by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting. The chairman of the meeting shall announce at the meeting of stockholders the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote.

Section 1.7 Voting; Proxies. Except as otherwise provided by the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by him which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary of the corporation. Voting at meetings of stockholders need not be by written ballot. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect. All other elections and questions shall, unless otherwise provided by law, the certificate of incorporation or these by-laws, be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock which are present in person or by proxy and entitled to vote thereon.

Section 1.8 Fixing Date for Determination of Stockholders of Record. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (1) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty nor less than ten days before the date of such meeting; (2) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten days

from the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (3) in the case of any other action, shall not be more than sixty days prior to such other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action of the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation in accordance with applicable law, or, if prior action by the Board of Directors is required by law, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action; and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 1.9 List of Stockholders Entitled to Vote. The Secretary shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. Upon the willful neglect or refusal of the directors to produce such a list at any meeting for the election of directors, they shall be ineligible for election to any office at such meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 1.10 Action By Consent of Stockholders. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered (by hand or by certified or registered mail, return receipt requested) to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of minutes of stockholders are recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

Section 1.11 Inspectors of Election. The corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

Section 1.12 Conduct of Meeting. The Board of Directors of the corporation may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (1) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

## ARTICLE II

### Board of Directors

Section 2.1 Number; Qualifications. The Board of Directors shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

Section 2.2 Election; Resignation; Removal; Vacancies. The Board of Directors shall initially consist of the persons named as directors in the certificate of incorporation, and each director so elected shall hold office until the first annual meeting of stockholders or until his successor is elected and qualified. At the first annual meeting of stockholders and at each annual meeting thereafter, the stockholders shall elect directors each of whom shall hold office for a term of one year or until his successor is elected and qualified. Any director may resign at any time upon written notice to the corporation. Any newly created directorship or any vacancy occurring in the Board of Directors for any cause may be filled by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum, or by a plurality of the votes cast at a meeting of stockholders, and each director so elected shall hold office until the expiration of the term of office of the director whom he has replaced or until his successor is elected and qualified.

Section 2.3 Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine, and if so determined notices thereof need not be given.

Section 2.4 Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the President, any Vice President, the Secretary, or by any member of the Board of Directors. Notice of a special meeting of the Board of Directors shall be given by the person or persons calling the meeting at least twenty-four hours before the special meeting.

Section 2.5 Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 2.6 Quorum; Vote Required for Action. At all meetings of the Board of Directors a majority of the whole Board of Directors shall constitute a quorum for the transaction of business. Except in cases in which the certificate of incorporation, these by-laws or applicable law otherwise provides, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.7 Organization. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in their absence by a chairman chosen at the meeting.

The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8 Informal Action by Directors. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or such committee.

## ARTICLE III

### Committees

Section 3.1 Committees. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it.

Section 3.2 Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these by-laws.

## ARTICLE IV

### Officers

Section 4.1 Executive Officers; Election; Qualifications; Term of Office; Resignation; Removal; Vacancies. The Board of Directors shall elect a President and Secretary, and it may, if it so determines, choose a Chairman of the Board and a Vice Chairman of the Board from among its members. The Board of Directors may also choose one or more Vice Presidents, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers. Each such officer shall hold office until the first meeting of the Board of Directors after the annual meeting of stockholders next succeeding his election, and until his successor is elected and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the corporation. The Board of Directors may remove any officer with or without cause at any time, but such removal shall be without prejudice to the contractual rights of such officer, if any, with the corporation. Any number of offices may be held by the same person. Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

Section 4.2 Powers and Duties of Executive Officers. The officers of the corporation shall have such powers and duties in the management of the corporation as may be prescribed in a resolution by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors. The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his duties.

ARTICLE V

Stock

Section 5.1 Certificates. Every holder of stock shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the corporation certifying the number of shares owned by him in the corporation. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 5.2 Lost; Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.



## ARTICLE VI

### Indemnification

Section 6.1 Right to Indemnification. The corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans (an "indemnitee"), against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such indemnitee. The corporation shall be required to indemnify an indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if the initiation of such proceeding (or part thereof) by the indemnitee was authorized by the Board of Directors of the corporation.

Section 6.2 Prepayment of Expenses. The corporation shall pay the expenses (including attorneys' fees) incurred by an indemnitee in defending any proceeding in advance of its final disposition, provided, however, that the payment of expenses incurred by a director or officer in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that the director or officer is not entitled to be indemnified under this Article or otherwise.

Section 6.3 Claims. If a claim for indemnification or payment of expenses under this Article is not paid in full within sixty days after a written claim therefor by the indemnitee has been received by the corporation, the indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the corporation shall have the burden of proving that the indemnitee was not entitled to the requested indemnification or payment of expenses under applicable law.

Section 6.4 Nonexclusivity of Rights. The rights conferred on any person by this Article VI shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the certificate of incorporation, these by-laws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.5 Other Indemnification. The corporation's obligation, if any, to indemnify or advance expenses to any person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such person may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or nonprofit enterprise.

Section 6.6 Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article VI shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

ARTICLE VII

Miscellaneous

Section 7.1 Fiscal Year. The fiscal year of the corporation shall be determined by resolution of the Board of Directors.

Section 7.2 Seal. The corporate seal shall have the name of the corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 7.3 Waiver of Notice of Meetings of Stockholders; Directors and Committees. Any written waiver of notice, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 7.4 Interested Directors; Quorum. No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if: (1) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 7.5 Form of Records. Any records maintained by the corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs, or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time.

Section 7.6 Amendment of By-laws. These by-laws may be altered or repealed, and new by-laws made, by the Board of Directors, but the stockholders may make additional by-laws and may alter and repeal any by-laws whether adopted by them or otherwise.

CERTIFICATE OF INCORPORATION  
OF  
IMAX PROVIDENCE GENERAL PARTNER CO.

I, the undersigned, for the purposes of incorporating and organizing a corporation under the General Corporation Law of the State of Delaware, do execute this Certificate of Incorporation and do hereby certify as follows:

FIRST. The name of the corporation is Imax Providence General Partner Co.

SECOND. The address of the corporation's registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH. The total number of shares of stock which the corporation shall have authority to issue is 100. All such shares are to be Common Stock, par value of \$.01 per share, and are to be of one class.

FIFTH. The incorporator of the corporation is David S. Conway, whose mailing address is c/o Richards, Layton & Finger, One Rodney Square, P.O. Box 551, Wilmington, Delaware 19899.

SIXTH. Unless and except to the extent that the by-laws of the corporation shall so require, the election of directors of the corporation need not be by written ballot.

SEVENTH. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors of the corporation is expressly authorized to make, alter and repeal the by-laws of the corporation, subject to the power of the stockholders of the corporation to alter or repeal any by-law whether adopted by them or otherwise.

EIGHTH. A director of the corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

NINTH. The corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this article.

TENTH. The powers of the incorporator are to terminate upon the filing of this Certificate of Incorporation with the Secretary of State of the State of Delaware. The name and mailing address of the person who is to serve as the sole initial director of the corporation until the first annual meeting of stockholders of the corporation, or until his successor is duly elected and qualified, is:

Richard L. Gelfond  
784 Park Avenue  
Apt. 7B  
New York, NY 10021

The undersigned incorporator hereby acknowledges that the foregoing certificate of incorporation is his act and deed on this the 18th day of April, 1997.

/s/ David S. Conway  
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David S. Conway  
Incorporator

BY-LAWS

OF

IMAX PROVIDENCE GENERAL PARTNER CO.

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ARTICLE I

Meetings of Stockholders

Section 1.1. Annual Meetings. An annual meeting of stockholders shall be held for the election of directors at such date, time and place, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting.

Section 1.2. Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by the Board of Directors, but such special meetings may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 1.3. Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given that shall state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the certificate of incorporation or these by-laws, the written notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation.

Section 1.4. Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 1.5. Quorum. Except as otherwise provided by law, the certificate of incorporation or these by-laws, at each meeting of stockholders the presence in person or by proxy of the holders of a majority in voting power of the outstanding shares of stock

entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. In the absence of a quorum, the stockholders so present may, by a majority in voting power thereof, adjourn the meeting from time to time in the manner provided in Section 1.4 of these by-laws until a quorum shall attend. Shares of its own stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the corporation or any subsidiary of the corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 1.6. Organization. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in his absence by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 1.7. Voting; Proxies. Except as otherwise provided by or pursuant to the provisions of the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary of the corporation. Voting at meetings of stockholders need not be by written ballot. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect. All other elections and questions shall, unless otherwise provided by the certificate of incorporation, these by-laws, the rules or regulations of any stock exchange applicable to the corporation, as otherwise provided by law or pursuant to any regulation applicable to the corporation, be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock of the corporation which are present in person or by proxy and entitled to vote thereon.

Section 1.8. Fixing Date for Determination of Stockholders of Record. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other



distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (1) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting; (2) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten (10) days from the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (3) in the case of any other action, shall not be more than sixty (60) days prior to such other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action of the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation in accordance with applicable law, or, if prior action by the Board of Directors is required by law, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action; and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 1.9. List of Stockholders Entitled to Vote. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. Upon the willful neglect or refusal of the directors to produce such a list at any meeting for the election of directors, they shall be ineligible for election to any office at such meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 1.10. Action By Written Consent of Stockholders. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which minutes of proceedings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall, to the extent required by law, be given to those stockholders who have not consented in writing.

Section 1.11. Inspectors of Election. The corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

Section 1.12. Conduct of Meetings. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and

procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

## ARTICLE II

### Board of Directors

Section 2.1. Number; Qualifications. The Board of Directors shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

Section 2.2. Election; Resignation; Vacancies. The Board of Directors shall initially consist of the persons named as directors in the certificate of incorporation or elected by the incorporator of the corporation, and each director so elected shall hold office until the first annual meeting of stockholders or until his successor is duly elected and qualified. At the first annual meeting of stockholders and at each annual meeting thereafter, the stockholders shall elect directors each of whom shall hold office for a term of one year or until his successor is duly elected and qualified, subject to such director's earlier death, resignation, disqualification or removal. Any director may resign at any time upon written notice to the corporation. Unless otherwise provided by law or the certificate of incorporation, any newly created directorship or any vacancy occurring in the Board of Directors for any cause may be filled by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum, or by a plurality of the votes cast at a meeting of stockholders, and each director so elected shall hold office until the expiration of the term of office of the director whom he has replaced or until his successor is elected and qualified.

Section 2.3. Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine.

Section 2.4. Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the President, any Vice President, the Secretary, or by any member of the Board of Directors. Notice of a special meeting of the Board of Directors shall be given by the person or persons calling the meeting at least twenty-four hours before the special meeting.

Section 2.5. Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 2.6. Quorum; Vote Required for Action. At all meetings of the Board of Directors a majority of the whole Board of Directors shall constitute a quorum for the transaction of business. Except in cases in which the certificate of incorporation, these

by-laws or applicable law otherwise provides, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.7. Organization. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in their absence by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8. Action by Written Consent of Directors. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or such committee.

### ARTICLE III

#### Committees

Section 3.1. Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it.

Section 3.2. Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these by-laws.

## ARTICLE IV

### Officers

Section 4.1. Executive Officers; Election; Qualifications; Term of Office; Resignation; Removal; Vacancies. The Board of Directors shall elect a President and Secretary, and it may, if it so determines, choose a Chairman of the Board and a Vice Chairman of the Board from among its members. The Board of Directors may also choose one or more Vice Presidents, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers. Each such officer shall hold office until the first meeting of the Board of Directors after the annual meeting of stockholders next succeeding his election, and until his successor is elected and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the corporation. The Board of Directors may remove any officer with or without cause at any time, but such removal shall be without prejudice to the contractual rights of such officer, if any, with the corporation. Any number of offices may be held by the same person. Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

Section 4.2. Powers and Duties of Executive Officers. The officers of the corporation shall have such powers and duties in the management of the corporation as may be prescribed in a resolution by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors. The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his duties.

ARTICLE V

Stock

Section 5.1. Certificates. Every holder of stock shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the corporation certifying the number of shares owned by him in the corporation. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 5.2. Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.



## ARTICLE VI

### Indemnification

Section 6.1. Right to Indemnification. The corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "Indemnitee") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the corporation or, while a director or officer of the corporation, is or was serving at the written request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnitee. Notwithstanding the preceding sentence, except as otherwise provided in Section 6.3, the corporation shall be required to indemnify an Indemnitee in connection with a proceeding (or part thereof) commenced by such Indemnitee only if the commencement of such proceeding (or part thereof) by the Indemnitee was authorized by the Board of Directors.

Section 6.2. Prepayment of Expenses. The corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnitee in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Indemnitee to repay all amounts advanced if it should be ultimately determined that the Indemnitee is not entitled to be indemnified under this Article VI or otherwise.

Section 6.3. Claims. If a claim for indemnification or advancement of expenses under this Article VI is not paid in full within sixty (60) days after a written claim therefor by the Indemnitee has been received by the corporation, the Indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the corporation shall have the burden of proving that the Indemnitee is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 6.4. Nonexclusivity of Rights. The rights conferred on any Indemnitee by this Article VI shall not be exclusive of any other rights which such Indemnitee may have or hereafter acquire under any statute, provision of the certificate of incorporation, these by-laws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.5. Other Sources. The corporation's obligation, if any, to indemnify or to advance expenses to any Indemnitee who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Indemnitee may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

Section 6.6. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article VI shall not adversely affect any right or protection hereunder of any Indemnitee in respect of any act or omission occurring prior to the time of such repeal or modification.

Section 6.7. Other Indemnification and Prepayment of Expenses. This Article VI shall not limit the right of the corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Indemnitees when and as authorized by appropriate corporate action.

## ARTICLE VII

### Miscellaneous

Section 7.1. Fiscal Year. The fiscal year of the corporation shall be determined by resolution of the Board of Directors.

Section 7.2. Seal. The corporate seal shall have the name of the corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 7.3. Manner of Notice. Except as otherwise provided herein, notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the corporation. Notice to directors may be given by telegram, telecopier, telephone or other means of electronic transmission.

Section 7.4. Waiver of Notice of Meetings of Stockholders, Directors and Committees. Any written waiver of notice, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 7.5. Interested Directors; Quorum. No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if: (1) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders. Common or interested directors may

be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 7.6. Form of Records. Any records maintained by the corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs, or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time.

Section 7.7. Amendment of By-Laws. These by-laws may be altered, amended or repealed, and new by-laws made, by the Board of Directors, but the stockholders may make additional by-laws and may alter and repeal any by-laws whether adopted by them or otherwise.

Section 7.8 Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the corporation may be signed by:

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the corporation without any further authorization or formality. The Board of Directors shall have power from time to time to appoint any person or persons, on behalf of the corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any person or persons appointed as aforesaid by the Board of Directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

- (a) any two officers;

(b) any two directors; or

(c) any one officer together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the corporation and to sign and execute (under the seal of the corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of any officer or officers, or any director or directors of the corporation and/or of any other person or persons, appointed as aforesaid by the Board of Directors may, if specifically authorized by the Board of Directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation executed or issued by or on behalf of the corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization, by the Board of Directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation.

CERTIFICATE OF INCORPORATION  
OF  
IMAX PROVIDENCE LIMITED PARTNER CO.

I, the undersigned, for the purposes of incorporating and organizing a corporation under the General Corporation Law of the State of Delaware, do execute this Certificate of Incorporation and do hereby certify as follows:

FIRST. The name of the corporation is Imax Providence Limited Partner Co.

SECOND. The address of the corporation's registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH. The total number of shares of stock which the corporation shall have authority to issue is 100. All such shares are to be Common Stock, par value of \$.01 per share, and are to be of one class.

FIFTH. The incorporator of the corporation is David S. Conway, whose mailing address is c/o Richards, Layton & Finger, One Rodney Square, P.O. Box 551, Wilmington, Delaware 19899.

SIXTH. Unless and except to the extent that the by-laws of the corporation shall so require, the election of directors of the corporation need not be by written ballot.

SEVENTH. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors of the corporation is expressly authorized to make, alter and repeal the by-laws of the corporation, subject to the power of the stockholders of the corporation to alter or repeal any by-law whether adopted by them or otherwise.

EIGHTH. A director of the corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

NINTH. The corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this article.

TENTH. The powers of the incorporator are to terminate upon the filing of this Certificate of Incorporation with the Secretary of State of the State of Delaware. The name and mailing address of the person who is to serve as the sole initial director of the corporation until the first annual meeting of stockholders of the corporation, or until his successor is duly elected and qualified, is:

Richard L. Gelfond  
784 Park Avenue  
Apt. 7B  
New York, NY 10021

The undersigned incorporator hereby acknowledges that the foregoing certificate of incorporation is his act and deed on this the 18th day of April, 1997.

David S. Conway  
-----  
David S. Conway  
Incorporator

BY-LAWS  
OF  
IMAX PROVIDENCE LIMITED PARTNER CO.

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ARTICLE I

Meetings of Stockholders

Section 1.1. Annual Meetings. An annual meeting of stockholders shall be held for the election of directors at such date, time and place, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting.

Section 1.2. Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by the Board of Directors, but such special meetings may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 1.3. Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given that shall state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the certificate of incorporation or these by-laws, the written notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation.

Section 1.4. Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 1.5. Quorum. Except as otherwise provided by law, the certificate of incorporation or these by-laws, at each meeting of stockholders the presence in person or by proxy of the holders of a majority in voting power of the outstanding shares of stock



entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. In the absence of a quorum, the stockholders so present may, by a majority in voting power thereof, adjourn the meeting from time to time in the manner provided in Section 1.4 of these by-laws until a quorum shall attend. Shares of its own stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the corporation or any subsidiary of the corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 1.6. Organization. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in his absence by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 1.7. Voting; Proxies. Except as otherwise provided by or pursuant to the provisions of the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary of the corporation. Voting at meetings of stockholders need not be by written ballot. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect. All other elections and questions shall, unless otherwise provided by the certificate of incorporation, these by-laws, the rules or regulations of any stock exchange applicable to the corporation, as otherwise provided by law or pursuant to any regulation applicable to the corporation, be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock of the corporation which are present in person or by proxy and entitled to vote thereon.

Section 1.8. Fixing Date for Determination of Stockholders of Record. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other

distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (1) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting; (2) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten (10) days from the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (3) in the case of any other action, shall not be more than sixty (60) days prior to such other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action of the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation in accordance with applicable law, or, if prior action by the Board of Directors is required by law, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action; and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 1.9. List of Stockholders Entitled to Vote. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. Upon the willful neglect or refusal of the directors to produce such a list at any meeting for the election of directors, they shall be ineligible for election to any office at such meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 1.10. Action By Written Consent of Stockholders. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which minutes of proceedings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall, to the extent required by law, be given to those stockholders who have not consented in writing.

Section 1.11. Inspectors of Election. The corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

Section 1.12. Conduct of Meetings. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and

procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

## ARTICLE II

### Board of Directors

Section 2.1. Number; Qualifications. The Board of Directors shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

Section 2.2. Election; Resignation; Vacancies. The Board of Directors shall initially consist of the persons named as directors in the certificate of incorporation or elected by the incorporator of the corporation, and each director so elected shall hold office until the first annual meeting of stockholders or until his successor is duly elected and qualified. At the first annual meeting of stockholders and at each annual meeting thereafter, the stockholders shall elect directors each of whom shall hold office for a term of one year or until his successor is duly elected and qualified, subject to such director's earlier death, resignation, disqualification or removal. Any director may resign at any time upon written notice to the corporation. Unless otherwise provided by law or the certificate of incorporation, any newly created directorship or any vacancy occurring in the Board of Directors for any cause may be filled by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum, or by a plurality of the votes cast at a meeting of stockholders, and each director so elected shall hold office until the expiration of the term of office of the director whom he has replaced or until his successor is elected and qualified.

Section 2.3. Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine.

Section 2.4. Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the President, any Vice President, the Secretary, or by any member of the Board of Directors. Notice of a special meeting of the Board of Directors shall be given by the person or persons calling the meeting at least twenty-four hours before the special meeting.

Section 2.5. Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 2.6. Quorum; Vote Required for Action. At all meetings of the Board of Directors a majority of the whole Board of Directors shall constitute a quorum for the transaction of business. Except in cases in which the certificate of incorporation, these

by-laws or applicable law otherwise provides, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.7. Organization. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in their absence by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8. Action by Written Consent of Directors. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or such committee.

## ARTICLE III

### Committees

Section 3.1. Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it.

Section 3.2. Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these by-laws.

## ARTICLE IV

### Officers

Section 4.1. Executive Officers; Election; Qualifications; Term of Office; Resignation; Removal; Vacancies. The Board of Directors shall elect a President and Secretary, and it may, if it so determines, choose a Chairman of the Board and a Vice Chairman of the Board from among its members. The Board of Directors may also choose one or more Vice Presidents, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers. Each such officer shall hold office until the first meeting of the Board of Directors after the annual meeting of stockholders next succeeding his election, and until his successor is elected and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the corporation. The Board of Directors may remove any officer with or without cause at any time, but such removal shall be without prejudice to the contractual rights of such officer, if any, with the corporation. Any number of offices may be held by the same person. Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

Section 4.2. Powers and Duties of Executive Officers. The officers of the corporation shall have such powers and duties in the management of the corporation as may be prescribed in a resolution by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors. The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his duties.



ARTICLE V

Stock

Section 5.1. Certificates. Every holder of stock shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the corporation certifying the number of shares owned by him in the corporation. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 5.2. Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

## ARTICLE VI

### Indemnification

Section 6.1. Right to Indemnification. The corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "Indemnitee") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the corporation or, while a director or officer of the corporation, is or was serving at the written request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnitee. Notwithstanding the preceding sentence, except as otherwise provided in Section 6.3, the corporation shall be required to indemnify an Indemnitee in connection with a proceeding (or part thereof) commenced by such Indemnitee only if the commencement of such proceeding (or part thereof) by the Indemnitee was authorized by the Board of Directors.

Section 6.2. Prepayment of Expenses. The corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnitee in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Indemnitee to repay all amounts advanced if it should be ultimately determined that the Indemnitee is not entitled to be indemnified under this Article VI or otherwise.

Section 6.3. Claims. If a claim for indemnification or advancement of expenses under this Article VI is not paid in full within sixty (60) days after a written claim therefor by the Indemnitee has been received by the corporation, the Indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the corporation shall have the burden of proving that the Indemnitee is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 6.4. Nonexclusivity of Rights. The rights conferred on any Indemnitee by this Article VI shall not be exclusive of any other rights which such Indemnitee may have or hereafter acquire under any statute, provision of the certificate of incorporation, these by-laws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.5. Other Sources. The corporation's obligation, if any, to indemnify or to advance expenses to any Indemnitee who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Indemnitee may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

Section 6.6. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article VI shall not adversely affect any right or protection hereunder of any Indemnitee in respect of any act or omission occurring prior to the time of such repeal or modification.

Section 6.7. Other Indemnification and Prepayment of Expenses. This Article VI shall not limit the right of the corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Indemnitees when and as authorized by appropriate corporate action.

ARTICLE VII

Miscellaneous

Section 7.1. Fiscal Year. The fiscal year of the corporation shall be determined by resolution of the Board of Directors.

Section 7.2. Seal. The corporate seal shall have the name of the corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 7.3. Manner of Notice. Except as otherwise provided herein, notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the corporation. Notice to directors may be given by telegram, telecopier, telephone or other means of electronic transmission.

Section 7.4. Waiver of Notice of Meetings of Stockholders, Directors and Committees. Any written waiver of notice, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 7.5. Interested Directors; Quorum. No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if: (1) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders. Common or interested directors may

be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 7.6. Form of Records. Any records maintained by the corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs, or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time.

Section 7.7. Amendment of By-Laws. These by-laws may be altered, amended or repealed, and new by-laws made, by the Board of Directors, but the stockholders may make additional by-laws and may alter and repeal any by-laws whether adopted by them or otherwise.

Section 7.8 Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the corporation may be signed by:

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the corporation without any further authorization or formality. The Board of Directors shall have power from time to time to appoint any person or persons, on behalf of the corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any person or persons appointed as aforesaid by the Board of Directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

- (a) any two officers;

(b) any two directors; or

(c) any one officer together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the corporation and to sign and execute (under the seal of the corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of any officer or officers, or any director or directors of the corporation and/or of any other person or persons, appointed as aforesaid by the Board of Directors may, if specifically authorized by the Board of Directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation executed or issued by or on behalf of the corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization, by the Board of Directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

OFFICE OF THE SECRETARY OF STATE  
100 North Main Street  
Providence, Rhode Island  
02903-1335

CERTIFICATE OF LIMITED PARTNERSHIP

Be it Known to All by these Presents. That we, the undersigned, desiring to form a limited partnership under and by virtue of the powers conferred by Chapter 7-13-8 of the General Laws of Rhode Island, do execute the following Certificate of Limited Partnership:

FIRST: The name of the partnership shall be IMAX RHODE ISLAND LIMITED PARTNERSHIP.  
-----

SECOND: The address of the specified office of the partnership is

123 Dyer Street, Providence, Rhode Island 02903  
-----

(NO., STREET, CITY OR TOWN IN RHODE ISLAND)

and the name of the specified agent for service of process at such address is

CT Corporation System  
-----

THIRD: The name and business address of each general partner:

General Partners	Residence (NO., STREET, CITY OR TOWN, STATE)
------------------	-------------------------------------------------

IMAX Providence, General Partner Co.	2525 Speakman Dr., Sheridan Park, -----
--------------------------------------	--------------------------------------------

Mississauga, Ontario  
-----

CANADA L5K 1B1  
-----

FOURTH: The mailing address for the limited partnership is

2525 Speakman Dr., Sheridan Park, Mississauga, Ontario CANADA L5K 1B1

FIFTH: The latest date upon which the limited partnership is to dissolve is

December 31, 2050.

SIXTH: Any other matters the partners determine to include therein  
(Use schedule A if space below is not sufficient)

NONE

In Testimony Whereof, We have hereunto set our hands and stated our residences  
this 18th day of April A.D. 1997.

Signature(s) of all general Partners named therein

IMAX PROVIDENCE GENERAL PARTNER CO.

By: /s/ Peter J. Chilibeck

Peter J. Chilibeck  
Vice President

By: /s/ Gregory J. Breen

Gregory J. Breen  
Vice President



Province of Ontario )  
 ) Sc.  
Regional Municipality of Peel )

At the City of Mississauga, in said county on the 18th day of April 1997, before me personally appeared Peter J. Chilibeck and Gregory J. Breen, who being by me first sworn, declared that they are the Vice Presidents of IMAX PROVIDENCE GENERAL PARTNER CO., that he/she signed the foregoing document as such Vice Presidents of the corporation, and that the statements therein are true.

/s/ Karen Janet Britton  
-----  
Notary Public

KAREN JANET BRITTON

Ontario Corp  
NUMERO DE LA SOCIETE EN ONTARIO

1165306  
-----

-----  
ARTICLES OF AMENDMENT  
STATUTS DE MODIFICATION

Form 3  
Business  
Corporations  
Act

1. The name of the corporation is: Denomination sociale de societe:  
-----  
1165306 ONTARIO INC.  
-----

Formule 3  
Loi sur les  
societes par  
actions

2. The name of the corporation is changed to (if applicable): Nouvelle denomination sociale de la societe (s'il y a lieu):  
-----  
IMAX SANDDE ANIMATION INC.  
-----

3. Date of incorporation/amalgamation: Date de la constitution ou de la fusion:  
-----  
1966, January, 01  
-----  
(Year, Month, Day)  
(annee, mois, jour)

4. The articles of the corporation are amended as follows: Les statuts de la societe sont modifies de la facon suivante:  
-----  
To change the name of the Corporation to IMAX SANDDE ANIMATION INC.

5. The amendment has been duly authorized as required by Sections 168 & 170 (as applicable) to the Business Corporations Act.

La modification a ete dument autorisee conformement aux articles 168 et 170 (selon le cas) de la Loi sur les societes par actions.

6. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on

Les actionnaires ou les administrateurs (selon le cas) de la societe ont approuve la resolution autorisant la modification le

1998, February, 24

-----  
(Year, Month, Day)  
(annee, mois, jour)

These articles are signed in duplicate.

Les presents statuts sont signes en double exemplaire.

1165306 ONTARIO INC.

-----  
(Name of Corporation)  
(Denomination sociale de la jour, societe)

By/Par: /s/ G. Mary Ruby

-----  
(Signature) (Description of Office)  
(Signature) (Fonction)

G. Mary Ruby, Secretary

1165306

Trans Code	Line No.	Stat	Comp Type	Method Incorp.
A	0	0	A	3
18	20	28	29	30

SHARE	NOTICE REQ'D	JURISDICTION
S	N	ONTARIO
31	32	47

ARTICLES OF INCORPORATION  
STATUTS CONSTITUTIFS

FORM 1  
BUSINESS  
CORPORATIONS  
ACT

1. The name of the corporation is: Denomination sociale de la compagnie:

1165306 ONTARIO INC.

FORMULE  
NUMERO 1  
LOI  
SUR LES  
COMPAGNIES

2. The address of the registered office is: Adresse du siege social:

38 Isabella Street

(STREET & NUMBER OR R.R. NUMBER & IF MULTI-OFFICE BUILDING GIVE ROOM NO.)  
(RUE ET NUMERO OU NUMERO DE LA R.R. ET, S'IL S'AGIT D'UN EDIFICE A BUREAU, NUMERO DU BUREAU)

Toronto, Ontario

M4Y 1N1

(NAME OF MUNICIPALITY OR POST OFFICE) (Postal Code)  
(NOM DE LA MUNICIPALITE OU DU BUREAU DE POSTE) (Code postal)

City of Toronto

in

The Municipality of  
Metropolitan Toronto

(NAME OF MUNICIPALITY, GEOGRAPHIC  
TOWNSHIP)  
(NOM DE LA MUNICIPALITE, DU CANTON)

dans le / la

(COUNTY, DISTRICT OR REGIONAL  
MUNICIPALITY)  
(COMTE, DISTRICT, MUNICIPALITE  
REGIONALE)

3. Number (or minimum and maximum number) of directors is: Nombre (ou nombres minimal et maximal) d'administrateurs:

A minimum of 1 and a maximum of 5.

4. The first director(s) is/are: Premier(s) administrateur(s):

FIRST NAME, INITIALS AND LAST NAME PRENOM, INITIALES ET NOM DE FAMILLE	RESIDENCE ADDRESS, GIVING STREET & NO. OR R.R. NO., MUNICIPALITY AND POSTAL CODE ADRESSE PERSONNELLE, Y COMPRIS LA RUE ET LE NUMERO, LE NUMERO DE LA R.R., LE NOM DE LA MUNICIPALITE ET LE CODE POSTAL	RESIDENT CANADIAN STATE YES OR NO RESIDENT CANADIEN OUI/NON
G. Mary Ruby	113 Inglewood Drive Toronto, Ontario M4T 1H6	Yes

5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise. Limites, s'il y a lieu, imposees aux activites commerciales ou aux pouvoirs de la compagnie.

There are no restrictions.

6. The classes and any maximum number of shares that the corporation is authorized to issue: Categories et nombre naximal, s'il y a lieu, d'actions que la compagnie est autorisee a emettre:

The Corporation is authorized to issue an unlimited number of common shares.

- |                                                                                                                                                                                          |                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: | Droits, privileges, restrictions et conditions, s'il y a lieu, rattaches a chaque categorie d'actions et pouvoirs des administrateurs relatifs a chaque categorie d'actions qui peut etre emise en serie: |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

The rights, privileges, restrictions and conditions attaching to the common shares are as follows:

- (1) Payment of Dividends: The holders of the common shares shall be entitled to receive dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends in such amounts and payable in such manner as the board of directors may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to or rateably with the holders of the common shares, the board of directors may in their sole discretion declare dividends on the common shares to the exclusion of any other class of shares of the Corporation.
- (2) Participation upon Liquidation, Dissolution or Winding-up: In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the common shares shall, subject to the rights of the holders of any other class of shares of the Corporation entitled to receive the assets of the Corporation upon such a distribution in priority to or rateably with the holders of the common shares, be entitled to participate rateably in any distribution of the assets of the Corporation.
- (3) Voting Rights: The holders of the common shares shall be entitled to receive notice of and to attend all annual and special meetings of the shareholders of the Corporation and to 1 vote in respect of each common share held at all such meetings.

8. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows: L'emission, le transfert ou la propriete d'actions est/n'est pas restreinte. Les restrictions, s'il y a lieu, sont les suivantes:

The right to transfer shares of the Corporation shall be restricted in that no shareholder shall be entitled to transfer any share or shares in the capital of the Corporation without either (a) the previous express sanction of the holders of more than 50% of the common shares of the Corporation for the time being outstanding expressed by a resolution passed at a meeting of the shareholders or by an instrument or instruments in writing signed by the holders of more than 50% of such shares or (b) the previous express sanction of the directors of the Corporation expressed by a resolution passed by the votes of a majority of the directors of the Corporation at a meeting of the board of directors or by an instrument or instruments in writing signed by a majority of the directors.

9. Other provisions, if any, are:                                      Autres dispositions, s'il y a lieu:

- (1) The number of shareholders of the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been formerly in the employment of the Corporation, were, while in that employment and have continued after the termination of that employment to be, shareholders of the Corporation, is limited to not more than 50, 2 or more persons who are the joint registered owners of 1 or more shares being counted as 1 shareholder.
- (2) Any invitation to the public to subscribe for securities of the Corporation is prohibited.



10. The names and addresses of the incorporators are Nom et adresse des fondateurs First name, initials and last name or corporate name Prenom, initiale et nom de famille ou du denomination sociale	Full residence address or address of registered office or of principal place of business giving street & No. or R.R. No., municipality and postal code Adresse personnelle au complet, adresse siege social ou adresse de l'etablissement principal, y compris la rue et le numero, le numero de la R.R., le nom de la municipalite et le code postal
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G. Mary Ruby

113 Inglewood Drive  
Toronto, Ontario  
M4T 1H6

These articles are signed in duplicate.

Les presents statuts sont signes en double exemplaire.

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Signatures of incorporators  
(Signature des fondateurs)

/s/ G. Mary Ruby

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G. Mary Ruby

BY-LAW NO. 1

A by-law relating generally to the conduct of the affairs of the Corporation.

INTERPRETATION

1. Interpretation. In this by-law and all other by-laws of the Corporation, unless the context otherwise specifies or requires:

- (a) "Act" means the Business Corporations Act (Ontario), as from time to time amended and every statute that may be substituted therefore and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Act shall be read as references to the substituted provisions therefore in the new statute or statutes;
- (b) "Regulations" means the Regulations made under the Act as from time to time amended and every regulation that may be substituted therefore and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Regulations shall be read as references to the substituted provisions therefore in the new regulations;
- (c) "by-law" means any by-law of the Corporation from time to time in force and effect;
- (d) all terms which are contained in the by-laws and which are defined in the Act or the Regulations shall have the meanings respectively given to such terms in the Act or the Regulations;
- (e) words importing the singular number only shall include the plural and vice versa and words importing a specific gender shall include the other genders; and
- (f) the headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

SEAL

2. Seal. The Corporation may but need not have a corporate seal. Any corporate seal adopted for the Corporation shall be such as the board of directors may by resolution from time to time approve.

DIRECTORS

3. Duties and Number. Subject to any unanimous shareholder agreement, the directors shall manage or supervise the management of the business and affairs of the

Corporation. The board of directors shall consist of the number of directors set out in the articles of the Corporation or, where a minimum and maximum number is provided for in the articles, such number of directors as shall be determined from time to time by special resolution or, if the special resolution empowers the directors to determine the number, by resolution of the directors. A majority of the directors shall be resident Canadians except that where the Corporation has only one or two directors, that director or one of the two directors, as the case may be, shall be a resident Canadian. If the Corporation is an offering corporation, at least one-third of the directors shall not be officers or employees of the Corporation or of any affiliate of the Corporation.

4. Term of Office. A director's term of office (subject to (a) the provisions of the articles of the Corporation; (b) the provisions of the Act; (c) any unanimous shareholder agreement; and (d) any expressly stated term of office) shall be from the date on which he is elected or appointed until the close of the annual meeting next following.

5. Vacation of Office. The office of a director shall ipso facto be vacated: (a) if he becomes bankrupt or suspends payment of his debts generally or compounds with his creditors or makes an authorized assignment or is declared insolvent; (b) if he is found to be a mentally incompetent person or of unsound mind; (c) subject to the provisions of the Act, if by notice in writing to the Corporation he resigns his office, which resignation shall be effective at the time it is received by the Corporation or at the time specified in the notice, whichever is later; (d) if he dies; or (e) if he is removed from office by the shareholders in accordance with paragraph 6.

6. Election and Removal. Subject to Section 120 of the Act the shareholders of the Corporation shall elect, at the first meeting of shareholders and at each succeeding annual meeting at which an election of directors is required, directors to hold office for a term expiring not later than the close of the third annual meeting of shareholders following the election. A director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of shareholders following his election, but, if qualified, is eligible for re-election. If directors are not elected at a meeting of shareholders, the incumbent directors continue in office until their successors are elected. Provided always that, subject to Section 122 of the Act, the shareholders of the Corporation may, by ordinary resolution passed at an annual or special meeting of shareholders, remove any director or directors from office and a vacancy created by the removal of a director may be filled at the meeting of the shareholders at which the director is removed.

7. Committee of Directors. The directors may appoint from among their number a committee of directors and subject to Subsection 127(3) of the Act may delegate to such committee any of the powers of the directors. A majority of the directors of any such committee must be resident Canadians. Subject to the by-laws and any resolution of the board of directors, the committee of directors, if any, may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit and may from time to time adopt, amend or repeal rules or procedures in this regard. Subject to the Act, except to the extent otherwise determined by the board of directors or, failing such determination, as determined by the committee of directors, the provisions of paragraphs 8 to 15, inclusive, shall apply, mutatis mutandis, to such committee.

## MEETINGS OF DIRECTORS

8. Place of Meeting. Meetings of the directors may be held within or outside Ontario and it shall not be necessary in any financial year of the Corporation to hold a majority of the meetings of the directors at a place within Canada.

9. Notice. A meeting of directors may be convened by the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President if he is a director, a Vice-President who is a director or any two directors at any time and the Secretary, when directed or authorized by any of such officers or any two directors, shall convene a meeting as directors. The notice of any meeting convened as aforesaid need not specify the purpose of or the business to be transacted at the meeting. Notice of any such meeting shall be served in the manner specified in paragraph 57 of this by-law not less than two (2) days (exclusive of the day on which the notice is delivered or sent but inclusive of the day for which notice is given) before the meeting is to take place; provided always that a director may in any manner and at any time waive notice of a meeting of directors and attendance of a director at a meeting of directors shall constitute a waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called; provided further that meetings of directors may be held at any time without notice if all the directors are present (except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the absent directors waive notice before or after the date of such meeting.

If the first meeting of the directors following the election of directors by the shareholders is held immediately thereafter, then for such meeting or for a meeting of the directors at which a director is appointed to fill a vacancy in the board, no notice shall be necessary to the newly elected or appointed directors or director in order to legally constitute the meeting, provided that a quorum of the directors is present.

10. Omission of Notice. The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any person shall not invalidate any resolution passed or any proceeding taken at such meeting.

11. Adjournment. Any meeting of directors may be adjourned from time to time by the chairman of the meeting, with the consent of the meeting, to a fixed time and place. Notice of any adjourned meeting of directors is not required to be given if the time and place of the adjourned meeting is announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The directors who formed quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

12. Quorum. A majority of the directors shall form a quorum for the transaction of business and, notwithstanding any vacancy among the directors, a quorum of directors may exercise all the powers of directors. No business shall be transacted at a meeting of directors unless a quorum of the board of directors is present and, except as otherwise permitted by the Act, a majority of directors present are resident Canadians.

13. Telephone Participation. If all of the directors of the Corporation present at or participating in the meeting consent, a meeting of directors may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such meeting by such means is deemed for the purpose of the Act to be present at that meeting.

14. Voting. Questions arising at any meeting of the board of directors shall be decided by a majority of votes. In case of an equality of votes the chairman of the meeting in addition to his original vote shall have a second or casting vote.

15. Resolution in Lieu of Meeting. Notwithstanding any of the provisions of this law, but subject to the Act or any unanimous shareholder agreement, a resolution in writing, signed by all of the directors entitled to vote on that resolution at a meeting of the directors is as valid as if it had been passed at a meeting of the directors.

#### REMUNERATION OF DIRECTORS

16. Remuneration of Directors. The remuneration to be paid to the directors shall be such as the board of directors shall from time to time determine and such remuneration shall be in addition to the salary paid to any officer or employee of the Corporation who is also a member of the board of directors. The board of directors may also award special remuneration to any director undertaking any special services on the Corporation's behalf other than the routine work ordinarily required of a director by the Corporation and the confirmation of any such resolution or resolutions by the shareholders shall not be required. The directors shall also be entitled to be paid their travelling and other expenses properly incurred by them in connection with the affairs of the Corporation.

#### SUBMISSION OF CONTRACTS OR TRANSACTIONS TO SHAREHOLDERS FOR APPROVAL

17. Submission of Contracts or Transactions to Shareholders for Approval. The board of directors in its discretion may submit any contract, act or transaction for approval or ratification at any annual meeting of the shareholders or at any special meeting of the shareholders called for the purpose of considering the same and, subject to the provisions of Section 132 of the Act, any such contract, act or transaction that shall be approved or ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's articles or any other by-law) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified or confirmed by every shareholder of the Corporation.

FOR THE PROTECTION OF DIRECTORS AND OFFICERS

18. Conflict of Interest. In supplement of and not by way of limitation upon any rights conferred upon directors and officers by Section 132 of the Act, it is declared that no director or officer shall be disqualified from his office by, or vacate his office by reason of, holding any office or place of profit under the Corporation or under any body corporate in which the Corporation shall be a shareholder, or by reason of being otherwise in any way directly or indirectly interested in or contracting with the Corporation either as vendor, purchaser or otherwise or being concerned in any contract or arrangement made or proposed to be entered into with the Corporation in which he is in any way directly or indirectly interested either as vendor, purchaser or otherwise nor shall any director or officer be liable to account to the Corporation or any of its shareholders or creditors for any profit arising from any such office or place of profit; and, subject to the provisions of Section 132 of the Act, no contract or arrangement entered into by or on behalf of the Corporation in which any director or officer shall be in any way directly or indirectly interested shall be avoided or voidable and no director or officer shall be liable to account to the Corporation or any of its shareholders or creditors for any profit realized by or from any such contract or arrangement by reason of any fiduciary relationship. A director or officer of the Corporation who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, or is a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose the nature and extent of his interest at the time and in the manner provided in the Act. Except as provided in the Act, no such director of the Corporation shall vote on any resolution to approve such contracts or transactions but each such director may be counted to determine the presence of a quorum at the meeting of directors where such vote is being taken.

19. The Protection of Directors and Officers. Except as otherwise provided in the Act, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, including any person with whom or which any moneys, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board of directors. If any directors or officer of the Corporation shall be employed by or shall perform services for the Corporation

otherwise than as a director or officer or shall have an interest in a person which is employed by or performs services for the Corporation, the fact of his being a shareholder, director or officer of the Corporation shall not disentitle such director or officer or such person, as the case may be, from receiving proper remuneration for such services.

#### INDEMNITIES TO DIRECTORS AND OFFICERS

20. Indemnities to Directors and Officers. Subject to the provisions of Section 136 of the Act, the Corporation shall indemnify a director or officer, a former director or officer, or a person who acts or acted at the corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate, if (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful. The Corporation shall also indemnify any such person in such other circumstances as the Act or law permits or requires. Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law to the extent permitted by the Act or law.

#### OFFICERS

21. Appointment. The board of directors may annually or oftener as may be required appoint a Chairman of the Board, a Vice-Chairman of the Board, a President, a Managing Director, one or more Vice-Presidents, a Secretary, a Treasurer, one or more Assistant Secretaries, one or more Assistant Treasurers and/or a General Manager or Manager. Notwithstanding the foregoing, each incumbent officer shall continue in office until the earliest of: (a) his resignation, which resignation shall be effective at the time a written resignation is received by the Corporation or at the time specified in the resignation, whichever is later; (b) the appointment of his successor; (c) his ceasing to be a director if such is a necessary qualification of his appointment; (d) the meeting at which the board of directors annually appoint the officers of the Corporation; (e) his removal; and (f) his death. A director may be appointed to any office of the Corporation but none of the officers except the Chairman of the Board, the Vice-Chairman of the Board and the Managing Director need be a member of the board of directors. Two or more of the aforesaid offices may be held by the same person. In case and whenever the same person holds the offices of Secretary and Treasurer he may but need not be known as the Secretary-Treasurer. The board of directors may from time to time appoint such other officers and agents as it shall deem necessary who shall have such authority and shall perform such duties as may from time to time be prescribed by the board of directors. The board of directors may from time to time and subject to the provisions of the Act, vary, add to or limit the duties and powers of any officer.

22. Remuneration and Removal. The remuneration of all officers appointed by the board of directors shall be determined from time to time by resolution of the board of directors. The fact that any officer or employee is a director or shareholder of the Corporation shall not

disqualify him from receiving such remuneration as may be determined. All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the board of directors at any time, with or without cause.

23. Powers and Duties. All officers shall sign such contracts, documents or instruments in writing as require their respective signatures and shall respectively have and perform all powers and duties incident to their respective offices and such other powers and duties respectively as may from time to time be assigned to them by the board of directors.

24. Duties May be Delegated. In case of the absence or inability to act of any officer of the Corporation except the Managing Director or for any other reason that the board of directors may deem sufficient, the board of directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

25. Chairman of the Board. The Chairman of the Board, if any, shall, when present, preside as chairman at all meetings of the directors, the committee of directors, if any, and the shareholders.

26. Vice-Chairman of the Board. If the Chairman of the Board is absent or is unable or refuses to act, the Vice-Chairman of the Board, if any, shall, when present, preside as chairman at all meetings of the directors, the committee of directors, if any, and the shareholders.

27. President. The President shall be the chief executive officer of the Corporation unless otherwise determined by the board of directors. The President shall be vested with and may exercise all the powers and shall perform all the duties of the Chairman of the Board and/or Vice-Chairman of the Board if none be appointed or if the Chairman of the Board and the Vice-Chairman of the Board are absent or are unable or refuse to act; provided, however, that unless he is a director he shall not preside as chairman at any meeting of directors or of the committee of directors, if any, or, subject to paragraph 41 of this by-law, at any meeting of shareholders.

28. Vice-President. The Vice-President or, if more than one, the vice presidents, in order of seniority and/or function, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President; provided, however, that a Vice-President who is not a director shall not preside as chairman at any meeting of directors or of the committee of directors, if any, or, subject to paragraph 41 of this by-law, at any meeting of shareholders.

29. Secretary. The Secretary shall give or cause to be given notices for all meetings of the directors, the committee of directors, if any, and the shareholders when directed to do so and shall have charge of the minute and record books of the Corporation and, subject to the provisions of paragraph 48 of this by-law, of the records (other than accounting records) referred to in Section 140 of the Act.

30. Treasurer. Subject to the provisions of any resolution of the board of directors, the Treasurer shall have the care and custody of all the funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or with such other depository or depositories as the board of directors may direct. He shall keep or cause to be kept the accounting records referred to in Section 140 of the Act. He may be required to give



such bond for the faithful performance of his duties as the board of directors in its uncontrolled discretion may require but no director shall be liable for failure to require any such bond or for the insufficiency of any such bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.

31. Assistant Secretary and Assistant Treasurer. The Assistant Secretary or, if more than one, the Assistant Secretaries in order of seniority, and the Assistant Treasurer or, if more than one, the Assistant Treasurers in order of seniority, shall respectively perform all the duties of the Secretary and the Treasurer, respectively, in the absence or inability or refusal to act of the Secretary or the Treasurer, as the case may be.

32. Managing Director. The Managing Director shall be a member of the board of directors, and a resident Canadian and shall exercise such powers and have such authority as may be delegated to him by the board of directors in accordance with the provisions of Section 127 of the Act.

33. General Manager or Manager. The board of directors may from time to time appoint one or more General Managers or Managers, in order of seniority and/or function, and may delegate to him or them full power to manage and direct the business and affairs of the Corporation (except such matters and duties as by law must be transacted or performed by the board of directors and/or by the shareholders) and to employ and discharge agents and employees of the Corporation or may delegate to him or them any lesser authority. A General Manager or Manager shall conform to all lawful orders given to him by the board of directors of the Corporation and shall at all reasonable times give to the directors or any of them all information they may require regarding the affairs of the Corporation. Any agent or employee appointed by a General Manager or Manager shall be subject to discharge by the board of directors.

34. Vacancies. If the office of any officer of the Corporation shall be or become vacant by reason of death, resignation, disqualification or otherwise, the board of directors may appoint a person to fill such vacancy.

#### SHAREHOLDERS' MEETINGS

35. Annual Meeting. Subject to the provisions of Section 94 of the Act, the annual meeting of the shareholders shall be held on such day in each year and at such time as the board of directors may determine and subject to the articles and any unanimous shareholder agreement shall be held at any place in or outside Ontario as the board of directors determine or, in the absence of such determination, at the place where the registered office of the Corporation is located.

36. Special Meetings. Special meetings of the shareholders may be convened by order of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President if he is a director, a Vice-President if he is a director or by the board of directors at any date and time and subject to the articles and any unanimous shareholder agreement shall be held at any place in or outside Ontario as the board of directors determines or, in the absence of such determination, at the place where the registered office of the Corporation is located.

37. Notice. A printed, written or typewritten notice stating the day, hour and place of meeting shall be given by serving such notice on each shareholder entitled to vote at such meeting, on each director and on the auditor of the Corporation in the manner specified in paragraph 57 of this by-law, not less than ten (10) days or if the Corporation is an offering corporation not less than twenty-one days but in either case not more than fifty (50) days (in each case, subject to clause 1(1)13 of the Act, exclusive of the day on which the notice is delivered or sent and of the day for which notice is given) before the date of the meeting. Notice of a meeting at which special business, as defined in Section 96(5) of the Act, is to be transacted shall state or be accompanied by a statement of: (a) the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon; and (b) the text of any special resolution or by-law to be submitted to the meeting. Provided that a meeting of shareholders may be held for any purpose on any day and at any time without notice if all of the shareholders and all other persons entitled to attend such meeting are present in person or, where appropriate, represented by proxy at the meeting (except where a shareholder or other person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the shareholders and all other persons entitled to attend such meeting who are not present in person or, where appropriate, represented by proxy thereat waive notice before or after the date of such meeting.

38. Waiver of Notice. A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of a meeting of shareholders and attendance of any such person at a meeting of shareholders shall constitute a waiver of notice of the meeting except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

39. Omission of Notice. The accidental omission to give notice of any meeting or any irregularity in the notice of any meeting or the non-receipt of any notice by any shareholder or shareholders, director or directors or the auditor of the Corporation shall not invalidate any resolution passed or any proceedings taken at any meeting of shareholders.

40. Votes. Every question submitted to any meeting of shareholders shall be decided in the first instance by a show of hands unless a person entitled to vote at the meeting has demanded a ballot and in the case of an equality of votes the chairman of the meeting shall both on a show of hands and on a ballot have a second or casting vote in addition to the vote or votes to which he may be otherwise entitled.

A ballot may be demanded either before or after any vote by show of hands by any person entitled to vote at the meeting. If at any meeting a ballot is demanded on the election of a chairman or on the question of adjournment it shall be taken forthwith without adjournment. If at any meeting a ballot is demanded on any other question or as to the election of directors, the vote shall be taken by ballot in such manner and either at once, later in the meeting or after adjournment as the chairman of the meeting directs. The result of a ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. A demand for a ballot may be withdrawn.

Where two or more persons hold the same share or shares jointly, one of those holders present at a meeting of shareholders may, in the absence of the other or others, vote the

share or shares but if two or more of those persons who are present, in person or by proxy, vote, they shall vote as one on the share or shares jointly held by them.

At any meeting unless a ballot is demanded a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

41. Chairman of the Meeting. In the event that the Chairman of the Board and the Vice-Chairman of the Board are absent and the President is absent or is not a director and there is no Vice-President present who is a director, the persons who are present and entitled to vote shall choose another director as chairman of the meeting and if no director is present or if all the directors present decline to take the chair then the persons who are present and entitled to vote shall choose one of their number to be chairman.

42. Proxies. Votes at meetings of shareholders may be given either personally or by proxy or, in the case of a shareholder who is a body corporate or association, by an individual authorized by the board of directors or governing body of the body corporate or association to represent it at meetings of shareholders of the Corporation. At every meeting at which he is entitled to vote every shareholder and/or person appointed by proxy and/or individual so authorized to represent a shareholder who is present in person shall have one vote on a show of hands. Upon a ballot at which he is entitled to vote, every shareholder present in person or represented by proxy or by an individual so authorized shall (subject to the provisions, if any, of the articles of the Corporation) have one vote for every share held by him.

A proxy shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a body corporate or association, by an officer or attorney thereof duly authorized. If the Corporation is an offering corporation a proxy appointing a proxyholder ceases to be valid one year from its date.

A person appointed by proxy need not be a shareholder.

Subject to the provisions of the Act and the Regulations, a proxy may be in the following form:

The undersigned shareholder of \_\_\_\_\_ hereby appoints  
of \_\_\_\_\_, or failing him of as the  
nominee of the undersigned to attend and act for the  
undersigned and on behalf of the undersigned at the meeting of  
the shareholders of the said Corporation to be held on the  
day of \_\_\_\_\_, and at any adjournment  
thereof in the same manner, to the same extent and with the  
same power as if the undersigned were present at the said  
meeting or such adjournment thereof. This proxy is (not)  
solicited by or on behalf of management of the Corporation.

DATED this 19 day of January, 1996

\_\_\_\_\_  
(Signature)  
Name of Shareholder

The board of directors may from time to time make regulations regarding the lodging of proxies at some place or places other than the place at which a meeting or adjourned meeting of shareholders is to be held and for particulars of such proxies to be cabled or telegraphed or send by telex or in writing before the meeting or adjourned meeting to the Corporation or any agent of the Corporation for the purpose of receiving such particulars and providing that proxies so lodged may be voted upon as though the proxies themselves were produced at the meeting or adjourned meeting and given in accordance with such regulations shall be valid and shall be counted. The chairman of any meeting of shareholders may, subject to any regulations made as aforesaid, in his discretion accept telegraphic or cable or telex or written communication as to the authority of any person claiming to vote on behalf of and to represent a shareholder notwithstanding that no proxy conferring such authority has been lodged with the Corporation, and any votes given in accordance with such telegraphic or cable or telex or written communication accepted by the chairman of the meeting shall be valid and shall be counted.

43. Adjournment. The chairman of any meeting may with the consent of the meeting adjourn the same from time to time to a fixed time and place and no notice of such adjournment need be given to the shareholders unless the meeting is adjourned by one or more adjournments for an aggregate of thirty days or more in which case subject to subsection 96 (4) of the Act notice of the adjourned meeting shall be given as for an original meeting. Any business may be brought before or dealt with at any adjourned meeting for which no notice is required which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The persons who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

44. Quorum. A quorum at any meeting of shareholders (unless a greater number of persons are required to be present or a greater number of shares are required to be represented by the Act or by the articles or any other by-law) shall be persons present not being less than two in number and holding or representing more than twenty per cent of the total number of the issued shares of the Corporation for the time being entitling the holders thereof to vote at such meeting. Notwithstanding the foregoing, if the Corporation has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting. No business shall be transacted at any meeting unless the requisite quorum be present at the time of the transaction of such business. If a quorum is not present at the time appointed for a meeting of shareholders or within such reasonable time thereafter as the shareholders present may determine, the persons present and entitled to vote may adjourn the meeting to a

fixed time and place but may not transact any other business and the provisions of paragraph 43 with regard to notice shall apply to such adjournment.

45. Resolution in Lieu of Meeting. Notwithstanding any of the provisions of this by-law a resolution in writing signed by all of the shareholders entitled to vote on that resolution at a meeting of the shareholders is, subject to Section 104 of the Act, as valid as if it had been passed at a meeting of the shareholders.

#### SECURITIES

46. Allotment and Issuance of Shares. Subject to the provisions of Section 23 of the Act, the articles, by-laws and any unanimous shareholder agreement, shares in the capital of the Corporation may be allotted and issued by the board of directors at such times and on such terms and conditions and to such persons or class or classes of persons as the board of directors determines.

47. Certificates. Security certificates and the instrument of transfer, if any, on the reverse side thereof shall (subject to Section 56 of the Act) be in such form as the board of directors may approve and such certificates shall be signed manually by at least one officer or director of the Corporation holding office at the time of signing or by or on behalf of a registrar, transfer agent, branch transfer agent or issuing or other authenticating agent of the Corporation, or by a trustee who certifies it in accordance with a trust indenture and any additional signatures required on a security certificate may be printed or otherwise mechanically reproduced thereon.

A security certificate containing the signature of a person which is printed, engraved, lithographed or otherwise mechanically reproduced thereon may be issued notwithstanding that the person has ceased to be a director or an officer, as the case may be, of the Corporation and shall be as valid as if he were a director or an officer, as the case may be, at the date of its issue.

#### TRANSFER OF SECURITIES

48. Transfer Agent and Registrar. For each class of securities and warrants issued by the Corporation, the board of directors may appoint: (a) a trustee, transfer agent, or other agent to keep the securities register and the register of transfers and one or more persons or agent to keep branch registers; and (b) a registrar, trustee or agent to maintain a record of issued securities, certificates and warrants, and, subject to Section 48 of the Act, one person may be appointed for the purposes of subclauses (a) and (b) in respect of all securities and warrants of the Corporation or any class or classes thereof. In the event of any such appointment in respect of the shares (or the shares of any class or classes) of the Corporation, all share certificates issued by the Corporation in respect of the shares (or the shares of the class or classes in respect of which any such appointment has been made) of the Corporation shall be countersigned by or on behalf of one of the said transfer agents and/or branch transfer agents and by or on behalf of one of the said registrars and/or branch registrars, if any.

49. Securities Registers. The securities register and the register of transfers Corporation shall be kept at the registered office of the Corporation or at such other office or place in Ontario as may from time to time be designated by the board of directors and a branch

register or registers of transfers may be kept at such office or offices of the Corporation or other place or places, either within or outside Ontario, as may from time to time be designated by the board of directors.

50. Surrender of Certificates. Subject to the Act and the provisions of paragraph 52, no transfer of a security issued by the Corporation shall be registered unless the security certificate representing the security to be transferred has been surrendered or, if no security certificate has been issued by the Corporation in respect of such security, unless a duly executed instrument of transfer in respect thereof has been delivered to the Corporation or its transfer agent, as the case may be.

51. Shareholder Indebted to the Corporation. Subject to subsection 40(2) of the Act, the Corporation has a lien on a share registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation. Such lien on a share of the Corporation may, subject to the Act, be enforced as follows:

- (a) where such share is redeemable pursuant to the articles of the Corporation, by redeeming such share and applying the redemption price to such debt;
- (b) by purchasing such share for cancellation for a price equal to the book value of such share and applying the proceeds to such debt;
- (c) by selling such share to any third party whether or not such party is at arm's length to the Corporation including, without limitation, any officer or director of the Corporation, for the best price which the board of directors in their sole discretion consider to be obtainable for such share and applying the proceeds to such debt;
- (d) by refusing to permit the registration of a transfer of such share until such debt is paid; or
- (e) by any other means permitted by law.

52. Lost, Apparently Destroyed or Wrongfully Taken Security Certificates. Subject to the Act, in case of the loss, apparent destruction or wrongful taking of a security certificate, a new certificate may be issued in replacement of the one lost, apparently destroyed or wrongfully taken or a transfer of the securities represented by such certificate may be registered, upon such terms as the board of directors may from time to time prescribe, either generally or in respect of any particular loss, apparent destruction or wrongful taking of a security certificate.

#### DIVIDENDS

53. Dividends. The board of directors may from time to time declare and the Corporation may pay dividends on the issued and outstanding shares in the capital of the Corporation subject to the provisions (if any) of the articles of the Corporation.

The board of directors shall not declare and the Corporation shall not pay a dividend if there are reasonable grounds for believing that:

- (a) the Corporation is, or after the payment would be, unable to pay its liabilities as they become due; or
- (b) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and its stated capital of all classes.

The Corporation may pay a dividend by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation and, subject to the foregoing, the Corporation may pay a dividend in money or property.

In case several persons are registered as the joint holders of any shares, any one of such persons may give effectual receipts for all dividends and payments on account of dividends and/or redemption of shares (if any) subject to redemption.

#### VOTING SHARES AND SECURITIES IN OTHER BODIES CORPORATE

54. Voting Shares and Securities in other Bodies Corporate. All of the shares or other securities carrying voting rights of any other body corporate held from time to time by the Corporation may be voted at any and all meetings of shareholders or holders of other securities (as the case may be) of such other body corporate and in such manner and by such person or persons as the board of directors of the Corporation shall from time to time determine. The duly authorized signing officers of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the board of directors.

#### INFORMATION AVAILABLE TO SHAREHOLDERS

55. Confidential Information Not Available to Shareholders. Except as provided by the Act, no shareholder shall be entitled to discovery of any information respecting any details or conduct of the Corporation's business which in the opinion of the board of directors it would be inexpedient in the interests of the Corporation to communicate to the public.

56. Availability of Corporate Records to Shareholders. The board of directors may from time to time, subject to rights conferred by the Act, determine whether and to what extent and at what time and place and under what conditions or regulations the documents, books and registers and accounting records of the Corporation or any of them shall be open to the inspection of shareholders and no shareholder shall have any right to inspect any document or book or register or accounting record of the Corporation except as conferred by statute or authorized by the board of directors or by a resolution of the shareholders.

#### NOTICES

57. Service. Any notice or other document required by the Act, the Regulations, the articles or the by-laws to be sent to any shareholder or director or to the auditor shall be delivered personally or sent by prepaid mail or by telegram or cable or telex to any such shareholder at his latest address as shown in the records of the Corporation or its transfer agent and to any such director at his latest address as shown in the records of the Corporation or the most recent notice

filed under the Corporations Information Act, whichever is the most current and to the auditor at his business address; provided always that notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto. If a notice or document is sent to a shareholder by prepaid mail in accordance with this paragraph and the notice or document is returned on three consecutive occasions because the shareholder cannot be found, it shall not be necessary to send any further notices or documents to the shareholder until he informs the Corporation in writing of his new address.

58. Securities Registered in More Than One Name. All notices or other documents with respect to any securities in the capital of the Corporation registered in more than one name shall be given to whichever of such persons is named first in the records of the Corporation and any notice or other document so given shall be sufficiently given to all of the holders of such securities.

59. Persons Becoming Entitled by Operation of Law. Subject to Section 67 of the Act, every person who by operation of law, transfer or any other means whatsoever shall become entitled to any securities of the Corporation shall be bound by every notice or other document in respect of such securities which, previous to his name and address being entered in the records of the Corporation, shall have been duly given to the person or persons from whom he derives his title to such securities.

60. Deceased Security Holders. Subject to Section 67 of the Act, any notice or other document delivered or sent by post, telegram or telex or left at the address of any security holder as the same appears in the records of the Corporation shall, notwithstanding that such security holder be then deceased, and whether or not the Corporation has notice of his decease, be deemed to have been duly served in respect of the securities held by such security holder (whether held solely or with any other person or persons) until some other person be entered in his stead in the records of the Corporation as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors or administrators and on all persons, if any, interested through him or with him in such securities.

61. Signature to Notices. The signature of any director or officer of the Corporation to any notice or document to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

62. Computation of Time. Where a given number of days' notice or notice extending over a period is required to be given under any provisions of the articles or by-laws of the Corporation, the day of service or posting of the notice or document shall not, unless it is otherwise provided, be counted in such number of days or other period.

63. Proof of Service. With respect to every notice or other document sent by post it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed as provided in paragraph 57 of this by-law and put into a Post Office or into a letter box. A certificate of an officer of the Corporation in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of shares of any class of the Corporation as to facts in relation to the sending or delivery of any notice or



other document to any security holder, director, officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every security holder, director, officer or auditor of the Corporation, as the case may be.

#### CHEQUES, DRAFTS AND NOTES

64. Cheques, Drafts and Notes. All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or persons, whether or not officers of the Corporation, and in such manner as the board of directors may from time to time designate.

#### CUSTODY OF SECURITIES

65. Custody of Securities. All shares and other securities owned by the Corporation shall be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the board of directors, with such other depositories or in such other manner as may be determined from time to time by the board of directors.

All shares and other securities belonging to the Corporation may be issued or held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer to be completed and registration to be effected.

#### EXECUTION OF INSTRUMENTS

66. Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by:

- (a) any one of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President or a Vice-President together with any one of the Secretary or the Treasurer;
- (b) any two directors; or
- (c) any one of the aforementioned officers together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board of directors shall have power from time to time to appoint any officer or officers, or any person or persons, on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the Corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers, person or persons, appointed as aforesaid by the board of directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

- (a) any one of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President or a Vice-President together with any one of the Secretary or the Treasurer;
- (b) any two directors; or
- (c) any one of the aforementioned officers together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Corporation and to sign and execute (under the seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President, a Vice-President, the Secretary, the Treasurer, or any director or directors of the Corporation and/or of any other officer or officers, person or persons, appointed as aforesaid by the board of directors may, if specifically authorized by the board of directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization by the board of directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation.

FINANCIAL YEAR

67. Financial Year. The financial year of the Corporation shall terminate on such date in each year as the board of directors may from time to time determine.

MADE: January 19, 1996.

/s/ John M. Davison

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Vice-President, Finance,  
John M. Davison

/s/ G. Mary Ruby

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Secretary,  
G. Mary Ruby

CERTIFICATE OF INCORPORATION

OF

IMAX WRITERS GUILD CO.

The undersigned, for the purposes of incorporating and organizing a corporation under the General Corporation Law of the State of Delaware, does hereby certify as follows:

ARTICLE I

The name of the Corporation is Imax Writers Guild Co.

ARTICLE II

The registered office of the Corporation in the State of Delaware is 1209 Orange Street, Wilmington, County of New Castle, Delaware 19801. The name of the Corporation's registered agent is The Corporation Trust Company.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

ARTICLE IV

The total number of shares of stock which the Corporation shall have authority to issue is 100. All such shares are to be common stock, par value of \$.01 per share, and are to be of one class.

ARTICLE V

The name and mailing address of the Incorporator is William J. Haubert, P.O. Box 551, Wilmington, Delaware 19899.

ARTICLE VI

The powers of the Incorporator shall terminate upon the filing of this Certificate of Incorporation. The name and mailing address of the person who is to serve as the initial director of the Corporation until the first annual meeting of the stockholders of the Corporation, or until his successors are elected and qualify, is:

NAME	MAILING ADDRESS
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Andrew Gellis	c/o Imax Corporation 38 Isabella Street Toronto, Ontario, Canada M4Y 1N1

ARTICLE VII

Unless and except to the extent that the By-laws of the Corporation shall so require, the election of directors of the Corporation need not be by written ballot.

ARTICLE VIII

In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized and empowered to make, alter and repeal the By-Laws of the Corporation, subject to the power of the stockholders of the Corporation to alter or repeal any by-law made by the Board of Directors.

ARTICLE IX

A director of this Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any repeal or modification of the foregoing sentence shall not adversely affect any right or protection of a director of the Corporation existing hereunder with respect to any act or omission occurring prior to such repeal or modification.

ARTICLE X

The Corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this Article X.

IN WITNESS WHEREOF, I, the undersigned, being the Incorporator hereinabove named, do hereby further certify that the facts hereinabove stated are truly set forth, and accordingly I have hereunto set my hand this 20th day of February, 1996.

/s/ William J. Haubert  
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Incorporator

BY-LAWS  
OF  
IMAX WRITERS GUILD CO.

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ARTICLE I

Stockholders

Section 1.1. Annual Meetings. An annual meeting of stockholders shall be held for the election of directors at such date, time and place, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting.

Section 1.2. Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by the Board of Directors, or by a committee of the Board of Directors that has been duly designated by the Board of Directors and whose powers and authority, as expressly provided in a resolution of the Board of Directors, include the power to call such meetings, but such special meetings may not be called by any other person or persons.

Section 1.3. Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given that shall state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the certificate of incorporation or these by-laws, the written notice of any meeting shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation.

Section 1.4. Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 1.5. Quorum. Except as otherwise provided by law, the certificate of incorporation or these by-laws, at each meeting of stockholders the presence in person

or by proxy of the holders of a majority in voting power of the outstanding shares of stock entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. In the absence of a quorum, the stockholders so present may, by majority vote, adjourn the meeting from time to time in the manner provided in Section 1.4 of these by-laws until a quorum shall attend. Shares of its own stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the corporation or any subsidiary of the corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 1.6. Organization. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in his absence by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting. The chairman of the meeting shall announce at the meeting of stockholders the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote.

Section 1.7. Voting; Proxies. Except as otherwise provided by the certificate of incorporation, each stockholder entitled to vote at any meeting of stock holders shall be entitled to one vote for each share of stock held by him which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary of the corporation. Voting at meetings of stockholders need not be by written ballot. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect. All other elections and questions shall, unless otherwise provided by law, the certificate of incorporation or these by-laws, be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock which are present in person or by proxy and entitled to vote thereon.

Section 1.8. Fixing Date for Determination of Stockholders of Record. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the



Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (1) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty nor less than ten days before the date of such meeting; (2) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten days from the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (3) in the case of any other action, shall not be more than sixty days prior to such other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action of the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation in accordance with applicable law, or, if prior action by the Board of Directors is required by law, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action; and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 1.9. List of Stockholders Entitled to Vote. The Secretary shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. Upon the willful neglect or refusal of the directors to produce such a list at any meeting for the election of directors, they shall be ineligible for election to any office at such meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 1.10. Action By Consent of Stockholders. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action

so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered (by hand or by certified or registered mail, return receipt requested) to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of minutes of stockholders are recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

Section 1.11. Inspectors of Election. The corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

Section 1.12. Conduct of Meetings. The Board of Directors of the corporation may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the

meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

## ARTICLE II

### Board of Directors

Section 2.1. Number; Qualifications. The Board of Directors shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

Section 2.2. Election; Resignation; Removal; Vacancies. The Board of Directors shall initially consist of the persons named as directors in the certificate of incorporation, and each director so elected shall hold office until the first annual meeting of stockholders or until his successor is elected and qualified. At the first annual meeting of stockholders and at each annual meeting thereafter, the stockholders shall elect directors each of whom shall hold office for a term of one year or until his successor is elected and qualified. Any director may resign at any time upon written notice to the corporation. Any newly created directorship or any vacancy occurring in the Board of Directors for any cause may be filled by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum, or by a plurality of the votes cast at a meeting of stockholders, and each director so elected shall hold office until the expiration of the term of office of the director whom he has replaced or until his successor is elected and qualified.

Section 2.3. Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine, and if so determined notices thereof need not be given.

Section 2.4. Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the President, any Vice President, the Secretary, or by any member of the Board of Directors. Notice of a special meeting of the Board of Directors shall be given by the person or persons calling the meeting at least twenty-four hours before the special meeting.

Section 2.5. Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 2.6. Quorum; Vote Required for Action. At all meetings of the Board of Directors a majority of the whole Board of Directors shall constitute a quorum for the transaction of business. Except in cases in which the certificate of incorporation, these by-laws or applicable law otherwise provides, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.7. Organization. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chair man of the Board, if any, or in his absence by the President, or in their absence by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8. Informal Action by Directors. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or such committee.

## ARTICLE III

### Committees

Section 3.1. Committees. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it.

Section 3.2. Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these by-laws.

## ARTICLE IV

### Officers

Section 4.1. Executive Officers; Election; Qualifications; Term of Office; Resignation; Removal; Vacancies. The Board of Directors shall elect a President and Secretary, and it may, if it so determines, choose a Chairman of the Board and a Vice Chairman of the Board from among its members. The Board of Directors may also choose one or more Vice Presidents, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers. Each such officer shall hold office until the first meeting of the Board of Directors after the annual meeting of stockholders next succeeding his election, and until his successor is elected and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the corporation. The Board of Directors may remove any officer with or without cause at any time, but such removal shall be without prejudice to the contractual rights of such officer, if any, with the corporation. Any number of offices may be held by the same person. Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

Section 4.2. Powers and Duties of Executive Officers. The officers of the corporation shall have such powers and duties in the management of the corporation as may be prescribed in a resolution by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors. The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his duties.

## ARTICLE V

### Stock

Section 5.1. Certificates. Every holder of stock shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the corporation certifying the number of shares owned by him in the corporation. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 5.2. Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.



## ARTICLE VI

### Indemnification

Section 6.1. Right to Indemnification. The corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans (an "indemnitee"), against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such indemnitee. The corporation shall be required to indemnify an indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if the initiation of such proceeding (or part thereof) by the indemnitee was authorized by the Board of Directors of the corporation.

Section 6.2. Prepayment of Expenses. The corporation shall pay the expenses (including attorneys' fees) incurred by an indemnitee in defending any proceeding in advance of its final disposition, provided, however, that the payment of expenses incurred by a director or officer in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that the director or officer is not entitled to be indemnified under this Article or otherwise.

Section 6.3. Claims. If a claim for indemnification or payment of expenses under this Article is not paid in full within sixty days after a written claim therefor by the indemnitee has been received by the corporation, the indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the corporation shall have the burden of proving that the indemnitee was not entitled to the requested indemnification or payment of expenses under applicable law.

Section 6.4. Nonexclusivity of Rights. The rights conferred on any person by this Article VI shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the certificate of incorporation, these by-laws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.5. Other Indemnification. The corporation's obligation, if any, to indemnify or advance expenses to any person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such person may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or nonprofit enterprise.

Section 6.6. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article VI shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

## ARTICLE VII

### Miscellaneous

Section 7.1. Fiscal Year. The fiscal year of the corporation shall be determined by resolution of the Board of Directors.

Section 7.2. Seal. The corporate seal shall have the name of the corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 7.3. Waiver of Notice of Meetings of Stockholders, Directors and Committees. Any written waiver of notice, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 7.4. Interested Directors; Quorum. No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if: (1) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 7.5. Form of Records. Any records maintained by the corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photo graphs, microphotographs, or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time.

Section 7.6. Amendment of By-laws. These by-laws may be altered or repealed, and new by-laws made, by the Board of Directors, but the stockholders may make additional by-laws and may alter and repeal any by-laws whether adopted by them or otherwise.



5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise. Limites, s'il y a lieu, imposees aux activites commerciales ou aux pouvoirs de la compagnie.

There are no restrictions.

6. The classes and any maximum number of shares that the corporation is authorized to issue: Categories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisee a emettre:

The Corporation is authorized to issue an unlimited number of common shares.

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: Droits, privileges, restrictions et conditions, s'il y a lieu, rattaches a chaque categorie d'actions et pouvoirs des administrateurs relatifs a chaque categorie d'actions qui peut etre emise en serie:

- (1) The rights, privileges, restrictions and conditions attaching to the common shares are as follows:
- (a) Payment of Dividends: The holders of the common shares shall be entitled to receive dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends in such amounts and payable in such manner as the board of directors may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to or rateably with the holders of the common shares, the board of directors may in their sole discretion declare dividends on the common shares to the exclusion of any other class of shares of the Corporation.
  - (b) Participation upon Liquidation, Dissolution or Winding-up: In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the common shares shall, subject to the rights of the holders of any other class of shares of the Corporation entitled to receive the assets of the Corporation upon such a distribution in priority to or rateably with the holders of the common shares, be entitled to participate rateably in any distribution of the assets of the Corporation.
  - (c) Voting Rights: The holders of the common shares shall be entitled to receive notice of and to attend all annual and special meetings of the shareholders of the Corporation and to 1 vote in respect of each common share held at all such meetings.

8. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows: L'emission, le transfert ou la propriete d'actions est/n'est pas restreinte. Les restrictions, s'il y a lieu, sont les suivantes:

The right to transfer shares of the Corporation shall be restricted in that no shareholder shall be entitled to transfer any share or shares in the capital of the Corporation without either (a) the previous express sanction of the holders of more than 50% of the common shares of the Corporation for the time being outstanding expressed by a resolution passed at a meeting of the shareholders or by an instrument or instruments in writing signed by the holders of more than 50% of such shares or (b) the previous express sanction of the directors of the Corporation expressed by a resolution passed by the votes of a majority of the directors of the Corporation at a meeting of the board of directors or by an instrument or instruments in writing signed by a majority of the directors.



9. Other provisions, if any, are:

Autres dispositions, s'il y a lieu:

(1) The number of shareholders of the Corporation, exclusive of persons who are in the employment of the Corporation and exclusive of persons who, having been formerly in the employment of the Corporation, were, while in that employment and have and have continued after the termination of that employment to be, shareholders of the corporation, is limited to not more than fifty, two or more persons who are jointly registered owners of one or more shares being counted as one shareholder; and

(2) Any invitation to the public to subscribe for securities of the Corporation is prohibited.

(3) In addition to, and without limiting such other powers which the Corporation may by law possess, the directors of the Corporation may, without authorization of the shareholders, by authentic deed, in particular but without limitation, for the purpose of securing any bonds, debentures or debenture stock which it is by law entitled to issue, hypothecate, mortgage, pledge, cede or transfer any property, moveable or immoveable, present or future, which it may own.

<p>10. The names and addresses of the incorporators are          Nom et adresse des fondateurs          First name, initials and last name or corporate          name          Prenom, initiale et nom de famille ou denomination          sociale</p>	<p>Full residence address or address of registered          office or of principal place of business giving          street &amp; No. or R.R. No., municipality and postal          code          Adresse personnelle au complet, adresse du siege          social ou adresse de l'etablissement principal, y          compris la rue et le numero de la R.R., le nom de la          municaplite et le code postal</p>
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G. Mary Ruby

113 Inglewood Drive  
 Toronto, Ontario  
 M4T 1H6

These articles are signed in duplicate.

Les presents statuts sont signes en double  
 exemplaire.

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Signatures of incorporation  
 (Signature des fondateurs)

/s/ G. Mary Ruby

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G. Mary Ruby

A by-law relating generally to the conduct of the affairs of the Corporation.

INTERPRETATION

1. Interpretation. In this by-law and all other by-laws of the Corporation, unless the context otherwise specifies or requires:

- (a) "Act" means the Business Corporations Act (Ontario), as from time to time amended and every statute that may be substituted therefore and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Act shall be read as references to the substituted provisions therefore in the new statute or statutes;
- (b) "Regulations" means the Regulations made under the Act as from time to time amended and every regulation that may be substituted therefore and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Regulations shall be read as references to the substituted provisions therefore in the new regulations;
- (c) "by-law" means any by-law of the Corporation from time to time in force and effect;
- (d) all terms which are contained in the by-laws and which are defined in the Act or the Regulations shall have the meanings respectively given to such terms in the Act or the Regulations;
- (e) words importing the singular number only shall include the plural and vice versa and words importing a specific gender shall include the other genders; and
- (f) the headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

SEAL

2. Seal. The Corporation may but need not have a corporate seal. Any corporate seal adopted for the Corporation shall be such as the board of directors may by resolution from time to time approve.

DIRECTORS

3. Duties and Number. Subject to any unanimous shareholder agreement, the directors shall manage or supervise the management of the business and affairs of the Corporation. The board of directors shall consist of the number of directors set out in the articles of the Corporation or, where a minimum and maximum number is provided for in the articles, such number of directors as shall be determined from time to time by special resolution or, if the special resolution empowers the directors to determine the number, by resolution of the directors. A majority of the directors shall be resident Canadians except that where the Corporation has only one or two directors, that director or one of the two directors, as the case may be, shall be a resident Canadian. If the Corporation is an offering corporation, at least one-third of the directors shall not be officers or employees of the Corporation or of any affiliate of the Corporation.

4. Term of Office. A director's term of office (subject to (a) the provisions of the articles of the Corporation; (b) the provisions of the Act; (c) any unanimous shareholder agreement; and (d) any expressly stated term of office) shall be from the date on which he is elected or appointed until the close of the annual meeting next following.

5. Vacation of Office. The office of a director shall ipso facto be vacated: (a) if he becomes bankrupt or suspends payment of his debts generally or compounds with his creditors or makes an authorized assignment or is declared insolvent; (b) if he is found to be a mentally incompetent person or of unsound mind; (c) subject to the provisions of the Act, if by notice in writing to the Corporation he resigns his office, which resignation shall be effective at the time it is received by the Corporation or at the time specified in the notice, whichever is later; (d) if he dies; or (e) if he is removed from office by the shareholders in accordance with paragraph 6.

6. Election and Removal. Subject to Section 120 of the Act the shareholders of the Corporation shall elect, at the first meeting of shareholders and at each succeeding annual meeting at which an election of directors is required, directors to hold office for a term expiring not later than the close of the third annual meeting of shareholders following the election. A director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of shareholders following his election, but, if qualified, is eligible for re-election. If directors are not elected at a meeting of shareholders, the incumbent directors continue in office until their successors are elected. Provided always that, subject to Section 122 of the Act, the shareholders of the

Corporation may, by ordinary resolution passed at an annual or special meeting of shareholders, remove any director or directors from office and a vacancy created by the removal of a director may be filled at the meeting of the shareholders at which the director is removed.

7. Committee of Directors. The directors may appoint from among their number a committee of directors and subject to Subsection 127(3) of the Act may delegate to such committee any of the powers of the directors. A majority of the directors of any such committee must be resident Canadians. Subject to the by-laws and any resolution of the board of directors, the committee of directors, if any, may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit and may from time to time adopt, amend or repeal rules or procedures in this regard. Subject to the Act, except to the extent otherwise determined by the board of directors or, failing such determination, as determined by the committee of directors, the provisions of paragraphs 8 to 15, inclusive, shall apply, mutatis mutandis, to such committee.

#### MEETINGS OF DIRECTORS

8. Place of Meeting. Meetings of the directors may be held within or outside Ontario and it shall not be necessary in any financial year of the Corporation to hold a majority of the meetings of the directors at a place within Canada.

9. Notice. A meeting of directors may be convened by the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President if he is a director, a Vice-President who is a director or any two directors at any time and the Secretary, when directed or authorized by any of such officers or any two directors, shall convene a meeting as directors. The notice of any meeting convened as aforesaid need not specify the purpose of or the business to be transacted at the meeting. Notice of any such meeting shall be served in the manner specified in paragraph 57 of this by-law not less than two (2) days (exclusive of the day on which the notice is delivered or sent but inclusive of the day for which notice is given) before the meeting is to take place; provided always that a director may in any manner and at any time waive notice of a meeting of directors and attendance of a director at a meeting of directors shall constitute a waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called; provided further that meetings of directors may be held at any time without notice if all the directors are present (except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the absent directors waive notice before or after the date of such meeting.

If the first meeting of the directors following the election of directors by the shareholders is held immediately thereafter, then for such meeting or for a meeting of the directors at which a director is appointed to fill a vacancy in the board, no notice shall

be necessary to the newly elected or appointed directors or director in order to legally constitute the meeting, provided that a quorum of the directors is present.

10. Omission of Notice. The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any person shall not invalidate any resolution passed or any proceeding taken at such meeting.

11. Adjournment. Any meeting of directors may be adjourned from time to time by the chairman of the meeting, with the consent of the meeting, to a fixed time and place. Notice of any adjourned meeting of directors is not required to be given if the time and place of the adjourned meeting is announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The directors who formed quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

12. Quorum. A majority of the directors shall form a quorum for the transaction of business and, notwithstanding any vacancy among the directors, a quorum of directors may exercise all the powers of directors. No business shall be transacted at a meeting of directors unless a quorum of the board of directors is present and, except as otherwise permitted by the Act, a majority of directors present are resident Canadians.

13. Telephone Participation. If all of the directors of the Corporation present at or participating in the meeting consent, a meeting of directors may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such meeting by such means is deemed for the purpose of the Act to be present at that meeting.

14. Voting. Questions arising at any meeting of the board of directors shall be decided by a majority of votes. In case of an equality of votes the chairman of the meeting in addition to his original vote shall have a second or casting vote.

15. Resolution in Lieu of Meeting. Notwithstanding any of the provisions of this law, but subject to the Act or any unanimous shareholder agreement, a resolution in writing, signed by all of the directors entitled to vote on that resolution at a meeting of the directors is as valid as if it had been passed at a meeting of the directors.

REMUNERATION OF DIRECTORS

16. Remuneration of Directors. The remuneration to be paid to the directors shall be such as the board of directors shall from time to time determine and such remuneration shall be in addition to the salary paid to any officer or employee of the Corporation who is also a member of the board of directors. The board of directors may also award special remuneration to any director undertaking any special services on the Corporation's behalf other than the routine work ordinarily required of a director by the Corporation and the confirmation of any such resolution or resolutions by the shareholders shall not be required. The directors shall also be entitled to be paid their travelling and other expenses properly incurred by them in connection with the affairs of the Corporation.

SUBMISSION OF CONTRACTS OR TRANSACTIONS  
TO SHAREHOLDERS FOR APPROVAL

17. Submission of Contracts or Transactions to Shareholders for Approval. The board of directors in its discretion may submit any contract, act or transaction for approval or ratification at any annual meeting of the shareholders or at any special meeting of the shareholders called for the purpose of considering the same and, subject to the provisions of Section 132 of the Act, any such contract, act or transaction that shall be approved or ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's articles or any other by-law) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified or confirmed by every shareholder of the Corporation.

FOR THE PROTECTION OF DIRECTORS AND OFFICERS

18. Conflict of Interest. In supplement of and not by way of limitation upon any rights conferred upon directors and officers by Section 132 of the Act, it is declared that no director or officer shall be disqualified from his office by, or vacate his office by reason of, holding any office or place of profit under the Corporation or under any body corporate in which the Corporation shall be a shareholder, or by reason of being otherwise in any way directly or indirectly interested in or contracting with the Corporation either as vendor, purchaser or otherwise or being concerned in any contract or arrangement made or proposed to be entered into with the Corporation in which he is in any way directly or indirectly interested either as vendor, purchaser or otherwise nor shall any director or officer be liable to account to the Corporation or any of its shareholders or creditors for any profit arising from any such office or place of profit; and, subject to the provisions of Section 132 of the Act, no contract or arrangement entered into by or on behalf of the Corporation in which any director or officer shall be in any way directly or indirectly interested shall be avoided or voidable and no director or

officer shall be liable to account to the Corporation or any of its shareholders or creditors for any profit realized by or from any such contract or arrangement by reason of any fiduciary relationship. A director or officer of the Corporation who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, or is a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose the nature and extent of his interest at the time and in the manner provided in the Act. Except as provided in the Act, no such director of the Corporation shall vote on any resolution to approve such contracts or transactions but each such director may be counted to determine the presence of a quorum at the meeting of directors where such vote is being taken.

19. The Protection of Directors and Officers. Except as otherwise provided in the Act, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, including any person with whom or which any moneys, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board of directors. If any directors or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall have an interest in a person which is employed by or performs services for the Corporation, the fact of his being a shareholder, director or officer of the Corporation shall not disentitle such director or officer or such person, as the case may be, from receiving proper remuneration for such services.

#### INDEMNITIES TO DIRECTORS AND OFFICERS

20. Indemnities to Directors and Officers. Subject to the provisions of Section 136 of the Act, the Corporation shall indemnify a director or officer, a former director or officer, or a person who acts or acted at the corporation's request as a director or officer



of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate, if (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful. The Corporation shall also indemnify any such person in such other circumstances as the Act or law permits or requires. Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law to the extent permitted by the Act or law.

#### OFFICERS

21. Appointment. The board of directors may annually or oftener as may be required appoint a Chairman of the Board, a Vice-Chairman of the Board, a President, a Managing Director, one or more Vice-Presidents, a Secretary, a Treasurer, one or more Assistant Secretaries, one or more Assistant Treasurers and/or a General Manager or Manager. Notwithstanding the foregoing, each incumbent officer shall continue in office until the earliest of: (a) his resignation, which resignation shall be effective at the time a written resignation is received by the Corporation or at the time specified in the resignation, whichever is later; (b) the appointment of his successor, (c) his ceasing to be a director if such is a necessary qualification of his appointment; (d) the meeting at which the board of directors annually appoint the officers of the Corporation; (e) his removal; and (f) his death. A director may be appointed to any office of the Corporation but none of the officers except the Chairman of the Board, the Vice-Chairman of the Board and the Managing Director need be a member of the board of directors. Two or more of the aforesaid offices may be held by the same person. In case and whenever the same person holds the offices of Secretary and Treasurer he may but need not be known as the Secretary-Treasurer. The board of directors may from time to time appoint such other officers and agents as it shall deem necessary who shall have such authority and shall perform such duties as may from time to time be prescribed by the board of directors. The board of directors may from time to time and subject to the provisions of the Act, vary, add to or limit the duties and powers of any officer.

22. Remuneration and Removal. The remuneration of all officers appointed by the board of directors shall be determined from time to time by resolution of the board of directors. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration as may be determined. All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the board of directors at any time, with or without cause.

23. Powers and Duties. All officers shall sign such contracts, documents or instruments in writing as require their respective signatures and shall respectively have and perform all powers and duties incident to their respective offices and such other powers and duties respectively as may from time to time be assigned to them by the board of directors.

24. Duties May be Delegated. In case of the absence or inability to act of any officer of the Corporation except the Managing Director or for any other reason that the board of directors may deem sufficient, the board of directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

25. Chairman of the Board. The Chairman of the Board, if any, shall, when present, preside as chairman at all meetings of the directors, the committee of directors, if any, and the shareholders.

26. Vice-Chairman of the Board. If the Chairman of the Board is absent or is unable or refuses to act, the Vice-Chairman of the Board, if any, shall, when present, preside as chairman at all meetings of the directors, the committee of directors, if any, and the shareholders.

27. President. The President shall be the chief executive officer of the Corporation unless otherwise determined by the board of directors. The President shall be vested with and may exercise all the powers and shall perform all the duties of the Chairman of the Board and/or Vice-Chairman of the Board if none be appointed or if the Chairman of the Board and the Vice-Chairman of the Board are absent or are unable or refuse to act; provided, however, that unless he is a director he shall not preside as chairman at any meeting of directors or of the committee of directors, if any, or, subject to paragraph 41 of this by-law, at any meeting of shareholders.

28. Vice-President. The Vice-President or, if more than one, the vice presidents, in order of seniority and/or function, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President; provided, however, that a Vice-President who is not a director shall not preside as chairman at any meeting of directors or of the committee of directors, if any, or, subject to paragraph 41 of this by-law, at any meeting of shareholders.

29. Secretary. The Secretary shall give or cause to be given notices for all meetings of the directors, the committee of directors, if any, and the shareholders when directed to do so and shall have charge of the minute and record books of the Corporation and, subject to the provisions of paragraph 48 of this by-law, of the records (other than accounting records) referred to in Section 140 of the Act.

30. Treasurer. Subject to the provisions of any resolution of the board of directors, the Treasurer shall have the care and custody of all the funds and securities of

the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or with such other depository or depositories as the board of directors may direct. He shall keep or cause to be kept the accounting records referred to in Section 140 of the Act. He may be required to give such bond for the faithful performance of his duties as the board of directors in its uncontrolled discretion may require but no director shall be liable for failure to require any such bond or for the insufficiency of any such bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.

31. Assistant Secretary and Assistant Treasurer. The Assistant Secretary or, if more than one, the Assistant Secretaries in order of seniority, and the Assistant Treasurer or, if more than one, the Assistant Treasurers in order of seniority, shall respectively perform all the duties of the Secretary and the Treasurer, respectively, in the absence or inability or refusal to act of the Secretary or the Treasurer, as the case may be.

32. Managing Director. The Managing Director shall be a member of the board of directors, and a resident Canadian and shall exercise such powers and have such authority as may be delegated to him by the board of directors in accordance with the provisions of Section 127 of the Act.

33. General Manager or Manager. The board of directors may from time to time appoint one or more General Managers or Managers, in order of seniority and/or function, and may delegate to him or them full power to manage and direct the business and affairs of the Corporation (except such matters and duties as by law must be transacted or performed by the board of directors and/or by the shareholders) and to employ and discharge agents and employees of the Corporation or may delegate to him or them any lesser authority. A General Manager or Manager shall conform to all lawful orders given to him by the board of directors of the Corporation and shall at all reasonable times give to the directors or any of them all information they may require regarding the affairs of the Corporation. Any agent or employee appointed by a General Manager or Manager shall be subject to discharge by the board of directors.

34. Vacancies. If the office of any officer of the Corporation shall be or become vacant by reason of death, resignation, disqualification or otherwise, the board of directors may appoint a person to fill such vacancy.

#### SHAREHOLDERS' MEETINGS

35. Annual Meeting. Subject to the provisions of Section 94 of the Act, the annual meeting of the shareholders shall be held on such day in each year and at such time as the board of directors may determine and subject to the articles and any unanimous shareholder agreement shall be held at any place in or outside Ontario as the board of directors determine or, in the absence of such determination, at the place where the registered office of the Corporation is located.

36. Special Meetings. Special meetings of the shareholders may be convened by order of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President if he is a director, a Vice-President if he is a director or by the board of directors at any date and time and subject to the articles and any unanimous shareholder agreement shall be held at any place in or outside Ontario as the board of directors determines or, in the absence of such determination, at the place where the registered office of the Corporation is located.

37. Notice. A printed, written or typewritten notice stating the day, hour and place of meeting shall be given by serving such notice on each shareholder entitled to vote at such meeting, on each director and on the auditor of the Corporation in the manner specified in paragraph 57 of this by-law, not less than ten (10) days or if the Corporation is an offering corporation not less than twenty-one days but in either case not more than fifty (50) days (in each case, subject to clause 1(1)13 of the Act, exclusive of the day on which the notice is delivered or sent and of the day for which notice is given) before the date of the meeting. Notice of a meeting at which special business, as defined in Section 96(5) of the Act, is to be transacted shall state or be accompanied by a statement of: (a) the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon; and (b) the text of any special resolution or by-law to be submitted to the meeting. Provided that a meeting of shareholders may be held for any purpose on any day and at any time without notice if all of the shareholders and all other persons entitled to attend such meeting are present in person or, where appropriate, represented by proxy at the meeting (except where a shareholder or other person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the shareholders and all other persons entitled to attend such meeting who are not present in person or, where appropriate, represented by proxy thereat waive notice before or after the date of such meeting.

38. Waiver of Notice. A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of a meeting of shareholders and attendance of any such person at a meeting of shareholders shall constitute a waiver of notice of the meeting except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

39. Omission of Notice. The accidental omission to give notice of any meeting or any irregularity in the notice of any meeting or the non-receipt of any notice by any shareholder or shareholders, director or directors or the auditor of the Corporation shall not invalidate any resolution passed or any proceedings taken at any meeting of shareholders.

40. Votes. Every question submitted to any meeting of shareholders shall be decided in the first instance by a show of hands unless a person entitled to vote at the meeting has demanded a ballot and in the case of an equality of votes the chairman of the

meeting shall both on a show of hands and on a ballot have a second or casting vote in addition to the vote or votes to which he may be otherwise entitled.

A ballot may be demanded either before or after any vote by show of hands by any person entitled to vote at the meeting. If at any meeting a ballot is demanded on the election of a chairman or on the question of adjournment it shall be taken forthwith without adjournment. If at any meeting a ballot is demanded on any other question or as to the election of directors, the vote shall be taken by ballot in such manner and either at once, later in the meeting or after adjournment as the chairman of the meeting directs. The result of a ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. A demand for a ballot may be withdrawn.

Where two or more persons hold the same share or shares jointly, one of those holders present at a meeting of shareholders may, in the absence of the other or others, vote the share or shares but if two or more of those persons who are present, in person or by proxy, vote, they shall vote as one on the share or shares jointly held by them.

At any meeting unless a ballot is demanded a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

41. Chairman of the Meeting. In the event that the Chairman of the Board and the Vice-Chairman of the Board are absent and the President is absent or is not a director and there is no Vice-President present who is a director, the persons who are present and entitled to vote shall choose another director as chairman of the meeting and if no director is present or if all the directors present decline to take the chair then the persons who are present and entitled to vote shall choose one of their number to be chairman.

42. Proxies. Votes at meetings of shareholders may be given either personally or by proxy or, in the case of a shareholder who is a body corporate or association, by an individual authorized by the board of directors or governing body of the body corporate or association to represent it at meetings of shareholders of the Corporation. At every meeting at which he is entitled to vote every shareholder and/or person appointed by proxy and/or individual so authorized to represent a shareholder who is present in person shall have one vote on a show of hands. Upon a ballot at which he is entitled to vote, every shareholder present in person or represented by proxy or by an individual so authorized shall (subject to the provisions, if any, of the articles of the Corporation) have one vote for every share held by him.

A proxy shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a body corporate or association, by an officer or attorney thereof duly authorized. If the Corporation is an offering corporation a proxy appointing a proxyholder ceases to be valid one year from its date.

A person appointed by proxy need not be a shareholder.

Subject to the provisions of the Act and the Regulations, a proxy may be in the following form:

The undersigned shareholder of \_\_\_\_\_ hereby appoints \_\_\_\_\_ of \_\_\_\_\_, or failing him of \_\_\_\_\_ as the nominee of the undersigned to attend and act for the undersigned and on behalf of the undersigned at the meeting of the shareholders of the said Corporation to be held on the \_\_\_\_\_ day of \_\_\_\_\_, and at any adjournment thereof in the same manner, to the same extent and with the same power as if the undersigned were present at the said meeting or such adjournment thereof. This proxy is (not) solicited by or on behalf of management of the Corporation.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

\_\_\_\_\_  
(Signature) Name of  
Shareholder:

The board of directors may from time to time make regulations regarding the lodging of proxies at some place or places other than the place at which a meeting or adjourned meeting of shareholders is to be held and for particulars of such proxies to be cabled or telegraphed or sent by telex or in writing before the meeting or adjourned meeting to the Corporation or any agent of the Corporation for the purpose of receiving such particulars and providing that proxies so lodged may be voted upon as though the proxies themselves were produced at the meeting or adjourned meeting and given in accordance with such regulations shall be valid and shall be counted. The chairman of any meeting of shareholders may, subject to any regulations made as aforesaid, in his discretion accept telegraphic or cable or telex or written communication as to the authority of any person claiming to vote on behalf of and to represent a shareholder notwithstanding that no proxy conferring such authority has been lodged with the Corporation, and any votes given in accordance with such telegraphic or cable or telex or written communication accepted by the chairman of the meeting shall be valid and shall be counted.

43. Adjournment. The chairman of any meeting may with the consent of the meeting adjourn the same from time to time to a fixed time and place and no notice of such adjournment need be given to the shareholders unless the meeting is adjourned by one or more adjournments for an aggregate of thirty days or more in which case subject to subsection 96 (4) of the Act notice of the adjourned meeting shall be given as for an original meeting. Any business may be brought before or dealt with at any adjourned meeting for which no notice is required which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The persons who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

44. Quorum. A quorum at any meeting of shareholders (unless a greater number of persons are required to be present or a greater number of shares are required to be represented by the Act or by the articles or any other by-law) shall be persons present not being less than two in number and holding or representing more than twenty per cent of the total number of the issued shares of the Corporation for the time being entitling the holders thereof to vote at such meeting. Notwithstanding the foregoing, if the Corporation has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting. No business shall be transacted at any meeting unless the requisite quorum be present at the time of the transaction of such business. If a quorum is not present at the time appointed for a meeting of shareholders or within such reasonable time thereafter as the shareholders present may determine, the persons present and entitled to vote may adjourn the meeting to a fixed time and place but may not transact any other business and the provisions of paragraph 43 with regard to notice shall apply to such adjournment.

45. Resolution in Lieu of Meeting. Notwithstanding any of the provisions of this by-law a resolution in writing signed by all of the shareholders entitled to vote on that resolution at a meeting of the shareholders is, subject to Section 104 of the Act, as valid as if it had been passed at a meeting of the shareholders.

#### SECURITIES

46. Allotment and Issuance of Shares. Subject to the provisions of Section 23 of the Act, the articles, by-laws and any unanimous shareholder agreement, shares in the capital of the Corporation may be allotted and issued by the board of directors at such times and on such terms and conditions and to such persons or class or classes of persons as the board of directors determines.

47. Certificates. Security certificates and the instrument of transfer, if any, on the reverse side thereof shall (subject to Section 56 of the Act) be in such form as the board of directors may approve and such certificates shall be signed manually by at least one officer or director of the Corporation holding office at the time of signing or by or on behalf of a registrar, transfer agent, branch transfer agent or issuing or other authenticating agent of the Corporation, or by a trustee who certifies it in accordance with a trust indenture and any additional signatures required on a security certificate may be printed or otherwise mechanically reproduced thereon.

A security certificate containing the signature of a person which is printed, engraved, lithographed or otherwise mechanically reproduced thereon may be issued notwithstanding that the person has ceased to be a director or an officer, as the case may be, of the Corporation and shall be as valid as if he were a director or an officer, as the case may be, at the date of its issue.

#### TRANSFER OF SECURITIES

48. Transfer Agent and Registrar. For each class of securities and warrants issued by the Corporation, the board of directors may appoint: (a) a trustee, transfer agent, or other agent to keep the securities register and the register of transfers and one or more persons or agent to keep branch registers; and (b) a registrar, trustee or agent to maintain a record of issued securities, certificates and warrants, and, subject to Section 48 of the Act, one person may be appointed for the purposes of subclauses (a) and (b) in respect of all securities and warrants of the Corporation or any class or classes thereof. In the event of any such appointment in respect of the shares (or the shares of any class or classes) of the Corporation, all share certificates issued by the Corporation in respect of the shares (or the shares of the class or classes in respect of which any such appointment has been made) of the Corporation shall be countersigned by or on behalf of one of the said transfer agents and/or branch transfer agents and by or on behalf of one of the said registrars and/or branch registrars, if any.

49. Securities Registers. The securities register and the register of transfers Corporation shall be kept at the registered office of the Corporation or at such other office or place in Ontario as may from time to time be designated by the board of directors and a branch register or registers of transfers may be kept at such office or offices of the Corporation or other place or places, either within or outside Ontario, as may from time to time be designated by the board of directors.

50. Surrender of Certificates. Subject to the Act and the provisions of paragraph 52, no transfer of a security issued by the Corporation shall be registered unless the security certificate representing the security to be transferred has been surrendered or, if no security certificate has been issued by the Corporation in respect of such security, unless a duly executed instrument of transfer in respect thereof has been delivered to the Corporation or its transfer agent, as the case may be.

51. Shareholder Indebted to the Corporation. Subject to subsection 40(2) of the Act, the Corporation has a lien on a share registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation. Such lien on a share of the Corporation may, subject to the Act, be enforced as follows:

- (a) where such share is redeemable pursuant to the articles of the Corporation, by redeeming such share and applying the redemption price to such debt;



- (b) by purchasing such share for cancellation for a price equal to the book value of such share and applying the proceeds to such debt;
- (c) by selling such share to any third party whether or not such party is at arm's length to the Corporation including, without limitation, any officer or director of the Corporation, for the best price which the board of directors in their sole discretion consider to be obtainable for such share and applying the proceeds to such debt;
- (d) by refusing to permit the registration of a transfer of such share until such debt is paid; or
- (e) by any other means permitted by law.

52. Lost, Apparently Destroyed or Wrongfully Taken Security Certificates. Subject to the Act, in case of the loss, apparent destruction or wrongful taking of a security certificate, a new certificate may be issued in replacement of the one lost, apparently destroyed or wrongfully taken or a transfer of the securities represented by such certificate may be registered, upon such terms as the board of directors may from time to time prescribe, either generally or in respect of any particular loss, apparent destruction or wrongful taking of a security certificate.

#### DIVIDENDS

53. Dividends. The board of directors may from time to time declare and the Corporation may pay dividends on the issued and outstanding shares in the capital of the Corporation subject to the provisions (if any) of the articles of the Corporation.

The board of directors shall not declare and the Corporation shall not pay a dividend if there are reasonable grounds for believing that:

- (a) the Corporation is, or after the payment would be, unable to pay its liabilities as they become due; or
- (b) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and its stated capital of all classes.

The Corporation may pay a dividend by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation and, subject to the foregoing, the Corporation may pay a dividend in money or property.

In case several persons are registered as the joint holders of any shares, any one of such persons may give effectual receipts for all dividends and payments on account of dividends and/or redemption of shares (if any) subject to redemption.

#### VOTING SHARES AND SECURITIES IN OTHER BODIES CORPORATE

54. Voting Shares and Securities in other Bodies Corporate. All of the shares or other securities carrying voting rights of any other body corporate held from time to time by the Corporation may be voted at any and all meetings of shareholders or holders of other securities (as the case may be) of such other body corporate and in such manner and by such person or persons as the board of directors of the Corporation shall from time to time determine. The duly authorized signing officers of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the board of directors.

#### INFORMATION AVAILABLE TO SHAREHOLDERS

55. Confidential Information Not Available to Shareholders. Except as provided by the Act, no shareholder shall be entitled to discovery of any information respecting any details or conduct of the Corporation's business which in the opinion of the board of directors it would be inexpedient in the interests of the Corporation to communicate to the public.

56. Availability of Corporate Records to Shareholders. The board of directors may from time to time, subject to rights conferred by the Act, determine whether and to what extent and at what time and place and under what conditions or regulations the documents, books and registers and accounting records of the Corporation or any of them shall be open to the inspection of shareholders and no shareholder shall have any right to inspect any document or book or register or accounting record of the Corporation except as conferred by statute or authorized by the board of directors or by a resolution of the shareholders.

#### NOTICES

57. Service. Any notice or other document required by the Act, the Regulations, the articles or the by-laws to be sent to any shareholder or director or to the auditor shall be delivered personally or sent by prepaid mail or by telegram or cable or telex to any such shareholder at his latest address as shown in the records of the Corporation or its transfer agent and to any such director at his latest address as shown in the records of the Corporation or the most recent notice filed under the Corporations

Information Act, whichever is the most current and to the auditor at his business address; provided always that notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto. If a notice or document is sent to a shareholder by prepaid mail in accordance with this paragraph and the notice or document is returned on three consecutive occasions because the shareholder cannot be found, it shall not be necessary to send any further notices or documents to the shareholder until he informs the Corporation in writing of his new address.

58. Securities Registered in More Than One Name. All notices or other documents with respect to any securities in the capital of the Corporation registered in more than one name shall be given to whichever of such persons is named first in the records of the Corporation and any notice or other document so given shall be sufficiently given to all of the holders of such securities.

59. Persons Becoming Entitled by Operation of Law. Subject to Section 67 of the Act, every person who by operation of law, transfer or any other means whatsoever shall become entitled to any securities of the Corporation shall be bound by every notice or other document in respect of such securities which, previous to his name and address being entered in the records of the Corporation, shall have been duly given to the person or persons from whom he derives his title to such securities.

60. Deceased Security Holders. Subject to Section 67 of the Act, any notice or other document delivered or sent by post, telegram or telex or left at the address of any security holder as the same appears in the records of the Corporation shall, notwithstanding that such security holder be then deceased, and whether or not the Corporation has notice of his decease, be deemed to have been duly served in respect of the securities held by such security holder (whether held solely or with any other person or persons) until some other person be entered in his stead in the records of the Corporation as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors or administrators and on all persons, if any, interested through him or with him in such securities.

61. Signature to Notices. The signature of any director or officer of the Corporation to any notice or document to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

62. Computation of Time. Where a given number of days' notice or notice extending over a period is required to be given under any provisions of the articles or by-laws of the Corporation, the day of service or posting of the notice or document shall not, unless it is otherwise provided, be counted in such number of days or other period.

63. Proof of Service. With respect to every notice or other document sent by post it shall be sufficient to prove that the envelope or wrapper containing the notice or

other document was properly addressed as provided in paragraph 57 of this by-law and put into a Post Office or into a letter box. A certificate of an officer of the Corporation in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of shares of any class of the Corporation as to facts in relation to the sending or delivery of any notice or other document to any security holder, director, officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every security holder, director, officer or auditor of the Corporation, as the case may be.

#### CHEQUES, DRAFTS AND NOTES

64. Cheques, Drafts and Notes. All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or persons, whether or not officers of the Corporation, and in such manner as the board of directors may from time to time designate.

#### CUSTODY OF SECURITIES

65. Custody of Securities. All shares and other securities owned by the Corporation shall be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the board of directors, with such other depositories or in such other manner as may be determined from time to time by the board of directors.

All shares and other securities belonging to the Corporation may be issued or held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer to be completed and registration to be effected.

#### EXECUTION OF INSTRUMENTS

66. Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by:

- (a) any one of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President or a Vice-President together with any one of the Secretary or the Treasurer;
- (b) any two directors; or

- (c) any one of the aforementioned officers together with any one director; and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board of directors shall have power from time to time to appoint any officer or officers, or any person or persons, on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the Corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers, person or persons, appointed as aforesaid by the board of directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

- (a) any one of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President or a Vice-President together with any one of the Secretary or the Treasurer;
- (b) any two directors; or
- (c) any one of the aforementioned officers together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Corporation and to sign and execute (under the seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President, a Vice-President, the Secretary, the Treasurer, or any director or directors of the Corporation and/or of any other officer or officers, person or persons, appointed as aforesaid by the board of directors may, if specifically authorized by the board of directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or

instruments in writing or bonds, debentures or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization by the board of directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation.

FINANCIAL YEAR

67. Financial Year. The financial year of the Corporation shall terminate on such date in each year as the board of directors may from time to time determine.

MADE as of February 22, 1995.

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Vice President, Finance  
John M. Davison

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Secretary,  
G. Mary Ruby

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[CANADIAN FLAG LOGO] Industry Canada Industrie Canada

CERTIFICATE OF  
INCORPORATION

CANADA BUSINESS  
CORPORATIONS ACT

IMAX THEATRE HOLDING (BROSSARD) INC.

-----  
Name of corporation-Denomination de la societe

I hereby certify that the above-named corporation, the articles of incorporation of which are attached, was incorporated under the Canada Business Corporations Act.

Director - Directeur

[GOVERNMENT OF CANADA LOGO]

CERTIFICAT DE  
CONSTITUTION

LOI CANADIENNE SUR  
LES SOCIETES PAR ACTIONS

356752-4

-----  
Corporation number-Numero de la societe

Je certifie que la societe susmentionnee, dont les statuts constitutifs sont joints, a ete constituee en societe en vertu de la Loi canadienne sur les societes par actions.

DECEMBER 16, 1998/LE 16 DECEMBRE 1998

Date of Incorporation - Date de constitution

Canada  
Business

Loi canadienne sur les  
societes par actions

FORM 1  
ARTICLES OF INCORPORATION  
(SECTION 6)

FORMULE 1  
STATUTS CONSTITUTIFS  
(ARTICLE 6)

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1 - Name of corporation  
IMAX THEATRE HOLDING (BROSSARD) INC. Denomination de la societe

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2 - The place in Canada wham the registered office is to be  
Regional Municipality of Peel in the Province of Ontario. Lieu au Canada ou doit etre situe le siege social

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3 - The classes and any maximum number of claims that the  
corporation is authorized to issue Categories et tout nombre maximal d'actions que la societe est  
autorisee a emettre  
The Corporation is authorized to issue an unlimited number of common shares, the rights, privileges, restrictions and  
conditions of which are set out in the annexed Schedule 1 which is incorporated in this form.

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4 - Restrictions, if any, on share transfers Restrictions sur le transfert des actions, s'il y a lieu  
No share in the capital of the Corporation shall be transferred without the consent of the directors expressed by the votes of  
a majority of the directors at a meeting of the directors or by an instrument or instruments in writing signed by a majority of  
the directors.

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5 - Number (or minimum and maximum number) of directors Nombre (ou nombre minimal et maximal) d'administrateurs  
A minimum of 1 and a maximum of 10.

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6 - Restrictions, if any, on business the corporation may  
carry on Limites imposees a l'activite commerciale de la societe,  
s'il y a lieu  
There are no restrictions.

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7 - Other provisions, if any Autre dispositions, s'il y a lieu  
The annexed Schedule 2 is incorporated in this form.

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8 - Incorporators - Fondateurs

Name(s) - Nom(s)	Address (include postal code) (Adresse (inclure le code postal))	Signature
Joan Cameron	612-25 The Esplanade, Toronto, Ontario, M5E 1W5	/s/ Joan Cameron

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SCHEDULE 1

ARTICLES OF INCORPORATION

- (1) The rights, privileges, restrictions and conditions attaching to the common shares are as follows:
- (a) **PAYMENT OF DIVIDENDS:** The holders of the common shares shall be entitled to receive dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends in such amounts and payable in such manner as the board of directors may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to or concurrently with the holders of the common shares, the board of directors may in their sole discretion declare dividends on the common shares to the exclusion of any other class of shares of the Corporation.
  - (b) **PARTICIPATION UPON LIQUIDATION, DISSOLUTION OR WINDING-UP:** In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the common shares shall, subject to the rights of the holders of any other class of shares of the Corporation entitled to receive the assets of the Corporation upon such a distribution in priority to or concurrently with the holders of the common shares, be entitled to participate concurrently in any distribution of the assets of the Corporation.
  - (c) **VOTING RIGHTS:** The holders of the common shares shall be entitled to receive notice of and to attend all annual and special meetings of the shareholders of the Corporation and to 1 vote in respect of each common share held at all such meetings.

SCHEDULE 2

ARTICLES OF INCORPORATION

(1) The number of shareholders of the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been formerly in the employment of the Corporation, were, while in that employment and have continued after the termination of that employment to be, shareholders of the Corporation, is limited to not more than 50, 2 or more persons who are the joint registered owners of 1 or more shares being counted as 1 shareholder.

(2) Any invitation to the public to subscribe for securities of the Corporation is prohibited.

(3) The actual number of directors within the minimum and maximum number set out in paragraph 5 may be determined from time to time by resolution of the directors. Any vacancy among the directors resulting from an increase in the number of directors as so determined may be filled by resolution of the directors.

BY-LAW NO. 1

A by-law relating generally to the conduct of the affairs of the Corporation.

INTERPRETATION

1. Interpretation. In this by-law and all other by-laws of the Corporation, unless the context otherwise specifies or requires:

- (a) "Act" means the Canada Business Corporations Act, as from time to time amended and every statute that may be substituted therefore and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Act shall be read as references to the substituted provisions therefore in the new statute or statutes;
- (b) "Regulations" means the Regulations made under the Act as from time to time amended and every regulation that may be substituted therefore and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Regulations shall be read as references to the substituted provisions therefore in the new regulations;
- (c) "by-law" means any by-law of the Corporation from time to time in force and effect;
- (d) all terms which are contained in the by-laws and which are defined in the Act or the Regulations shall have the meanings respectively given to such terms in the Act or the Regulations;
- (e) words importing the singular number only shall include the plural and vice versa and words importing a specific gender shall include the other genders; and
- (f) the headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

SEAL

2. Seal. The Corporation may but need not have a corporate seal. Any corporate seal adopted for the Corporation shall be such as the board of directors may by resolution from time to time approve.

## DIRECTORS

3. Duties and Number. Subject to any unanimous shareholder agreement, the directors shall manage or supervise the management of the business and affairs of the Corporation. The board of directors shall consist of the number of directors set out in the articles of the Corporation or, where a minimum and maximum number is provided for in the articles, such number of directors as shall be determined from time to time by special resolution or, if the special resolution empowers the directors to determine the number, by resolution of the directors. A majority of the directors shall be resident Canadians except that where the Corporation has only one or two directors, that director or one of the two directors, as the case may be, shall be a resident Canadian. If the Corporation is an offering corporation, at least one-third of the directors shall not be officers or employees of the Corporation or of any affiliate of the Corporation.

4. Term of Office. A director's term of office (subject to (a) the provisions of the articles of the Corporation; (b) the provisions of the Act; (c) any unanimous shareholder agreement; and (d) any expressly stated term of office) shall be from the date on which he is elected or appointed until the close of the annual meeting next following.

5. Vacation of Office. The office of a director shall ipso facto be vacated: (a) if he becomes bankrupt or suspends payment of his debts generally or compounds with his creditors or makes an authorized assignment or is declared insolvent; (b) if he is found to be a mentally incompetent person or of unsound mind; (c) subject to the provisions of the Act, if by notice in writing to the Corporation he resigns his office, which resignation shall be effective at the time it is received by the Corporation or at the time specified in the notice, whichever is later; (d) if he dies; or (e) if he is removed from office by the shareholders in accordance with paragraph 6.

6. Election and Removal. Subject to Section 106 of the Act the shareholders of the Corporation shall elect, at the first meeting of shareholders and at each succeeding annual meeting at which an election of directors is required, directors to hold office for a term expiring not later than the close of the third annual meeting of shareholders following the election. A director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of shareholders following his election, but, if qualified, is eligible for re-election. If directors are not elected at a meeting of shareholders, the incumbent directors continue in office until their successors are elected. Provided always that, subject to Section 122 of the Act, the shareholders of the Corporation may, by ordinary resolution passed at an annual or special meeting of shareholders, remove any director or directors from office and a vacancy created by the removal of a director may be filled at the meeting of the shareholders at which the director is removed.

7. Committee of Directors. The directors may appoint from among their number a committee of directors and subject to Subsection 115(3) of the Act may delegate to such committee any of the powers of the directors. A majority of the directors of any such committee must be resident Canadians. Subject to the by-laws and any resolution of the board of directors, the committee of directors, if any, may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit and may from time to time adopt, amend or repeal rules or procedures in this regard. Subject to the Act, except to the extent otherwise determined

by the board of directors or, failing such determination, as determined by the committee of directors, the provisions of paragraphs 8 to 15, inclusive, shall apply, mutatis mutandis, to such committee.

#### MEETINGS OF DIRECTORS

8. Place of Meeting. Meetings of the directors may be held within or outside Ontario and it shall not be necessary in any financial year of the Corporation to hold a majority of the meetings of the directors at a place within Canada.

9. Notice. A meeting of directors may be convened by the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President if he is a director, a Vice-President who is a director or any two directors at any time and the Secretary, when directed or authorized by any of such officers or any two directors, shall convene a meeting as directors. The notice of any meeting convened as aforesaid need not specify the purpose of or the business to be transacted at the meeting. Notice of any such meeting shall be served in the manner specified in paragraph 57 of this by-law not less than two (2) days (exclusive of the day on which the notice is delivered or sent but inclusive of the day for which notice is given) before the meeting is to take place; provided always that a director may in any manner and at any time waive notice of a meeting of directors and attendance of a director at a meeting of directors shall constitute a waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called; provided further that meetings of directors may be held at any time without notice if all the directors are present (except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the absent directors waive notice before or after the date of such meeting.

If the first meeting of the directors following the election of directors by the shareholders is held immediately thereafter, then for such meeting or for a meeting of the directors at which a director is appointed to fill a vacancy in the board, no notice shall be necessary to the newly elected or appointed directors or director in order to legally constitute the meeting, provided that a quorum of the directors is present.

10. Omission of Notice. The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any person shall not invalidate any resolution passed or any proceeding taken at such meeting.

11. Adjournment. Any meeting of directors may be adjourned from time to time by the chairman of the meeting, with the consent of the meeting, to a fixed time and place. Notice of any adjourned meeting of directors is not required to be given if the time and place of the adjourned meeting is announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The directors who formed quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the

original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

12. Quorum. A majority of the directors shall form a quorum for the transaction of business and, notwithstanding any vacancy among the directors, a quorum of directors may exercise all the powers of directors. No business shall be transacted at a meeting of directors unless a quorum of the board of directors is present and, except as otherwise permitted by the Act, a majority of directors present are resident Canadians.

13. Telephone Participation. If all of the directors of the Corporation present at or participating in the meeting consent, a meeting of directors may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such meeting by such means is deemed for the purpose of the Act to be present at that meeting.

14. Voting. Questions arising at any meeting of the board of directors shall be decided by a majority of votes. In case of an equality of votes the chairman of the meeting in addition to his original vote shall have a second or casting vote.

15. Resolution in Lieu of Meeting. Notwithstanding any of the provisions of this law, but subject to the Act or any unanimous shareholder agreement, a resolution in writing, signed by all of the directors entitled to vote on that resolution at a meeting of the directors is as valid as if it had been passed at a meeting of the directors.

#### REMUNERATION OF DIRECTORS

16. Remuneration of Directors. The remuneration to be paid to the directors shall be such as the board of directors shall from time to time determine and such remuneration shall be in addition to the salary paid to any officer or employee of the Corporation who is also a member of the board of directors. The board of directors may also award special remuneration to any director undertaking any special services on the Corporation's behalf other than the routine work ordinarily required of a director by the Corporation and the confirmation of any such resolution or resolutions by the shareholders shall not be required. The directors shall also be entitled to be paid their travelling and other expenses properly incurred by them in connection with the affairs of the Corporation.

SUBMISSION OF CONTRACTS OR TRANSACTIONS  
TO SHAREHOLDERS FOR APPROVAL

17. Submission of Contracts or Transactions to Shareholders for Approval. The board of directors in its discretion may submit any contract, act or transaction for approval or ratification at any annual meeting of the shareholders or at any special meeting of the shareholders called for the purpose of considering the same and, subject to the provisions of Section 132 of the Act, any such contract, act or transaction that shall be approved or ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's articles or any other by-law) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified or confirmed by every shareholder of the Corporation.

FOR THE PROTECTION OF DIRECTORS AND OFFICERS

18. Conflict of Interest. In supplement of and not by way of limitation upon any rights conferred upon directors and officers by Section 120 of the Act, it is declared that no director or officer shall be disqualified from his office by, or vacate his office by reason of, holding any office or place of profit under the Corporation or under any body corporate in which the Corporation shall be a shareholder, or by reason of being otherwise in any way directly or indirectly interested in or contracting with the Corporation either as vendor, purchaser or otherwise or being concerned in any contract or arrangement made or proposed to be entered into with the Corporation in which he is in any way directly or indirectly interested either as vendor, purchaser or otherwise nor shall any director or officer be liable to account to the Corporation or any of its shareholders or creditors for any profit arising from any such office or place of profit; and, subject to the provisions of Section 120 of the Act, no contract or arrangement entered into by or on behalf of the Corporation in which any director or officer shall be in any way directly or indirectly interested shall be avoided or voidable and no director or officer shall be liable to account to the Corporation or any of its shareholders or creditors for any profit realized by or from any such contract or arrangement by reason of any fiduciary relationship. A director or officer of the Corporation who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, or is a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose the nature and extent of his interest at the time and in the manner provided in the Act. Except as provided in the Act, no such director of the Corporation shall vote on any resolution to approve such contracts or transactions but each such director may be counted to determine the presence of a quorum at the meeting of directors where such vote is being taken.

19. The Protection of Directors and Officers. Except as otherwise provided in the Act, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on

behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, including any person with whom or which any moneys, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board of directors. If any directors or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall have an interest in a person which is employed by or performs services for the Corporation, the fact of his being a shareholder, director or officer of the Corporation shall not disentitle such director or officer or such person, as the case may be, from receiving proper remuneration for such services.

#### INDEMNITIES TO DIRECTORS AND OFFICERS

20. Indemnities to Directors and Officers. Subject to the provisions of Section 124 of the Act, the Corporation shall indemnify a director or officer, a former director or officer, or a person who acts or acted at the corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate, if (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful. The Corporation shall also indemnify any such person in such other circumstances as the Act or law permits or requires. Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law to the extent permitted by the Act or law.

#### OFFICERS

21. Appointment. The board of directors may annually or oftener as may be required appoint a Chairman of the Board, a Vice-Chairman of the Board, a President, a Managing Director, one



or more Vice-Presidents, a Secretary, a Treasurer, one or more Assistant Secretaries, one or more Assistant Treasurers and/or a General Manager or Manager. Notwithstanding the foregoing, each incumbent officer shall continue in office until the earliest of: (a) his resignation, which resignation shall be effective at the time a written resignation is received by the Corporation or at the time specified in the resignation, whichever is later; (b) the appointment of his successor; (c) his ceasing to be a director if such is a necessary qualification of his appointment; (d) the meeting at which the board of directors annually appoint the officers of the Corporation; (e) his removal; and (f) his death. A director may be appointed to any office of the Corporation but none of the officers except the Chairman of the Board, the Vice-Chairman of the Board and the Managing Director need be a member of the board of directors. Two or more of the aforesaid offices may be held by the same person. In case and whenever the same person holds the offices of Secretary and Treasurer he may but need not be known as the Secretary-Treasurer. The board of directors may from time to time appoint such other officers and agents as it shall deem necessary who shall have such authority and shall perform such duties as may from time to time be prescribed by the board of directors. The board of directors may from time to time and subject to the provisions of the Act, vary, add to or limit the duties and powers of any officer.

22. Remuneration and Removal. The remuneration of all officers appointed by the board of directors shall be determined from time to time by resolution of the board of directors. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration as may be determined. All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the board of directors at any time, with or without cause.

23. Powers and Duties. All officers shall sign such contracts, documents or instruments in writing as require their respective signatures and shall respectively have and perform all powers and duties incident to their respective offices and such other powers and duties respectively as may from time to time be assigned to them by the board of directors.

24. Duties May be Delegated. In case of the absence or inability to act of any officer of the Corporation except the Managing Director or for any other reason that the board of directors may deem sufficient, the board of directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

25. Chairman of the Board. The Chairman of the Board, if any, shall, when present, preside as chairman at all meetings of the directors, the committee of directors, if any, and the shareholders.

26. Vice-Chairman of the Board. If the Chairman of the Board is absent or is unable or refuses to act, the Vice-Chairman of the Board, if any, shall, when present, preside as chairman at all meetings of the directors, the committee of directors, if any, and the shareholders.

27. President. The President shall be the chief executive officer of the Corporation unless otherwise determined by the board of directors. The President shall be vested with and may exercise all the powers and shall perform all the duties of the Chairman of the Board and/or Vice-Chairman of the Board if none be appointed or if the Chairman of the Board and the Vice-Chairman of the Board are absent or are unable or refuse to act; provided, however, that unless

he is a director he shall not preside as chairman at any meeting of directors or of the committee of directors, if any, or, subject to paragraph 41 of this by-law, at any meeting of shareholders.

28. Vice-President. The Vice-President or, if more than one, the vice presidents, in order of seniority and/or function, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President; provided, however, that a Vice-President who is not a director shall not preside as chairman at any meeting of directors or of the committee of directors, if any, or, subject to paragraph 41 of this by-law, at any meeting of shareholders.

29. Secretary. The Secretary shall give or cause to be given notices for all meetings of the directors, the committee of directors, if any, and the shareholders when directed to do so and shall have charge of the minute and record books of the Corporation and, subject to the provisions of paragraph 48 of this by-law, of the records (other than accounting records) referred to in Section 140 of the Act.

30. Treasurer. Subject to the provisions of any resolution of the board of directors, the Treasurer shall have the care and custody of all the funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or with such other depository or depositories as the board of directors may direct. He shall keep or cause to be kept the accounting records referred to in Section 140 of the Act. He may be required to give such bond for the faithful performance of his duties as the board of directors in its uncontrolled discretion may require but no director shall be liable for failure to require any such bond or for the insufficiency of any such bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.

31. Assistant Secretary and Assistant Treasurer. The Assistant Secretary or, if more than one, the Assistant Secretaries in order of seniority, and the Assistant Treasurer or, if more than one, the Assistant Treasurers in order of seniority, shall respectively perform all the duties of the Secretary and the Treasurer, respectively, in the absence or inability or refusal to act of the Secretary or the Treasurer, as the case may be.

32. Managing Director. The Managing Director shall be a member of the board of directors, and a resident Canadian and shall exercise such powers and have such authority as may be delegated to him by the board of directors in accordance with the provisions of Section 127 of the Act.

33. General Manager or Manager. The board of directors may from time to time appoint one or more General Managers or Managers, in order of seniority and/or function, and may delegate to him or them full power to manage and direct the business and affairs of the Corporation (except such matters and duties as by law must be transacted or performed by the board of directors and/or by the shareholders) and to employ and discharge agents and employees of the Corporation or may delegate to him or them any lesser authority. A General Manager or Manager shall conform to all lawful orders given to him by the board of directors of the Corporation and shall at all reasonable times give to the directors or any of them all information they may require regarding the affairs of the Corporation. Any agent or employee appointed by a General Manager or Manager shall be subject to discharge by the board of directors.

34. Vacancies. If the office of any officer of the Corporation shall be or become vacant by reason of death, resignation, disqualification or otherwise, the board of directors may appoint a person to fill such vacancy.

#### SHAREHOLDERS' MEETINGS

35. Annual Meeting. Subject to the provisions of Section 133 of the Act, the annual meeting of the shareholders shall be held on such day in each year and at such time as the board of directors may determine and subject to the articles and any unanimous shareholder agreement shall be held at any place in or outside Ontario as the board of directors determine or, in the absence of such determination, at the place where the registered office of the Corporation is located.

36. Special Meetings. Special meetings of the shareholders may be convened by order of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President if he is a director, a Vice-President if he is a director or by the board of directors at any date and time and subject to the articles and any unanimous shareholder agreement shall be held at any place in or outside Ontario as the board of directors determines or, in the absence of such determination, at the place where the registered office of the Corporation is located.

37. Notice. A printed, written or typewritten notice stating the day, hour and place of meeting shall be given by serving such notice on each shareholder entitled to vote at such meeting, on each director and on the auditor of the Corporation in the manner specified in paragraph 57 of this by-law, not less than twenty-one (21) days nor more than fifty (50) days (exclusive of the day on which the notice is delivered or sent and of the day for which notice is given) before the date of the meeting. Notice of a meeting at which special business, as defined in Section 135(5) of the Act, is to be transacted shall state or be accompanied by a statement of: (a) the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon; and (b) the text of any special resolution or by-law to be submitted to the meeting. Provided that a meeting of shareholders may be held for any purpose on any day and at any time without notice if all of the shareholders and all other persons entitled to attend such meeting are present in person or, where appropriate, represented by proxy at the meeting (except where a shareholder or other person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the shareholders and all other persons entitled to attend such meeting who are not present in person or, where appropriate, represented by proxy thereat waive notice before or after the date of such meeting.

38. Waiver of Notice. A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of a meeting of shareholders and attendance of any such person at a meeting of shareholders shall constitute a waiver of notice of the meeting except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

39. Omission of Notice. The accidental omission to give notice of any meeting or any irregularity in the notice of any meeting or the non-receipt of any notice by any shareholder or shareholders, director or directors or the auditor of the Corporation shall not invalidate any resolution passed or any proceedings taken at any meeting of shareholders.

40. Votes. Every question submitted to any meeting of shareholders shall be decided in the first instance by a show of hands unless a person entitled to vote at the meeting has demanded a ballot and in the case of an equality of votes the chairman of the meeting shall both on a show of hands and on a ballot have a second or casting vote in addition to the vote or votes to which he may be otherwise entitled.

A ballot may be demanded either before or after any vote by show of hands by any person entitled to vote at the meeting. If at any meeting a ballot is demanded on the election of a chairman or on the question of adjournment it shall be taken forthwith without adjournment. If at any meeting a ballot is demanded on any other question or as to the election of directors, the vote shall be taken by ballot in such manner and either at once, later in the meeting or after adjournment as the chairman of the meeting directs. The result of a ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. A demand for a ballot may be withdrawn.

Where two or more persons hold the same share or shares jointly, one of those holders present at a meeting of shareholders may, in the absence of the other or others, vote the share or shares but if two or more of those persons who are present, in person or by proxy, vote, they shall vote as one on the share or shares jointly held by them.

At any meeting unless a ballot is demanded a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

41. Chairman of the Meeting. In the event that the Chairman of the Board and the Vice-Chairman of the Board are absent and the President is absent or is not a director and there is no Vice-President present who is a director, the persons who are present and entitled to vote shall choose another director as chairman of the meeting and if no director is present or if all the directors present decline to take the chair then the persons who are present and entitled to vote shall choose one of their number to be chairman.

42. Proxies. Votes at meetings of shareholders may be given either personally or by proxy or, in the case of a shareholder who is a body corporate or association, by an individual authorized by the board of directors or governing body of the body corporate or association to represent it at meetings of shareholders of the Corporation. At every meeting at which he is entitled to vote every shareholder and/or person appointed by proxy and/or individual so authorized to represent a shareholder who is present in person shall have one vote on a show of hands. Upon a ballot at which he is entitled to vote, every shareholder present in person or represented by proxy or by an individual so authorized shall (subject to the provisions, if any, of the articles of the Corporation) have one vote for every share held by him.

A proxy shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a body corporate or association, by an officer or attorney thereof duly authorized. If the Corporation is an offering corporation a proxy appointing a proxyholder ceases to be valid one year from its date.

A person appointed by proxy need not be a shareholder.

Subject to the provisions of the Act and the Regulations, a proxy may be in the following form:

The undersigned shareholder of \_\_\_\_\_ hereby appoints of \_\_\_\_\_, or failing him of \_\_\_\_\_ as the nominee of the undersigned to attend and act for the undersigned and on behalf of the undersigned at the meeting of the shareholders of the said Corporation to be held on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ and at any adjournment thereof in the same manner, to the same extent and with the same power as if the undersigned were present at the said meeting or such adjournment thereof. This proxy is (not) solicited by or on behalf of management of the Corporation.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

\_\_\_\_\_  
(Signature)  
Name of Shareholder

The board of directors may from time to time make regulations regarding the lodging of proxies at some place or places other than the place at which a meeting or adjourned meeting of shareholders is to be held and for particulars of such proxies to be cabled or telegraphed or sent by telex or in writing before the meeting or adjourned meeting to the Corporation or any agent of the Corporation for the purpose of receiving such particulars and providing that proxies so lodged may be voted upon as though the proxies themselves were produced at the meeting or adjourned meeting and given in accordance with such regulations shall be valid and shall be counted. The chairman of any meeting of shareholders may, subject to any regulations made as aforesaid, in his discretion accept telegraphic or cable or telex or written communication as to the authority of any person claiming to vote on behalf of and to represent a shareholder notwithstanding that no proxy conferring such authority has been lodged with the Corporation, and any votes given in accordance with such telegraphic or cable or telex or written communication accepted by the chairman of the meeting shall be valid and shall be counted.

43. Adjournment. The chairman of any meeting may with the consent of the meeting adjourn the same from time to time to a fixed time and place and no notice of such adjournment need be given to the shareholders unless the meeting is adjourned by one or more adjournments for an aggregate of thirty days or more in which case subject to subsection 96 (4) of the Act notice of the adjourned meeting shall be given as for an original meeting. Any business may be brought before or dealt with at any adjourned meeting for which no notice is required which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The persons who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

44. Quorum. A quorum at any meeting of shareholders (unless a greater number of persons are required to be present or a greater number of shares are required to be represented by the Act or by the articles or any other by-law) shall be persons present not being less than two in number and holding or representing more than twenty per cent of the total number of the issued shares of the Corporation for the time being entitling the holders thereof to vote at such meeting. Notwithstanding the foregoing, if the Corporation has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting. No business shall be transacted at any meeting unless the requisite quorum be present at the time of the transaction of such business. If a quorum is not present at the time appointed for a meeting of shareholders or within such reasonable time thereafter as the shareholders present may determine, the persons present and entitled to vote may adjourn the meeting to a fixed time and place but may not transact any other business and the provisions of paragraph 43 with regard to notice shall apply to such adjournment.

45. Resolution in Lieu of Meeting. Notwithstanding any of the provisions of this by-law a resolution in writing signed by all of the shareholders entitled to vote on that resolution at a meeting of the shareholders is, subject to Section 142 of the Act, as valid as if it had been passed at a meeting of the shareholders.

#### SECURITIES

46. Allotment and Issuance of Shares. Subject to the provisions of Section 25 of the Act, the articles, by-laws and any unanimous shareholder agreement, shares in the capital of the Corporation may be allotted and issued by the board of directors at such times and on such terms and conditions and to such persons or class or classes of persons as the board of directors determines.

47. Certificates. Security certificates and the instrument of transfer, if any, on the reverse side thereof shall (subject to Section 49 of the Act) be in such form as the board of directors may approve and such certificates shall be signed manually by at least one officer or director of the Corporation holding office at the time of signing or by or on behalf of a registrar, transfer agent, branch transfer agent or issuing or other authenticating agent of the Corporation, or by a trustee who certifies it in accordance with a trust indenture and any additional signatures required on a security certificate may be printed or otherwise mechanically reproduced thereon.

A security certificate containing the signature of a person which is printed, engraved, lithographed or otherwise mechanically reproduced thereon may be issued notwithstanding that the person has ceased to be a director or an officer, as the case may be, of the Corporation and shall be as valid as if he were a director or an officer, as the case may be, at the date of its issue.

TRANSFER OF SECURITIES

48. Transfer Agent and Registrar. For each class of securities and warrants issued by the Corporation, the board of directors may appoint: (a) a trustee, transfer agent, or other agent to keep the securities register and the register of transfers and one or more persons or agent to keep branch registers; and (b) a registrar, trustee or agent to maintain a record of issued securities, certificates and warrants, and, subject to Section 83 of the Act, one person may be appointed for the purposes of subclauses (a) and (b) in respect of all securities and warrants of the Corporation or any class or classes thereof. In the event of any such appointment in respect of the shares (or the shares of any class or classes) of the Corporation, all share certificates issued by the Corporation in respect of the shares (or the shares of the class or classes in respect of which any such appointment has been made) of the Corporation shall be countersigned by or on behalf of one of the said transfer agents and/or branch transfer agents and by or on behalf of one of the said registrars and/or branch registrars, if any.

49. Securities Registers. The securities register and the register of transfers Corporation shall be kept at the registered office of the Corporation or at such other office or place in Ontario as may from time to time be designated by the board of directors and a branch register or registers of transfers may be kept at such office or offices of the Corporation or other place or places, either within or outside Ontario, as may from time to time be designated by the board of directors.

50. Surrender of Certificates. Subject to the Act and the provisions of paragraph 52, no transfer of a security issued by the Corporation shall be registered unless the security certificate representing the security to be transferred has been surrendered or, if no security certificate has been issued by the Corporation in respect of such security, unless a duly executed instrument of transfer in respect thereof has been delivered to the Corporation or its transfer agent, as the case may be.

51. Shareholder Indebted to the Corporation. Subject to subsection 45(2) of the Act, the Corporation has a lien on a share registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation. Such lien on a share of the Corporation may, subject to the Act, be enforced as follows:

- (a) where such share is redeemable pursuant to the articles of the Corporation, by redeeming such share and applying the redemption price to such debt;
- (b) by purchasing such share for cancellation for a price equal to the book value of such share and applying the proceeds to such debt;
- (c) by selling such share to any third party whether or not such party is at arm's length to the Corporation including, without limitation, any officer or director of the Corporation, for the best price which the board of directors in their sole discretion consider to be obtainable for such share and applying the proceeds to such debt;

- (d) by refusing to permit the registration of a transfer of such share until such debt is paid; or
- (e) by any other means permitted by law.

52. Lost, Apparently Destroyed or Wrongfully Taken Security Certificates. Subject to the Act, in case of the loss, apparent destruction or wrongful taking of a security certificate, a new certificate may be issued in replacement of the one lost, apparently destroyed or wrongfully taken or a transfer of the securities represented by such certificate may be registered, upon such terms as the board of directors may from time to time prescribe, either generally or in respect of any particular loss, apparent destruction or wrongful taking of a security certificate.

#### DIVIDENDS

53. Dividends. The board of directors may from time to time declare and the Corporation may pay dividends on the issued and outstanding shares in the capital of the Corporation subject to the provisions (if any) of the articles of the Corporation.

The board of directors shall not declare and the Corporation shall not pay a dividend if there are reasonable grounds for believing that:

- (a) the Corporation is, or after the payment would be, unable to pay its liabilities as they become due; or
- (b) the realization value of the Corporation's assets would thereby be less than the aggregate of its liabilities and its stated capital of all classes.

The Corporation may pay a dividend by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation and, subject to the foregoing, the Corporation may pay a dividend in money or property.

In case several persons are registered as the joint holders of any shares, any one of such persons may give effectual receipts for all dividends and payments on account of dividends and/or redemption of shares (if any) subject to redemption.

#### VOTING SHARES AND SECURITIES IN OTHER BODIES CORPORATE

54. Voting Shares and Securities in other Bodies Corporate. All of the shares or other securities carrying voting rights of any other body corporate held from time to time by the Corporation may be voted at any and all meetings of shareholders or holders of other securities (as the case may be) of such other body corporate and in such manner and by such person or persons as the board of directors of the Corporation shall from time to time determine. The duly authorized signing officers of the Corporation may also from time to time execute and deliver for



and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the board of directors.

#### INFORMATION AVAILABLE TO SHAREHOLDERS

55. Confidential Information Not Available to Shareholders. Except as provided by the Act, no shareholder shall be entitled to discovery of any information respecting any details or conduct of the Corporation's business which in the opinion of the board of directors it would be inexpedient in the interests of the Corporation to communicate to the public.

56. Availability of Corporate Records to Shareholders. The board of directors may from time to time, subject to rights conferred by the Act, determine whether and to what extent and at what time and place and under what conditions or regulations the documents, books and registers and accounting records of the Corporation or any of them shall be open to the inspection of shareholders and no shareholder shall have any right to inspect any document or book or register or accounting record of the Corporation except as conferred by statute or authorized by the board of directors or by a resolution of the shareholders.

#### NOTICES

57. Service. Any notice or other document required by the Act, the Regulations, the articles or the by-laws to be sent to any shareholder or director or to the auditor shall be delivered personally or sent by prepaid mail or by telegram or cable or telex to any such shareholder at his latest address as shown in the records of the Corporation or its transfer agent and to any such director at his latest address as shown in the records of the Corporation or the most recent notice filed under the Corporations Information Act, whichever is the most current and to the auditor at his business address; provided always that notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto. If a notice or document is sent to a shareholder by prepaid mail in accordance with this paragraph and the notice or document is returned on three consecutive occasions because the shareholder cannot be found, it shall not be necessary to send any further notices or documents to the shareholder until he informs the Corporation in writing of his new address.

58. Securities Registered in More Than One Name. All notices or other documents with respect to any securities in the capital of the Corporation registered in more than one name shall be given to whichever of such persons is named first in the records of the Corporation and any notice or other document so given shall be sufficiently given to all of the holders of such securities.

59. Persons Becoming Entitled by Operation of Law. Subject to Section 51 of the Act, every person who by operation of law, transfer or any other means whatsoever shall become entitled to

any securities of the Corporation shall be bound by every notice or other document in respect of such securities which, previous to his name and address being entered in the records of the Corporation, shall have been duly given to the person or persons from whom he derives his title to such securities.

60. Deceased Security Holders. Subject to Section 51 of the Act, any notice or other document delivered or sent by post, telegram or telex or left at the address of any security holder as the same appears in the records of the Corporation shall, notwithstanding that such security holder be then deceased, and whether or not the Corporation has notice of his decease, be deemed to have been duly served in respect of the securities held by such security holder (whether held solely or with any other person or persons) until some other person be entered in his stead in the records of the Corporation as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors or administrators and on all persons, if any, interested through him or with him in such securities.

61. Signature to Notices. The signature of any director or officer of the Corporation to any notice or document to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

62. Computation of Time. Where a given number of days' notice or notice extending over a period is required to be given under any provisions of the articles or by-laws of the Corporation, the day of service or posting of the notice or document shall not, unless it is otherwise provided, be counted in such number of days or other period.

63. Proof of Service. With respect to every notice or other document sent by post it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed as provided in paragraph 49 of this by-law and put into a Post Office or into a letter box. A certificate of an officer of the Corporation in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of shares of any class of the Corporation as to facts in relation to the sending or delivery of any notice or other document to any security holder, director, officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every security holder, director, officer or auditor of the Corporation, as the case may be.

#### CHEQUES, DRAFTS AND NOTES

64. Cheques, Drafts and Notes. All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or persons, whether or not officers of the Corporation, and in such manner as the board of directors may from time to time designate.

#### CUSTODY OF SECURITIES

65. Custody of Securities. All shares and other securities owned by the Corporation shall be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the board of directors, with such other depositaries or in such other manner as may be determined from time to time by the board of directors.

All shares and other securities belonging to the Corporation may be issued or held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer to be completed and registration to be effected.

#### EXECUTION OF INSTRUMENTS

66. Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by:

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board of directors shall have power from time to time to appoint any officer or officers, or any person or persons, on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the Corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers, person or persons, appointed as aforesaid by the board of directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

- (a) any two officers;

- (b) any two directors; or
- (c) any one officer together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Corporation and to sign and execute (under the seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President, a Vice-President, the Secretary, the Treasurer, or any director or directors of the Corporation and/or of any other officer or officers, person or persons, appointed as aforesaid by the board of directors may, if specifically authorized by the board of directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization by the board of directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation.

FINANCIAL YEAR

67. Financial Year. The financial year of the Corporation shall terminate on such date in each year as the board of directors may from time to time determine.

MADE as of December 16, 1998.

Signed  
 -----  
 Vice-President

/s/ G. Mary Ruby  
 -----  
 Secretary

CERTIFICATE OF INCORPORATION  
OF  
IMAX THEATRE HOLDING (CALIFORNIA I) CO.

I, the undersigned, for the purposes of incorporating and organizing a corporation under the General Corporation Law of the State of Delaware, do execute this Certificate of Incorporation and do hereby certify as follows:

FIRST. The name of the corporation is Imax Theatre Holding (California I) Co.

SECOND. The address of the corporation's registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH. The total number of shares of stock which the corporation shall have authority to issue is 100. All such shares are to be Common Stock, par value of \$.01 per share, and are to be of one class.

FIFTH. The incorporator of the corporation is William J. Haubert, Esquire, whose mailing address is c/o Richards, Layton & Finger, One Rodney Square, P.O. Box 551, Wilmington, Delaware 19899.

SIXTH. Unless and except to the extent that the by-laws of the corporation shall so require, the election of directors of the corporation need not be by written ballot.

SEVENTH. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors of the corporation is expressly authorized to make, alter and repeal the by-laws of the corporation, subject to the power of the stockholders of the corporation to alter or repeal any by-law whether adopted by them or otherwise.

EIGHTH. A director of the corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

NINTH. The corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this article.

TENTH. The powers of the incorporator are to terminate upon the filing of this Certificate of Incorporation with the Secretary of State of the State of Delaware. The name and mailing address of the person who is to serve as the sole initial director of the corporation until the first annual meeting of stockholders of the corporation, or until his successor is duly elected and qualified, is:

Richard L. Gelfond  
784 Park Avenue  
Apt. 7B  
New York, NY 10021

The undersigned incorporator hereby acknowledges that the foregoing certificate of incorporation is his act and deed on this the 24th day of July, 1997.

/s/ William J. Haubert  
-----  
William J. Haubert  
Incorporator

BY-LAWS

OF

IMAX THEATRE HOLDING (CALIFORNIA I) CO.

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ARTICLE I

Meetings of Stockholders

Section 1.1. Annual Meetings. An annual meeting of stockholders shall be held for the election of directors at such date, time and place, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting.

Section 1.2. Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by the Board of Directors, but such special meetings may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 1.3. Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given that shall state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the certificate of incorporation or these by-laws, the written notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation.

Section 1.4. Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 1.5. Quorum. Except as otherwise provided by law, the certificate of incorporation or these by-laws, at each meeting of stockholders the presence in person or by proxy of the holders of a majority in voting power of the outstanding shares of stock

entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. In the absence of a quorum, the stockholders so present may, by a majority in voting power thereof, adjourn the meeting from time to time in the manner provided in Section 1.4 of these by-laws until a quorum shall attend. Shares of its own stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the corporation or any subsidiary of the corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 1.6. Organization. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in his absence by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 1.7. Voting; Proxies. Except as otherwise provided by or pursuant to the provisions of the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary of the corporation. Voting at meetings of stockholders need not be by written ballot. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect. All other elections and questions shall, unless otherwise provided by the certificate of incorporation, these by-laws, the rules or regulations of any stock exchange applicable to the corporation, as otherwise provided by law or pursuant to any regulation applicable to the corporation, be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock of the corporation which are present in person or by proxy and entitled to vote thereon.

Section 1.8. Fixing Date for Determination of Stockholders of Record. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other



distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (1) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting; (2) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten (10) days from the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (3) in the case of any other action, shall not be more than sixty (60) days prior to such other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action of the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation in accordance with applicable law, or, if prior action by the Board of Directors is required by law, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action; and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 1.9. List of Stockholders Entitled to Vote. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. Upon the willful neglect or refusal of the directors to produce such a list at any meeting for the election of directors, they shall be ineligible for election to any office at such meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 1.10. Action By Written Consent of Stockholders. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which minutes of proceedings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall, to the extent required by law, be given to those stockholders who have not consented in writing.

Section 1.11. Inspectors of Election. The corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

Section 1.12. Conduct of Meetings. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and

procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

## ARTICLE II

### Board of Directors

Section 2.1. Number; Qualifications. The Board of Directors shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

Section 2.2. Election; Resignation; Vacancies. The Board of Directors shall initially consist of the persons named as directors in the certificate of incorporation or elected by the incorporator of the corporation, and each director so elected shall hold office until the first annual meeting of stockholders or until his successor is duly elected and qualified. At the first annual meeting of stockholders and at each annual meeting thereafter, the stockholders shall elect directors each of whom shall hold office for a term of one year or until his successor is duly elected and qualified, subject to such director's earlier death, resignation, disqualification or removal. Any director may resign at any time upon written notice to the corporation. Unless otherwise provided by law or the certificate of incorporation, any newly created directorship or any vacancy occurring in the Board of Directors for any cause may be filled by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum, or by a plurality of the votes cast at a meeting of stockholders, and each director so elected shall hold office until the expiration of the term of office of the director whom he has replaced or until his successor is elected and qualified.

Section 2.3. Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine.

Section 2.4. Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the President, any Vice President, the Secretary, or by any member of the Board of Directors. Notice of a special meeting of the Board of Directors shall be given by the person or persons calling the meeting at least twenty-four hours before the special meeting.

Section 2.5. Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 2.6. Quorum; Vote Required for Action. At all meetings of the Board of Directors a majority of the whole Board of Directors shall constitute a quorum for the transaction of business. Except in cases in which the certificate of incorporation, these

by-laws or applicable law otherwise provides, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.7. Organization. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in their absence by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8. Action by Written Consent of Directors. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or such committee.

## ARTICLE III

### Committees

Section 3.1. Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it.

Section 3.2. Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these by-laws.

## ARTICLE IV

### Officers

Section 4.1. Executive Officers; Election; Qualifications; Term of Office; Resignation; Removal; Vacancies. The Board of Directors shall elect a President and Secretary, and it may, if it so determines, choose a Chairman of the Board and a Vice Chairman of the Board from among its members. The Board of Directors may also choose one or more Vice Presidents, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers. Each such officer shall hold office until the first meeting of the Board of Directors after the annual meeting of stockholders next succeeding his election, and until his successor is elected and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the corporation. The Board of Directors may remove any officer with or without cause at any time, but such removal shall be without prejudice to the contractual rights of such officer, if any, with the corporation. Any number of offices may be held by the same person. Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

Section 4.2. Powers and Duties of Executive Officers. The officers of the corporation shall have such powers and duties in the management of the corporation as may be prescribed in a resolution by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors. The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his duties.

ARTICLE V

Stock

Section 5.1. Certificates. Every holder of stock shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the corporation certifying the number of shares owned by him in the corporation. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 5.2. Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.



## ARTICLE VI

### Indemnification

Section 6.1. Right to Indemnification. The corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "Indemnitee") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the corporation or, while a director or officer of the corporation, is or was serving at the written request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnitee. Notwithstanding the preceding sentence, except as otherwise provided in Section 6.3, the corporation shall be required to indemnify an Indemnitee in connection with a proceeding (or part thereof) commenced by such Indemnitee only if the commencement of such proceeding (or part thereof) by the Indemnitee was authorized by the Board of Directors.

Section 6.2. Prepayment of Expenses. The corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnitee in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Indemnitee to repay all amounts advanced if it should be ultimately determined that the Indemnitee is not entitled to be indemnified under this Article VI or otherwise.

Section 6.3. Claims. If a claim for indemnification or advancement of expenses under this Article VI is not paid in full within sixty (60) days after a written claim therefor by the Indemnitee has been received by the corporation, the Indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the corporation shall have the burden of proving that the Indemnitee is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 6.4. Nonexclusivity of Rights. The rights conferred on any Indemnitee by this Article VI shall not be exclusive of any other rights which such Indemnitee may have or hereafter acquire under any statute, provision of the certificate of incorporation, these by-laws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.5. Other Sources. The corporation's obligation, if any, to indemnify or to advance expenses to any Indemnitee who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Indemnitee may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

Section 6.6. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article VI shall not adversely affect any right or protection hereunder of any Indemnitee in respect of any act or omission occurring prior to the time of such repeal or modification.

Section 6.7. Other Indemnification and Prepayment of Expenses. This Article VI shall not limit the right of the corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Indemnitees when and as authorized by appropriate corporate action.

ARTICLE VII

Miscellaneous

Section 7.1. Fiscal Year. The fiscal year of the corporation shall be determined by resolution of the Board of Directors.

Section 7.2. Seal. The corporate seal shall have the name of the corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 7.3. Manner of Notice. Except as otherwise provided herein, notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the corporation. Notice to directors may be given by telegram, telecopier, telephone or other means of electronic transmission.

Section 7.4. Waiver of Notice of Meetings of Stockholders, Directors and Committees. Any written waiver of notice, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 7.5. Interested Directors; Quorum. No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if: (1) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders. Common or interested directors may

be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 7.6. Form of Records. Any records maintained by the corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs, or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time.

Section 7.7. Amendment of By-Laws. These by-laws may be altered, amended or repealed, and new by-laws made, by the Board of Directors, but the stockholders may make additional by-laws and may alter and repeal any by-laws whether adopted by them or otherwise.

Section 7.8 Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the corporation may be signed by:

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the corporation without any further authorization or formality. The Board of Directors shall have power from time to time to appoint any person or persons, on behalf of the corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any person or persons appointed as aforesaid by the Board of Directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

- (a) any two officers;

(b) any two directors; or

(c) any one officer together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the corporation and to sign and execute (under the seal of the corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of any officer or officers, or any director or directors of the corporation and/or of any other person or persons, appointed as aforesaid by the Board of Directors may, if specifically authorized by the Board of Directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation executed or issued by or on behalf of the corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization, by the Board of Directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation.

CERTIFICATE OF INCORPORATION  
OF  
IMAX THEATRE HOLDING (CALIFORNIA II) CO.

I, the undersigned, for the purposes of incorporating and organizing a corporation under the General Corporation Law of the State of Delaware, do execute this Certificate of Incorporation and do hereby certify as follows:

FIRST. The name of the corporation is Imax Theatre Holding (California II) Co.

SECOND. The address of the corporation's registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH. The total number of shares of stock which the corporation shall have authority to issue is 100. All such shares are to be Common Stock, par value of \$.01 per share, and are to be of one class.

FIFTH. The incorporator of the corporation is William J. Haubert, Esquire, whose mailing address is c/o Richards, Layton & Finger, One Rodney Square, P.O. Box 551, Wilmington, Delaware 19899.

SIXTH. Unless and except to the extent that the by-laws of the corporation shall so require, the election of directors of the corporation need not be by written ballot.

SEVENTH. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors of the corporation is expressly authorized to make, alter and repeal the by-laws of the corporation, subject to the power of the stockholders of the corporation to alter or repeal any by-law whether adopted by them or otherwise.

EIGHTH. A director of the corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

NINTH. The corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this article.

TENTH. The powers of the incorporator are to terminate upon the filing of this Certificate of Incorporation with the Secretary of State of the State of Delaware. The name and mailing address of the person who is to serve as the sole initial director of the corporation until the first annual meeting of stockholders of the corporation, or until his successor is duly elected and qualified, is:

Richard L. Gelfond  
784 Park Avenue  
Apt. 7B  
New York, NY 10021

The undersigned incorporator hereby acknowledges that the foregoing certificate of incorporation is his act and deed on this the 24th day of July, 1997.

/s/ William J. Haubert

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William J. Haubert  
Incorporator

BY-LAWS

OF

IMAX THEATRE HOLDING (CALIFORNIA II) CO.

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ARTICLE I

Meetings of Stockholders

Section 1.1. Annual Meetings. An annual meeting of stockholders shall be held for the election of directors at such date, time and place, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting.

Section 1.2. Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by the Board of Directors, but such special meetings may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 1.3. Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given that shall state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the certificate of incorporation or these by-laws, the written notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation.

Section 1.4. Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 1.5. Quorum. Except as otherwise provided by law, the certificate of incorporation or these by-laws, at each meeting of stockholders the presence in person or by proxy of the holders of a majority in voting power of the outstanding shares of stock



entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. In the absence of a quorum, the stockholders so present may, by a majority in voting power thereof, adjourn the meeting from time to time in the manner provided in Section 1.4 of these by-laws until a quorum shall attend. Shares of its own stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the corporation or any subsidiary of the corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 1.6. Organization. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in his absence by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 1.7. Voting; Proxies. Except as otherwise provided by or pursuant to the provisions of the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary of the corporation. Voting at meetings of stockholders need not be by written ballot. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect. All other elections and questions shall, unless otherwise provided by the certificate of incorporation, these by-laws, the rules or regulations of any stock exchange applicable to the corporation, as otherwise provided by law or pursuant to any regulation applicable to the corporation, be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock of the corporation which are present in person or by proxy and entitled to vote thereon.

Section 1.8. Fixing Date for Determination of Stockholders of Record. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other

distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (1) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting; (2) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten (10) days from the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (3) in the case of any other action, shall not be more than sixty (60) days prior to such other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action of the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation in accordance with applicable law, or, if prior action by the Board of Directors is required by law, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action; and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 1.9. List of Stockholders Entitled to Vote. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. Upon the willful neglect or refusal of the directors to produce such a list at any meeting for the election of directors, they shall be ineligible for election to any office at such meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 1.10. Action By Written Consent of Stockholders. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which minutes of proceedings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall, to the extent required by law, be given to those stockholders who have not consented in writing.

Section 1.11. Inspectors of Election. The corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

Section 1.12. Conduct of Meetings. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and

procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

## ARTICLE II

### Board of Directors

Section 2.1. Number; Qualifications. The Board of Directors shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

Section 2.2. Election; Resignation; Vacancies. The Board of Directors shall initially consist of the persons named as directors in the certificate of incorporation or elected by the incorporator of the corporation, and each director so elected shall hold office until the first annual meeting of stockholders or until his successor is duly elected and qualified. At the first annual meeting of stockholders and at each annual meeting thereafter, the stockholders shall elect directors each of whom shall hold office for a term of one year or until his successor is duly elected and qualified, subject to such director's earlier death, resignation, disqualification or removal. Any director may resign at any time upon written notice to the corporation. Unless otherwise provided by law or the certificate of incorporation, any newly created directorship or any vacancy occurring in the Board of Directors for any cause may be filled by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum, or by a plurality of the votes cast at a meeting of stockholders, and each director so elected shall hold office until the expiration of the term of office of the director whom he has replaced or until his successor is elected and qualified.

Section 2.3. Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine.

Section 2.4. Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the President, any Vice President, the Secretary, or by any member of the Board of Directors. Notice of a special meeting of the Board of Directors shall be given by the person or persons calling the meeting at least twenty-four hours before the special meeting.

Section 2.5. Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 2.6. Quorum; Vote Required for Action. At all meetings of the Board of Directors a majority of the whole Board of Directors shall constitute a quorum for the transaction of business. Except in cases in which the certificate of incorporation, these

by-laws or applicable law otherwise provides, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.7. Organization. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in their absence by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8. Action by Written Consent of Directors. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or such committee.

## ARTICLE III

### Committees

Section 3.1. Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it.

Section 3.2. Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these by-laws.

## ARTICLE IV

### Officers

Section 4.1. Executive Officers; Election; Qualifications; Term of Office; Resignation; Removal; Vacancies. The Board of Directors shall elect a President and Secretary, and it may, if it so determines, choose a Chairman of the Board and a Vice Chairman of the Board from among its members. The Board of Directors may also choose one or more Vice Presidents, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers. Each such officer shall hold office until the first meeting of the Board of Directors after the annual meeting of stockholders next succeeding his election, and until his successor is elected and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the corporation. The Board of Directors may remove any officer with or without cause at any time, but such removal shall be without prejudice to the contractual rights of such officer, if any, with the corporation. Any number of offices may be held by the same person. Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

Section 4.2. Powers and Duties of Executive Officers. The officers of the corporation shall have such powers and duties in the management of the corporation as may be prescribed in a resolution by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors. The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his duties.



ARTICLE V

Stock

Section 5.1. Certificates. Every holder of stock shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the corporation certifying the number of shares owned by him in the corporation. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 5.2. Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

## ARTICLE VI

### Indemnification

Section 6.1. Right to Indemnification. The corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "Indemnitee") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the corporation or, while a director or officer of the corporation, is or was serving at the written request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnitee. Notwithstanding the preceding sentence, except as otherwise provided in Section 6.3, the corporation shall be required to indemnify an Indemnitee in connection with a proceeding (or part thereof) commenced by such Indemnitee only if the commencement of such proceeding (or part thereof) by the Indemnitee was authorized by the Board of Directors.

Section 6.2. Prepayment of Expenses. The corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnitee in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Indemnitee to repay all amounts advanced if it should be ultimately determined that the Indemnitee is not entitled to be indemnified under this Article VI or otherwise.

Section 6.3. Claims. If a claim for indemnification or advancement of expenses under this Article VI is not paid in full within sixty (60) days after a written claim therefor by the Indemnitee has been received by the corporation, the Indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the corporation shall have the burden of proving that the Indemnitee is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 6.4. Nonexclusivity of Rights. The rights conferred on any Indemnitee by this Article VI shall not be exclusive of any other rights which such Indemnitee may have or hereafter acquire under any statute, provision of the certificate of incorporation, these by-laws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.5. Other Sources. The corporation's obligation, if any, to indemnify or to advance expenses to any Indemnitee who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Indemnitee may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

Section 6.6. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article VI shall not adversely affect any right or protection hereunder of any Indemnitee in respect of any act or omission occurring prior to the time of such repeal or modification.

Section 6.7. Other Indemnification and Prepayment of Expenses. This Article VI shall not limit the right of the corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Indemnitees when and as authorized by appropriate corporate action.

## ARTICLE VII

### Miscellaneous

Section 7.1. Fiscal Year. The fiscal year of the corporation shall be determined by resolution of the Board of Directors.

Section 7.2. Seal. The corporate seal shall have the name of the corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 7.3. Manner of Notice. Except as otherwise provided herein, notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the corporation. Notice to directors may be given by telegram, telecopier, telephone or other means of electronic transmission.

Section 7.4. Waiver of Notice of Meetings of Stockholders, Directors and Committees. Any written waiver of notice, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 7.5. Interested Directors; Quorum. No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if: (1) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders. Common or interested directors may

be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 7.6. Form of Records. Any records maintained by the corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs, or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time.

Section 7.7. Amendment of By-Laws. These by-laws may be altered, amended or repealed, and new by-laws made, by the Board of Directors, but the stockholders may make additional by-laws and may alter and repeal any by-laws whether adopted by them or otherwise.

Section 7.8 Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the corporation may be signed by:

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the corporation without any further authorization or formality. The Board of Directors shall have power from time to time to appoint any person or persons, on behalf of the corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any person or persons appointed as aforesaid by the Board of Directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

- (a) any two officers;

(b) any two directors; or

(c) any one officer together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the corporation and to sign and execute (under the seal of the corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of any officer or officers, or any director or directors of the corporation and/or of any other person or persons, appointed as aforesaid by the Board of Directors may, if specifically authorized by the Board of Directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation executed or issued by or on behalf of the corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization, by the Board of Directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation.

CERTIFICATE OF INCORPORATION  
OF  
IMAX THEATRE HOLDING (NYACK I) CO.

I, the undersigned, for the purposes of incorporating and organizing a corporation under the General Corporation Law of the State of Delaware, do execute this Certificate of Incorporation and do hereby certify as follows:

FIRST. The name of the corporation is Imax Theatre Holding (Nyack I) Co.

SECOND. The address of the corporation's registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH. The total number of shares of stock which the corporation shall have authority to issue is 100. All such shares are to be Common Stock, par value of \$.01 per share, and are to be of one class.

FIFTH. The incorporator of the corporation is Siobhan Cameron, whose mailing address is c/o Richards, Layton & Finger, One Rodney Square, P.O. Box 551, Wilmington, Delaware 19899.

SIXTH. Unless and except to the extent that the by-laws of the corporation shall so require, the election of directors of the corporation need not be by written ballot.

SEVENTH. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors of the corporation is expressly authorized to make, alter and repeal the by-laws of the corporation, subject to the power of the stockholders of the corporation to alter or repeal any by-law whether adopted by them or otherwise.

EIGHTH. A director of the corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

NINTH. The corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this article.

TENTH. The powers of the incorporator are to terminate upon the filing of this Certificate of Incorporation with the Secretary of State of the State of Delaware. The name and mailing address of the person who is to serve as the sole initial director of the corporation until the first annual meeting of stockholders of the corporation, or until his successor is duly elected and qualified, is:

Richard L. Gelfond  
784 Park Avenue  
Apt. 7B  
New York, NY 10021

The undersigned incorporator hereby acknowledges that the foregoing certificate of incorporation is her act and deed on this the 25th day of July, 1997.

/s/ Siobhan Cameron  
-----  
Siobhan Cameron  
Incorporator



BY-LAWS

OF

IMAX THEATRE HOLDING (NYACK I) CO.

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ARTICLE I

Meetings of Stockholders

Section 1.1. Annual Meetings. An annual meeting of stockholders shall be held for the election of directors at such date, time and place, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting.

Section 1.2. Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by the Board of Directors, but such special meetings may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 1.3. Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given that shall state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the certificate of incorporation or these by-laws, the written notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation.

Section 1.4. Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 1.5. Quorum. Except as otherwise provided by law, the certificate of incorporation or these by-laws, at each meeting of stockholders the presence in person or by proxy of the holders of a majority in voting power of the outstanding shares of stock

entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. In the absence of a quorum, the stockholders so present may, by a majority in voting power thereof, adjourn the meeting from time to time in the manner provided in Section 1.4 of these by-laws until a quorum shall attend. Shares of its own stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the corporation or any subsidiary of the corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 1.6. Organization. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in his absence by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 1.7. Voting; Proxies. Except as otherwise provided by or pursuant to the provisions of the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary of the corporation. Voting at meetings of stockholders need not be by written ballot. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect. All other elections and questions shall, unless otherwise provided by the certificate of incorporation, these by-laws, the rules or regulations of any stock exchange applicable to the corporation, as otherwise provided by law or pursuant to any regulation applicable to the corporation, be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock of the corporation which are present in person or by proxy and entitled to vote thereon.

Section 1.8. Fixing Date for Determination of Stockholders of Record. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other

distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (1) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting; (2) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten (10) days from the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (3) in the case of any other action, shall not be more than sixty (60) days prior to such other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action of the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation in accordance with applicable law, or, if prior action by the Board of Directors is required by law, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action; and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 1.9. List of Stockholders Entitled to Vote. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. Upon the willful neglect or refusal of the directors to produce such a list at any meeting for the election of directors, they shall be ineligible for election to any office at such meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 1.10. Action By Written Consent of Stockholders. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which minutes of proceedings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall, to the extent required by law, be given to those stockholders who have not consented in writing.

Section 1.11. Inspectors of Election. The corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

Section 1.12. Conduct of Meetings. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and

procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

## ARTICLE II

### Board of Directors

Section 2.1. Number; Qualifications. The Board of Directors shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

Section 2.2. Election; Resignation; Vacancies. The Board of Directors shall initially consist of the persons named as directors in the certificate of incorporation or elected by the incorporator of the corporation, and each director so elected shall hold office until the first annual meeting of stockholders or until his successor is duly elected and qualified. At the first annual meeting of stockholders and at each annual meeting thereafter, the stockholders shall elect directors each of whom shall hold office for a term of one year or until his successor is duly elected and qualified, subject to such director's earlier death, resignation, disqualification or removal. Any director may resign at any time upon written notice to the corporation. Unless otherwise provided by law or the certificate of incorporation, any newly created directorship or any vacancy occurring in the Board of Directors for any cause may be filled by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum, or by a plurality of the votes cast at a meeting of stockholders, and each director so elected shall hold office until the expiration of the term of office of the director whom he has replaced or until his successor is elected and qualified.

Section 2.3. Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine.

Section 2.4. Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the President, any Vice President, the Secretary, or by any member of the Board of Directors. Notice of a special meeting of the Board of Directors shall be given by the person or persons calling the meeting at least twenty-four hours before the special meeting.

Section 2.5. Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 2.6. Quorum; Vote Required for Action. At all meetings of the Board of Directors a majority of the whole Board of Directors shall constitute a quorum for the transaction of business. Except in cases in which the certificate of incorporation, these

by-laws or applicable law otherwise provides, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.7. Organization. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in their absence by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8. Action by Written Consent of Directors. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or such committee.

## ARTICLE III

### Committees

Section 3.1. Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it.

Section 3.2. Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these by-laws.



## ARTICLE IV

### Officers

Section 4.1. Executive Officers; Election; Qualifications; Term of Office; Resignation; Removal; Vacancies. The Board of Directors shall elect a President and Secretary, and it may, if it so determines, choose a Chairman of the Board and a Vice Chairman of the Board from among its members. The Board of Directors may also choose one or more Vice Presidents, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers. Each such officer shall hold office until the first meeting of the Board of Directors after the annual meeting of stockholders next succeeding his election, and until his successor is elected and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the corporation. The Board of Directors may remove any officer with or without cause at any time, but such removal shall be without prejudice to the contractual rights of such officer, if any, with the corporation. Any number of offices may be held by the same person. Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

Section 4.2. Powers and Duties of Executive Officers. The officers of the corporation shall have such powers and duties in the management of the corporation as may be prescribed in a resolution by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors. The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his duties.

ARTICLE V

Stock

Section 5.1. Certificates. Every holder of stock shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the corporation certifying the number of shares owned by him in the corporation. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 5.2. Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

## ARTICLE VI

### Indemnification

Section 6.1. Right to Indemnification. The corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "Indemnitee") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the corporation or, while a director or officer of the corporation, is or was serving at the written request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnitee. Notwithstanding the preceding sentence, except as otherwise provided in Section 6.3, the corporation shall be required to indemnify an Indemnitee in connection with a proceeding (or part thereof) commenced by such Indemnitee only if the commencement of such proceeding (or part thereof) by the Indemnitee was authorized by the Board of Directors.

Section 6.2. Prepayment of Expenses. The corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnitee in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Indemnitee to repay all amounts advanced if it should be ultimately determined that the Indemnitee is not entitled to be indemnified under this Article VI or otherwise.

Section 6.3. Claims. If a claim for indemnification or advancement of expenses under this Article VI is not paid in full within sixty (60) days after a written claim therefor by the Indemnitee has been received by the corporation, the Indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the corporation shall have the burden of proving that the Indemnitee is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 6.4. Nonexclusivity of Rights. The rights conferred on any Indemnitee by this Article VI shall not be exclusive of any other rights which such Indemnitee may have or hereafter acquire under any statute, provision of the certificate of incorporation, these by-laws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.5. Other Sources. The corporation's obligation, if any, to indemnify or to advance expenses to any Indemnitee who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Indemnitee may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

Section 6.6. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article VI shall not adversely affect any right or protection hereunder of any Indemnitee in respect of any act or omission occurring prior to the time of such repeal or modification.

Section 6.7. Other Indemnification and Prepayment of Expenses. This Article VI shall not limit the right of the corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Indemnitees when and as authorized by appropriate corporate action.

ARTICLE VII

Miscellaneous

Section 7.1. Fiscal Year. The fiscal year of the corporation shall be determined by resolution of the Board of Directors.

Section 7.2. Seal. The corporate seal shall have the name of the corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 7.3. Manner of Notice. Except as otherwise provided herein, notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the corporation. Notice to directors may be given by telegram, telecopier, telephone or other means of electronic transmission.

Section 7.4. Waiver of Notice of Meetings of Stockholders, Directors and Committees. Any written waiver of notice, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 7.5. Interested Directors; Quorum. No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if: (1) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders. Common or interested directors may

be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 7.6. Form of Records. Any records maintained by the corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs, or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time.

Section 7.7. Amendment of By-Laws. These by-laws may be altered, amended or repealed, and new by-laws made, by the Board of Directors, but the stockholders may make additional by-laws and may alter and repeal any by-laws whether adopted by them or otherwise.

Section 7.8 Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the corporation may be signed by:

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the corporation without any further authorization or formality. The Board of Directors shall have power from time to time to appoint any person or persons, on behalf of the corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any person or persons appointed as aforesaid by the Board of Directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

- (a) any two officers;

(b) any two directors; or

(c) any one officer together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the corporation and to sign and execute (under the seal of the corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of any officer or officers, or any director or directors of the corporation and/or of any other person or persons, appointed as aforesaid by the Board of Directors may, if specifically authorized by the Board of Directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation executed or issued by or on behalf of the corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization, by the Board of Directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation.

CERTIFICATE OF INCORPORATION  
OF  
IMAX THEATRE HOLDING (NYACK II) CO.

I, the undersigned, for the purposes of incorporating and organizing a corporation under the General Corporation Law of the State of Delaware, do execute this Certificate of Incorporation and do hereby certify as follows:

FIRST. The name of the corporation is Imax Theatre Holding (Nyack II) Co.

SECOND. The address of the corporation's registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH. The total number of shares of stock which the corporation shall have authority to issue is 100. All such shares are to be Common Stock, par value of \$.01 per share, and are to be of one class.

FIFTH. The incorporator of the corporation is Siobhan Cameron, whose mailing address is c/o Richards, Layton & Finger, One Rodney Square, P.O. Box 551, Wilmington, Delaware 19899.

SIXTH. Unless and except to the extent that the by-laws of the corporation shall so require, the election of directors of the corporation need not be by written ballot.

SEVENTH. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors of the corporation is expressly authorized to make, alter and repeal the by-laws of the corporation, subject to the power of the stockholders of the corporation to alter or repeal any by-law whether adopted by them or otherwise.

EIGHTH. A director of the corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.



NINTH. The corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this article.

TENTH. The powers of the incorporator are to terminate upon the filing of this Certificate of Incorporation with the Secretary of State of the State of Delaware. The name and mailing address of the person who is to serve as the sole initial director of the corporation until the first annual meeting of stockholders of the corporation, or until his successor is duly elected and qualified, is:

Richard L. Gelfond  
784 Park Avenue  
Apt. 7B  
New York, NY 10021

The undersigned incorporator hereby acknowledges that the foregoing certificate of incorporation is her act and deed on this the 25th day of July, 1997.

/s/ Siobhan Cameron  
-----  
Siobhan Cameron  
Incorporator

BY-LAWS

OF

IMAX THEATRE HOLDING (NYACK II) CO.

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ARTICLE I

Meetings of Stockholders

Section 1.1. Annual Meetings. An annual meeting of stockholders shall be held for the election of directors at such date, time and place, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting.

Section 1.2. Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by the Board of Directors, but such special meetings may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 1.3. Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given that shall state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the certificate of incorporation or these by-laws, the written notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation.

Section 1.4. Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 1.5. Quorum. Except as otherwise provided by law, the certificate of incorporation or these by-laws, at each meeting of stockholders the presence in person or by proxy of the holders of a majority in voting power of the outstanding shares of stock

entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. In the absence of a quorum, the stockholders so present may, by a majority in voting power thereof, adjourn the meeting from time to time in the manner provided in Section 1.4 of these by-laws until a quorum shall attend. Shares of its own stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the corporation or any subsidiary of the corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 1.6. Organization. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in his absence by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 1.7. Voting; Proxies. Except as otherwise provided by or pursuant to the provisions of the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary of the corporation. Voting at meetings of stockholders need not be by written ballot. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect. All other elections and questions shall, unless otherwise provided by the certificate of incorporation, these by-laws, the rules or regulations of any stock exchange applicable to the corporation, as otherwise provided by law or pursuant to any regulation applicable to the corporation, be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock of the corporation which are present in person or by proxy and entitled to vote thereon.

Section 1.8. Fixing Date for Determination of Stockholders of Record. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other

distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (1) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting; (2) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten (10) days from the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (3) in the case of any other action, shall not be more than sixty (60) days prior to such other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action of the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation in accordance with applicable law, or, if prior action by the Board of Directors is required by law, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action; and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 1.9. List of Stockholders Entitled to Vote. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. Upon the willful neglect or refusal of the directors to produce such a list at any meeting for the election of directors, they shall be ineligible for election to any office at such meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 1.10. Action By Written Consent of Stockholders. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which minutes of proceedings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall, to the extent required by law, be given to those stockholders who have not consented in writing.

Section 1.11. Inspectors of Election. The corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

Section 1.12. Conduct of Meetings. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and

procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

## ARTICLE II

### Board of Directors

Section 2.1. Number; Qualifications. The Board of Directors shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

Section 2.2. Election; Resignation; Vacancies. The Board of Directors shall initially consist of the persons named as directors in the certificate of incorporation or elected by the incorporator of the corporation, and each director so elected shall hold office until the first annual meeting of stockholders or until his successor is duly elected and qualified. At the first annual meeting of stockholders and at each annual meeting thereafter, the stockholders shall elect directors each of whom shall hold office for a term of one year or until his successor is duly elected and qualified, subject to such director's earlier death, resignation, disqualification or removal. Any director may resign at any time upon written notice to the corporation. Unless otherwise provided by law or the certificate of incorporation, any newly created directorship or any vacancy occurring in the Board of Directors for any cause may be filled by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum, or by a plurality of the votes cast at a meeting of stockholders, and each director so elected shall hold office until the expiration of the term of office of the director whom he has replaced or until his successor is elected and qualified.

Section 2.3. Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine.

Section 2.4. Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the President, any Vice President, the Secretary, or by any member of the Board of Directors. Notice of a special meeting of the Board of Directors shall be given by the person or persons calling the meeting at least twenty-four hours before the special meeting.

Section 2.5. Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 2.6. Quorum; Vote Required for Action. At all meetings of the Board of Directors a majority of the whole Board of Directors shall constitute a quorum for the transaction of business. Except in cases in which the certificate of incorporation, these

by-laws or applicable law otherwise provides, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.7. Organization. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in their absence by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8. Action by Written Consent of Directors. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or such committee.



## ARTICLE III

### Committees

Section 3.1. Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it.

Section 3.2. Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these by-laws.

## ARTICLE IV

### Officers

Section 4.1. Executive Officers; Election; Qualifications; Term of Office; Resignation; Removal; Vacancies. The Board of Directors shall elect a President and Secretary, and it may, if it so determines, choose a Chairman of the Board and a Vice Chairman of the Board from among its members. The Board of Directors may also choose one or more Vice Presidents, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers. Each such officer shall hold office until the first meeting of the Board of Directors after the annual meeting of stockholders next succeeding his election, and until his successor is elected and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the corporation. The Board of Directors may remove any officer with or without cause at any time, but such removal shall be without prejudice to the contractual rights of such officer, if any, with the corporation. Any number of offices may be held by the same person. Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

Section 4.2. Powers and Duties of Executive Officers. The officers of the corporation shall have such powers and duties in the management of the corporation as may be prescribed in a resolution by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors. The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his duties.

ARTICLE V

Stock

Section 5.1. Certificates. Every holder of stock shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the corporation certifying the number of shares owned by him in the corporation. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 5.2. Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

## ARTICLE VI

### Indemnification

Section 6.1. Right to Indemnification. The corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "Indemnitee") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the corporation or, while a director or officer of the corporation, is or was serving at the written request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnitee. Notwithstanding the preceding sentence, except as otherwise provided in Section 6.3, the corporation shall be required to indemnify an Indemnitee in connection with a proceeding (or part thereof) commenced by such Indemnitee only if the commencement of such proceeding (or part thereof) by the Indemnitee was authorized by the Board of Directors.

Section 6.2. Prepayment of Expenses. The corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnitee in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Indemnitee to repay all amounts advanced if it should be ultimately determined that the Indemnitee is not entitled to be indemnified under this Article VI or otherwise.

Section 6.3. Claims. If a claim for indemnification or advancement of expenses under this Article VI is not paid in full within sixty (60) days after a written claim therefor by the Indemnitee has been received by the corporation, the Indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the corporation shall have the burden of proving that the Indemnitee is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 6.4. Nonexclusivity of Rights. The rights conferred on any Indemnitee by this Article VI shall not be exclusive of any other rights which such Indemnitee may have or hereafter acquire under any statute, provision of the certificate of incorporation, these by-laws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.5. Other Sources. The corporation's obligation, if any, to indemnify or to advance expenses to any Indemnitee who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Indemnitee may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

Section 6.6. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article VI shall not adversely affect any right or protection hereunder of any Indemnitee in respect of any act or omission occurring prior to the time of such repeal or modification.

Section 6.7. Other Indemnification and Prepayment of Expenses. This Article VI shall not limit the right of the corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Indemnitees when and as authorized by appropriate corporate action.

## ARTICLE VII

### Miscellaneous

Section 7.1. Fiscal Year. The fiscal year of the corporation shall be determined by resolution of the Board of Directors.

Section 7.2. Seal. The corporate seal shall have the name of the corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 7.3. Manner of Notice. Except as otherwise provided herein, notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the corporation. Notice to directors may be given by telegram, telecopier, telephone or other means of electronic transmission.

Section 7.4. Waiver of Notice of Meetings of Stockholders, Directors and Committees. Any written waiver of notice, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 7.5. Interested Directors; Quorum. No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if: (1) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders. Common or interested directors may

be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 7.6. Form of Records. Any records maintained by the corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs, or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time.

Section 7.7. Amendment of By-Laws. These by-laws may be altered, amended or repealed, and new by-laws made, by the Board of Directors, but the stockholders may make additional by-laws and may alter and repeal any by-laws whether adopted by them or otherwise.

Section 7.8 Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the corporation may be signed by:

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the corporation without any further authorization or formality. The Board of Directors shall have power from time to time to appoint any person or persons, on behalf of the corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any person or persons appointed as aforesaid by the Board of Directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

- (a) any two officers;

(b) any two directors; or

(c) any one officer together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the corporation and to sign and execute (under the seal of the corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of any officer or officers, or any director or directors of the corporation and/or of any other person or persons, appointed as aforesaid by the Board of Directors may, if specifically authorized by the Board of Directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation executed or issued by or on behalf of the corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization, by the Board of Directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation.



CERTIFICATE OF INCORPORATION  
OF  
IMAX THEATRE HOLDING CO.

I, the undersigned, for the purposes of incorporating and organizing a corporation under the General Corporation Law of the State of Delaware, do execute this Certificate of Incorporation and do hereby certify as follows:

FIRST. The name of the corporation is Imax Theatre Holding Co.

SECOND. The address of the corporation's registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH. The total number of shares of stock which the corporation shall have authority to issue is 100. All such shares are to be Common Stock, par value of \$.01 per share, and are to be of one class.

FIFTH. The incorporator of the corporation is David S. Conway, whose mailing address is c/o Richards, Layton & Finger, One Rodney Square, P.O. Box 551, Wilmington, Delaware 19899.

SIXTH. Unless and except to the extent that the by-laws of the corporation shall so require, the election of directors of the corporation need not be by written ballot.

SEVENTH. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors of the corporation is expressly authorized to make, alter and repeal the by-laws of the corporation, subject to the power of the stockholders of the corporation to alter or repeal any by-law whether adopted by them or otherwise.

EIGHTH. A director of the corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

NINTH. The corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons

whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this article.

TENTH. The powers of the incorporator are to terminate upon the filing of this Certificate of Incorporation with the Secretary of State of the State of Delaware. The name and mailing address of the person who is to serve as the sole initial director of the corporation until the first annual meeting of stockholders of the corporation, or until his successor is duly elected and qualified, is:

Richard L. Gelfond  
784 Park Avenue  
Apt. 7B  
New York, NY 10021

The undersigned incorporator hereby acknowledges that the foregoing certificate of incorporation is his act and deed on this the 18th day of April, 1997.

/s/ David S. Conway  
-----  
David S. Conway  
Incorporator

BY-LAWS

OF

IMAX THEATRE HOLDING CO.

ARTICLE I

Meetings of Stockholders

Section 1.1. Annual Meetings. An annual meeting of stockholders shall be held for the election of directors at such date, time and place, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting.

Section 1.2. Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by the Board of Directors, but such special meetings may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 1.3. Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given that shall state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the certificate of incorporation or these by-laws, the written notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation.

Section 1.4. Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 1.5. Quorum. Except as otherwise provided by law, the certificate of incorporation or these by-laws, at each meeting of stockholders the presence in person or by proxy of the holders of a majority in voting power of the outstanding shares of stock entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. In the absence of a quorum, the stockholders so present may, by a majority in voting power thereof, adjourn the

meeting from time to time in the manner provided in Section 1.4 of these by-laws until a quorum shall attend. Shares of its own stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the corporation or any subsidiary of the corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 1.6. Organization. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in his absence by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 1.7. Voting; Proxies. Except as otherwise provided by or pursuant to the provisions of the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing as instrument in writing revoking the proxy or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary of the corporation. Voting at meetings of stockholders need not be by written ballot. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect. All other elections and questions shall, unless otherwise provided by the certificate of incorporation, these by-laws, the rules or regulations of any stock exchange applicable to the corporation, as otherwise provided by law or pursuant to any regulation applicable to the corporation, be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock of the corporation which are present in person or by proxy and entitled to vote thereon.

Section 1.8. Fixing Date for Determination of Stockholders of Record. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (1) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting; (2) in the case of determination of stockholders entitled to

express consent to corporate action in writing without a meeting, shall not be more than ten (10) days from the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (3) in the case of any other action, shall not be more than sixty (60) days prior to such other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action of the Board of Directors is required by law, shall be the fast date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation in accordance with applicable law, or, if prior action by the Board of Directors is required by law, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action; and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 1.9. List of Stockholders entitled to Vote. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. Upon the willful neglect or refusal of the directors to produce such a list at any meeting for the election of directors, they shall be ineligible for election to any office at such meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 1.10. Action By Written Consent of Stockholders. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which minutes of proceedings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Prompt notice of the taking of

the corporate action without a meeting by less than unanimous written consent shall, to the extent required by law, be given to those stockholders who have not consented in writing.

Section 1.11. Inspectors of Election. The corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

Section 1.12. Conduct of Meetings. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

## ARTICLE II

### Board of Directors

Section 2.1. Number; Qualifications. The Board of Directors shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

Section 2.2. Election; Resignation; Vacancies. The Board of Directors shall initially consist of the persons named as directors in the certificate of incorporation or elected by the incorporator of the corporation, and each director so elected shall hold office until the first annual meeting of stockholders or until his successor is duly elected and qualified. At the first annual meeting of stockholders and at each annual meeting thereafter, the stockholders shall elect directors each of whom shall hold office for a term of one year or until his successor is duly elected and qualified, subject to such director's earlier death, resignation, disqualification or removal. Any director may resign at any time upon written notice to the corporation. Unless otherwise provided by law or the certificate of incorporation, any newly created directorship or any vacancy occurring in the Board of Directors for any cause may be filled by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum, or by a plurality of the votes cast at a meeting of stockholders, and each director so elected shall hold office until the expiration of the term of office of the director whom he has replaced or until his successor is elected and qualified.

Section 2.3. Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine.

Section 2.4. Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the President, any Vice President, the Secretary, or by any member of the Board of Directors. Notice of a special meeting of the Board of Directors shall be given by the person or persons calling the meeting at least twenty-four hours before the special meeting.

Section 2.5. Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 2.6. Quorum; Vote Required for Action. At all meetings of the Board of Directors a majority of the whole Board of Directors shall constitute a quorum for the transaction of business. Except in cases in which the certificate of incorporation, these by-laws or applicable law otherwise provides, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.7. Organization. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in their absence by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8. Action by Written Consent of Directors. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or such committee.



ARTICLE III

Committees

Section 3.1. Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it.

Section 3.2. Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these by-laws.

## ARTICLE IV

### Officers

Section 4.1. Executive Officers; Election; Qualifications; Term of Office; Resignation; Removal; Vacancies. The Board of Directors shall elect a President and Secretary, and it may, if it so determines, choose a Chairman of the Board and a Vice Chairman of the Board from among its members. The Board of Directors may also choose one or more Vice Presidents, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers. Each such officer shall hold office until the first meeting of the Board of Directors after the annual meeting of stockholders next succeeding his election, and until his successor is elected and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the corporation. The Board of Directors may remove any officer with or without cause at any time, but such removal shall be without prejudice to the contractual rights of such officer, if any, with the corporation. Any number of offices may be held by the same person. Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

Section 4.2. Powers and Duties of Executive Officers. The officers of the corporation shall have such powers and duties in the management of the corporation as may be prescribed in a resolution by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors. The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his duties.

ARTICLE V

Stock

Section 5.1. Certificates. Every holder of stock shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the corporation certifying the number of shares owned by him in the corporation. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 5.2. Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

## ARTICLE VI

### Indemnification

Section 6.1. Right to Indemnification. The corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "Indemnitee") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the corporation or, while a director or officer of the corporation, is or was serving at the written request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnitee. Notwithstanding the preceding sentence, except as otherwise provided in Section 6.3, the corporation shall be required to indemnify an Indemnitee in connection with a proceeding (or part thereof) commenced by such Indemnitee only if the commencement of such proceeding (or part thereof) by the Indemnitee was authorized by the Board of Directors.

Section 6.2. Payment of Expenses. The corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnitee in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Indemnitee to repay all amounts advanced if it should be ultimately determined that the Indemnitee is not entitled to be indemnified under this Article VI or otherwise.

Section 6.3. Claims. If a claim for indemnification or advancement of expenses under this Article VI is not paid in full within sixty (60) days after a written claim therefor by the Indemnitee has been received by the corporation, the Indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the corporation shall have the burden of proving that the Indemnitee is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 6.4. Nonexclusivity of Rights. The rights conferred on any Indemnitee by this Article VI shall not be exclusive of any other rights which such Indemnitee may have or hereafter acquire under any statute, provision of the certificate of incorporation, these by-laws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.5. Other Sources. The corporation's obligation, if any, to indemnify or to advance expenses to any Indemnitee who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, tout, enterprise or nonprofit entity shall be reduced by any amount such Indemnitee may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

Section 6.6. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article VI shall not adversely affect any right or protection hereunder of any Indemnitee in respect of any act or omission occurring prior to the time of such repeal or modification.

Section 6.7. Other Indemnification and Prepayment of Expenses. This Article VI shall not limit the right of the corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Indemnitees when and as authorized by appropriate corporate action.

ARTICLE VII

Miscellaneous

Section 7.1. Fiscal Year. The fiscal year of the corporation shall be determined by resolution of the Board of Directors.

Section 7.2. Seal. The corporate seal shall have the name of the corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 7.3. Manner of Notice. Except as otherwise provided herein, notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the corporation. Notice to directors may be given by telegram, telecopier, telephone or other means of electronic transmission.

Section 7.4. Waiver of Notice of Meetings of Stockholders, Directors and Committees. Any written waiver of notice, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 7.5. Interested Directors; Quorum. No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or her votes are counted for such purpose, if: (1) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 7.6. Form of Records. Any records maintained by the corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs, or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time.

Section 7.7. Amendment of By-Laws. These by-laws may be altered, amended or repealed, and new by-laws made, by the Board of Directors, but the stockholders may make additional by-laws and may alter and repeal any by-laws whether adopted by them or otherwise.

Section 7.8. Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the corporation may be signed by:

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the corporation without any further authorization or formality. The Board of Directors shall have power from time to time to appoint any person or persons, on behalf of the corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any person or persons appointed as aforesaid by the Board of Directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing:

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the corporation and to sign and execute (under the seal of the corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be

necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of any officer or officers, or any director or directors of the corporation and/or of any other person or persons, appointed as aforesaid by the Board of Directors may, if specifically authorized by the Board of Directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation executed or issued by or on behalf of the corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization, by the Board of Directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation.



CERTIFICATE OF INCORPORATION  
OF  
IMAX THEATRE HOLDINGS (OEI), INC.

I, the undersigned, for the purposes of incorporating and organizing a corporation under the General Corporation Law of the State of Delaware, do execute this Certificate of Incorporation and do hereby certify as follows:

FIRST. The name of the corporation is Imax Theatre Holdings (OEI), Inc.

SECOND. The address of the corporation's registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH. The total number of shares of stock which the corporation shall have authority to issue is 100. All such shares are to be Common Stock, par value of \$.01 per share, and are to be of one class.

FIFTH. The incorporator of the corporation is David S. Conway, whose mailing address is c/o Richards, Layton & Finger, One Rodney Square, P.O. Box 551, Wilmington, Delaware, 19899.

SIXTH. Unless and except to the extent that the by-laws of the corporation shall so require, the election of directors of the corporation need not be by written ballot.

SEVENTH. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors of the corporation is expressly authorized to make, alter and repeal the by-laws of the corporation, subject to the power of the stockholders of the corporation to alter or repeal any by-law whether adopted by them or otherwise.

EIGHTH. A director of the corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

NINTH. The corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons

whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this article.

TENTH. The powers of the incorporator are to terminate upon the filing of this Certificate of Incorporation with the Secretary of State of the State of Delaware. The name and mailing address of the person who is to serve as the sole initial director of the corporation until the first annual meeting of stockholders of the corporation, or until his successor is duly elected and qualified, is:

Richard L. Gelfond  
784 Park Avenue  
Apt. 7B  
New York, NY 10021

The undersigned incorporator hereby acknowledges that the foregoing certificate of incorporation is his act and deed on this the 18th day of April, 1997.

/s/ David S. Conway

-----  
David S. Conway  
Incorporator

BY-LAWS  
OF  
IMAX THEATRE HOLDINGS (OEI), INC.

ARTICLE I

Meetings of Stockholders

Section 1.1. Annual Meetings. An annual meeting of stockholders shall be held for the election of directors at such date, time and place, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting.

Section 1.2. Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by the Board of Directors, but such special meetings may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 1.3. Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given that shall state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the certificate of incorporation or these by-laws, the written notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation.

Section 1.4. Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 1.5. Quorum. Except as otherwise provided by law, the certificate of incorporation or these by-laws, at each meeting of stockholders the presence in person or by proxy of the holders of a majority in voting power of the outstanding shares of stock entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. In the absence of a quorum, the stockholders so present may, by a majority in voting power thereof, adjourn the meeting from time to time in the manner provided in Section 1.4 of these by-laws until a quorum shall attend. Shares of its own stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of

directors of such other corporation is held, directly or indirectly, by the corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the corporation or any subsidiary of the corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 1.6. Organization. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in his absence by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 1.7. Voting; Proxies. Except as otherwise provided by or pursuant to the provisions of the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary of the corporation. Voting at meetings of stockholders need not be by written ballot. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect. All other elections and questions shall, unless otherwise provided by the certificate of incorporation, these by-laws, the rules or regulations of any stock exchange applicable to the corporation, as otherwise provided by law or pursuant to any regulation applicable to the corporation, be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock of the corporation which are present in person or by proxy and entitled to vote thereon.

Section 1.8. Fixing Date for Determination of Stockholders of Record. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (1) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting; (2) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten (10) days from the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (3) in the case of any other action, shall not be more than sixty (60) days prior to such other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day

next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action of the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation in accordance with applicable law, or, if prior action by the Board of Directors is required by law, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action; and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 1.9. List of Stockholders Entitled to Vote. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. Upon the willful neglect or refusal of the directors to produce such a list at any meeting for the election of directors, they shall be ineligible for election to any office at such meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 1.10. Action By Written Consent of Stockholders. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which minutes of proceedings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall, to the extent required by law, be given to those stockholders who have not consented in writing.

Section 1.11. Inspectors of Election. The corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute

faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

Section 1.12. Conduct of Meetings. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof, and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

## ARTICLE II

### Board of Directors

Section 2.1. Number; Qualifications. The Board of Directors shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

Section 2.2. Election; Resignation; Vacancies. The Board of Directors shall initially consist of the persons named as directors in the certificate of incorporation or elected by the incorporator of the corporation, and each director so elected shall hold office until the first annual meeting of stockholders or until his successor is duly elected and qualified. At the first annual meeting of stockholders and at each annual meeting thereafter, the stockholders shall elect directors each of whom shall hold office for a term of one year or until his successor is duly elected and qualified, subject to such director's earlier death, resignation, disqualification or removal. Any director may resign at any time upon written notice to the corporation. Unless otherwise provided by law or the certificate of incorporation, any newly created directorship or any vacancy occurring in the Board of Directors for any cause may be filled by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum, or by a plurality of the votes cast at a meeting of stockholders, and each director so elected shall hold office until the expiration of the term of office of the director whom he has replaced or until his successor is elected and qualified.

Section 2.3. Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine.

Section 2.4. Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the President, any Vice President, the Secretary, or by any member of the Board of Directors. Notice of a special meeting of the Board of Directors shall be given by the person or persons calling the meeting at least twenty-four hours before the special meeting.

Section 2.5. Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 2.6. Quorum; Vote Required for Action. At all meetings of the Board of Directors a majority of the whole Board of Directors shall constitute a quorum for the transaction of business. Except in cases in which the certificate of incorporation, these by-laws or applicable law otherwise provides, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.7. Organization. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in their absence by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8. Action by Written Consent of Directors. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or such committee.



ARTICLE III

Committees

Section 3.1. Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it.

Section 3.2. Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these by-laws.

## ARTICLE IV

### Officers

Section 4.1. Executive Officers; Election; Qualifications; Term of Office; Resignation; Removal; Vacancies. The Board of Directors shall elect a President and Secretary, and it may, if it so determines, choose a Chairman of the Board and a Vice Chairman of the Board from among its members. The Board of Directors may also choose one or more Vice Presidents, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers. Each such officer shall hold office until the first meeting of the Board of Directors after the annual meeting of stockholders next succeeding his election, and until his successor is elected and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the corporation. The Board of Directors may remove any officer with or without cause at any time, but such removal shall be without prejudice to the contractual rights of such officer, if any, with the corporation. Any number of offices may be held by the same person. Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

Section 4.2. Powers and Duties of Executive Officers. The officers of the corporation shall have such powers and duties in the management of the corporation as may be prescribed in a resolution by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors. The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his duties.

ARTICLE V

Stocks

Section 5.1. Certificates. Every holder of stock shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the corporation certifying the number of shares owned by him in the corporation. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 5.2. Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

## ARTICLE VI

### Indemnification

Section 6.1. Right to Indemnification. The corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "Indemnitee") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the corporation or, while a director or officer of the corporation, is or was serving at the written request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnitee. Notwithstanding the preceding sentence, except as otherwise provided in Section 6.3, the corporation shall be required to indemnify an Indemnitee in connection with a proceeding (or part thereof) commenced by such Indemnitee only if the commencement of such proceeding (or part thereof) by the Indemnitee was authorized by the Board of Directors.

Section 6.2. Prepayment of Expenses. The corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnitee in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Indemnitee to repay all amounts advanced if it should be ultimately determined that the Indemnitee is not entitled to be indemnified under this Article VI or otherwise.

Section 6.3. Claims. If a claim for indemnification or advancement of expenses under this Article VI is not paid in full within sixty (60) days after a written claim therefor by the Indemnitee has been received by the corporation, the Indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the corporation shall have the burden of proving that the Indemnitee is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 6.4. Nonexclusivity of Rights. The rights conferred on any Indemnitee by this Article VI shall not be exclusive of any other rights which such Indemnitee may have or hereafter acquire under any statute, provision of the certificate of incorporation, these by-laws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.5. Other Sources. The corporation's obligation, if any, to indemnify or to advance expenses to any Indemnitee who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Indemnitee may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

Section 6.6. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article VI shall not adversely affect any right or protection hereunder of any Indemnitee in respect of any act or omission occurring prior to the time of such repeal or modification.

Section 6.7. Other Indemnification and Prepayment Expense. This Article VI shall not limit the right of the corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Indemnitees when and as authorized by appropriate corporate action.

ARTICLE VII

Miscellaneous

Section 7.1. Fiscal Year. The fiscal year of the corporation shall be determined by resolution of the Board of Directors.

Section 7.2. Seal. The corporate seal shall have the name of the corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 7.3. Manner of Notice. Except as otherwise provided herein, notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the corporation. Notice to directors may be given by telegram, telecopier, telephone or other means of electronic transmission.

Section 7.4. Waiver of Notice of Meetings of Stockholders, Directors and Committees. Any written waiver of notice, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 7.5. Interested Directors; Quorum. No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if: (1) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 7.6. Form of Records. Any records maintained by the corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs, or any other information storage

device, provided that the records so kept can be converted into clearly legible form within a reasonable time.

Section 7.7. Amendment of By-Laws. These by-laws may be altered, amended or repealed, and new by-laws made, by the Board of Directors, but the stockholders may make additional by-laws and may alter and repeal any by-laws whether adopted by them or otherwise.

Section 7.8. Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the corporation may be signed by:

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the corporation without any further authorization or formality. The Board of Directors shall have power from time to time to appoint any person or persons, on behalf of the corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any person or persons appointed as aforesaid by the Board of Directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the corporation and to sign and execute (under the seal of the corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of any officer or officers, or any director or directors of the corporation and/or of any other person or persons, appointed as aforesaid by the Board of Directors may, if specifically authorized by the Board of Directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation executed or issued by or on behalf of the corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization, by the Board of Directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation.



ARTICLES OF INCORPORATION

OF

IMAX THEATRE MANAGEMENT (SCOTTSDALE), INC.

We, the undersigned, having associated ourselves together for the purpose of forming a corporation under the laws of the State of Arizona, hereby adopt the following Articles of Incorporation:

ARTICLE I: The name of the corporation shall be IMAX THEATRE MANAGEMENT (SCOTTSDALE), INC.

ARTICLE II: This corporation is hereby being organized for the purpose of conducting any and all lawful businesses.

ARTICLE III: The character of the business which the corporation initially intends actually to conduct in this State shall be for the purpose of theatre management.

ARTICLE IV: The amount of the authorized common stock of the corporation shall be one million (1,000,000) shares of no par value common stock.

ARTICLE V: The corporation does hereby appoint Gary J. Jaburg whose address is 7600 North 15th Street, Suite 100, Phoenix, Arizona 85020, who has been a bona fide resident of Arizona for at least three (3) years, its lawful agent in and for the State of Arizona, for and on behalf of said corporation to accept and acknowledge service of and upon whom may be served process in any action or proceeding that may be brought against this corporation in any of the courts of the State of Arizona, such service of process, or the acceptance thereof by said agent endorsed thereon, to have the same force and effect as if served upon an officer of the corporation.

ARTICLE VI: The duration of this corporation shall be perpetual.

ARTICLE VII: The business and affairs of the corporation shall be conducted by a Board of Directors in the number set forth in the By-Laws of the corporation. The number of Directors constituting the initial Board of Directors is one. The name and address of the person who is to serve as Director until the first annual meeting of shareholders or until his successor shall be elected and qualified is:

Fred T. Klinkhammer  
38 Isabella Street  
Toronto, Ontario, Canada  
M4Y 1N1

ARTICLE VIII: The name and address of each incorporator are:

David G. Sciuk  
38 Isabella Street  
Toronto, Ontario, Canada  
M4Y 1N1

G. Mary Ruby  
38 Isabella Street  
Toronto, Ontario, Canada  
M4Y 1N1

ARTICLE IX: Exemption and Indemnification. The incorporators, directors, officers, agents and shareholders of the Corporation and their property shall be forever exempt from corporate debt and liabilities; and the Corporation agrees to indemnify and hold harmless its officers and directors from all claims arising out of or in connection with their actions, in good faith, for said Corporation, to the extent allowed by law or the Bylaws.

ARTICLE X: The officers of the corporation shall consist of the following persons:

President	-	Fred T. Klinkhammer
Vice President	-	Brian J. Anderson
Secretary	-	G. Mary Ruby
Treasurer	-	Brian J. Anderson

ARTICLE XI: The fiscal year of the corporation shall be January 1 to December 31.

IN WITNESS WHEREOF, we the undersigned, have hereunto set our hands this 2nd day of April, 1991.

/s/ David G. Sciuk  
-----  
David G. Sciuk

/s/ G. Mary Ruby  
-----  
G. Mary Ruby

STATE OF ARIZONA            )  
                                  ) ss.  
County of Maricopa         )

The foregoing instrument was acknowledged before me this 2nd day of April, 1991, by David Sciuk.

/s/ Susan M. Shaw  
-----  
Notary Public

My Commission Expires:  
  
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IMAX THEATRE MANAGEMENT (SCOTTSDALE), INC.

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BYLAWS

OF

IMAX THEATRE MANAGEMENT (SCOTTSDALE), INC.

ARTICLE I

Offices

Section 1.01. Principal Office. The principal office of the Corporation in the State of Arizona shall be located at 7600 North 15th Street, Suite 100, Phoenix, Arizona 85020, unless otherwise established by a vote of a majority of the board of directors in office.

Section 1.02. Other Offices. The Corporation also may have offices at other places within or without the State of Arizona.

ARTICLE II

Meetings of Shareholders

Section 2.01. Annual Meeting. The board of directors may determine the place, date and time of the annual meetings of the shareholders, but if no such place, date and time is fixed, the meeting for any calendar year shall be held at the principal office of the Corporation at two o'clock p.m. on the fourth day in March of each year. If that day is a legal holiday, the meeting shall be held on the next succeeding day which is not a legal holiday. At that meeting the shareholders entitled to vote shall elect directors and transact such business as may properly be brought before the meeting.

Section 2.02. Special Meetings. Special meetings of the shareholders of the Corporation may be called at any time by the president, the board of directors, or the shareholders of not fewer than one-tenth of all of the shares entitled to vote at the meeting, unless otherwise prohibited by Section 10-1203 of the Arizona Revised Statutes or any other section of the General Corporation Law of the State of Arizona, as either may be amended from time to time.

Section 2.03. Notice and Purpose of Meetings; Waiver.

a. Written notice stating the place, day and hour of meetings and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than fifty days before the date of the meeting, either personally or by mail, by an officer of the Corporation at the direction of the person or persons calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when mailed to the shareholder at the shareholder's address as it appears on the stock transfer books of the Corporation.

b. A shareholder may waive the notice of meeting by attendance at the meeting either in person or by proxy or by so stating in writing, either before or after such meeting. Attendance at a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened shall not constitute a waiver of notice.

Section 2.04. Quorum, Manner of Acting and Adjournment.

a. Unless otherwise provided by law or the articles of incorporation, fifty-one percent (51%) of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. All shares represented and entitled to vote on any single subject matter which may be brought before the meeting shall be counted for the purposes of a quorum. Business may be conducted once a quorum is present and may continue until adjournment of the meeting, notwithstanding the withdrawal or temporary absence of sufficient shares to reduce the number present to less than a quorum.

b. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the elections of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor counted for quorum purposes. Nothing in this subsection shall be construed as limiting the right of the Corporation to vote its own stock held by it in a fiduciary capacity.

c. Unless the vote of a greater number or voting by classes is required by statute, the articles of incorporation, or these bylaws, the affirmative vote of fifty-one percent (51%) of the shares then represented at the meeting and entitled to vote on the subject matter shall be the act of the shareholders; provided, however, that if the shares then represented are less than required to constitute a quorum, the affirmative vote must be such as would constitute fifty-one percent (51%) if a quorum were present.

d. The affirmative vote of fifty-one percent (51%) of the shares then present is sufficient in all cases to adjourn a meeting to another time and place. Notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

Section 2.05. Record Date.

a. In order that the Corporation may determine the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of shares or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than seventy days nor less than ten days before the date of the meeting, nor more than seventy days nor less than ten days prior to any such other action.

b. A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting and further provided that the adjournment or adjournments do not exceed thirty days in the aggregate.

Section 2.06. Presiding Officer; Order of Business. Meetings of the shareholders shall be presided over by the chairman of the board of directors, if there be one, or if the chairman is not present, by the vice chairman of the board of directors, if there be one, or if the vice chairman is not present, by the president, or if the president is not present, by a vice president in the order designated by the Board of Directors, or if the vice president is not present, by a chairman to be chosen by a majority of the shareholders entitled to vote at the meeting who are present in person or by proxy. The secretary of the Corporation, or, in the secretary's absence, an assistant secretary, shall act as secretary of every meeting, but if neither the secretary nor an assistant secretary is present, the presiding officer shall choose any person present to act as secretary of the meeting.

Section 2.07. Voting.

a. Except with respect to the election of directors, each shareholder of record (except the holder of shares which have been called for redemption and with respect to which an irrevocable deposit of funds sufficient to redeem such shares has been made) shall have the right, at every shareholders' meeting, to one (1) vote for every share, and to a corresponding fraction of a vote with respect to every fractional share, of stock of the Corporation standing in his name on the books of the Corporation, subject, however, to any provisions respecting voting rights as may be contained in the articles of incorporation or any amendments thereto.

b. Every shareholder entitled to vote at a meeting of shareholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him by proxy. Every proxy shall be executed in writing by the shareholder or by his duly authorized attorney-in-fact and shall be filed with the secretary or an assistant secretary of the Corporation before the taking of any vote on the issue as to which the proxy intends to act.

Section 2.08. Voting Lists.

a. A complete list of the shareholders of the corporation entitled to vote at each meeting of shareholders or any adjournment thereof, arranged in alphabetical order, with the address of and number of shares owned by, each such shareholder shall be prepared by the secretary, or other officer of the Corporation having charge of the share transfer books. This list shall be produced and kept open at the time and place of the meeting and shall be subject to inspection by any shareholder at any time during the meeting for the purposes thereof.

b. Failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting of the shareholders.

Section 2.09. Consent of Shareholders in Lieu of Meeting. Any action which may be taken at a meeting of the shareholders or a class of shareholders of the Corporation may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by



all the shareholders entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote of shareholders.

### ARTICLE III

#### Board of Directors

Section 3.01. Powers. The board of directors shall have full power to conduct, manage, and direct the business and affairs of the Corporation, except as specifically reserved or granted to the shareholders by statute, the articles of incorporation or these bylaws.

Section 3.02. Number and Term of Office. The board of directors shall consist of such number of directors, not fewer than one (1) nor more than five (5), as may be determined from time to time by resolution of the board of directors. Except as hereinafter provided, directors shall be elected at the annual meeting of the shareholders and each director shall serve until the next annual meeting of shareholders and until his successor shall be elected and qualified, or until his earlier resignation or removal.

#### Section 3.03. Qualification and Election.

a. All directors of the Corporation shall be natural persons of at least 18 years of age, and need not be residents of Arizona or shareholders in the Corporation. Except in the case of vacancies, directors shall be elected by the shareholders. Upon the demand of any shareholder at any meeting of shareholders for the election of directors, the chairman of the meeting shall call for and shall afford a reasonable opportunity for the making of nominations for the office of director. If the board of directors is classified with respect to the power of shareholders to elect directors or with respect to the terms of directors and if, due to a vacancy or vacancies or otherwise, directors of more than one class are to be elected, each class of directors to be elected at the meeting shall be nominated and elected separately. Any shareholder may nominate as many persons for the office of director as there are positions to be filled. If nominations for the office of director have been called for as herein provided, only candidates who have been nominated in accordance herewith shall be eligible for election.

b. At each election for directors every shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by the shareholder for as many persons as there are directors to be elected and for whose election the shareholder has a right to vote, or to cumulate the shareholder's votes by giving one candidate as many votes as the number of such directors multiplied by the number of the shareholder's shares shall equal, or by distributing such votes on the same principle among any number of such candidates. The candidates receiving the highest number of votes from each class or group of classes entitled to elect directors separately up to the number of directors to be elected in the same election by such class or group of classes shall be elected.

Section 3.04. Presiding Officer. Meetings of the board of directors shall be presided over by the chairman of the board, if there be one, or if the chairman is not present, by the vice chairman of the board, if there be one, or if the vice chairman is not present, by the

president, or if the president is not present, by a vice president, in the order designated by the board of directors, or if the vice president is not present, by a chairman to be chosen by a majority of the board of directors at the meeting. The secretary of the Corporation, or, in the secretary's absence, an assistant secretary, shall act as secretary of every meeting, but if neither the secretary nor an assistant secretary is present, the chairman shall choose any person present to act as secretary of the meeting.

Section 3.05. Resignations. Any director of the Corporation may resign at any time by giving written notice to the president or the secretary or assistant secretary of the Corporation. Such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.06. Vacancies.

a. Any vacancy occurring in the board of directors may be filled by the affirmative vote of a majority of the remaining directors though not less than a quorum, or by a sole remaining director at any regular or special meeting. The director so elected shall continue in office until the next election of directors when such director's successor is elected and qualified. Any newly created directorship shall be deemed a vacancy.

b. When one or more directors shall resign from the board, effective at a future time, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective. Each director so chosen shall hold office until the next election of directors when such director's successor is elected and qualified.

Section 3.07. Removal.

a. At a special meeting of shareholders called for the purpose of removing directors, any director or the entire board of directors may be removed, with or without cause, by a vote of the holders of a majority of the shares then entitled to vote at an election of directors except that if less than the entire board is to be removed, no one of the directors may be removed if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire board of directors or, if there be classes of directors, at an election of the class of directors of which he is a part.

b. Whenever the holders of the shares of any class are entitled to elect one or more directors by the provisions of the articles of incorporation, the provisions of section 3.07(a) of these bylaws shall apply, in respect to the removal of a director or directors so elected, to the vote of the holders of the outstanding shares of that class and not to the vote of the outstanding shares as a whole.

c. In case the board or such class of the board or any one or more directors is so removed, new directors may be elected at the same meeting. If the shareholders fail to elect persons to fill the unexpired term or terms of the director or directors removed, such unexpired terms shall be considered vacancies on the board to be filled by the remaining directors in accordance with section 3.06(a) of these bylaws.

Section 3.08. Place of Meeting.

a. The board of directors may hold its meetings at such place or places as the board of directors may from time to time appoint, or as may be designated in the notice calling the meeting.

b. Meetings may be held by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting.

Section 3.09. Organizational Meeting. Within 30 days after each annual election of directors or other meeting at which the entire board of directors is elected, the newly elected board of directors shall meet for the purpose of organization, for the election of such officers as they wish to consider at the time, and for the transaction of any other business. Notice of organizational meetings need not be given. Such organizational meeting may be held at any other time which shall be specified in a notice given as hereinafter provided for special meetings of the board of directors.

Section 3.10. Regular Meetings. Regular meetings of the board of directors shall be held at such time and place as shall be designated from time to time by resolution of the board of directors. If the date fixed for any regular meeting is a legal holiday under the laws of the place where such meeting is to be held, then the meeting shall be held on the next succeeding business day, not a Saturday, or at such other time as may be determined by resolution of the board of directors. At regular meetings, the directors shall transact such business as may properly be brought before the meeting. Notice of regular meetings need not be given.

Section 3.11. Special Meetings. Special meetings of the board of directors shall be held whenever called by the chairman of the board, the president or one or more of the directors. Notice of each such meeting shall be given to each director by telephone or in writing at least 24 hours (in the case of notice by telephone) or 48 hours (in the case of notice by telegram) or three days (in the case of notice by mail) before the time at which the meeting is to be held. Every such notice shall state the time and place of the meeting, but need not state the purpose of, or the business to be transacted at, such meeting.

Section 3.12. Quorum, Manner of Acting, and Adjournment. Fifty-one percent (51%) of the directors then serving shall constitute a quorum for the transaction of business. Except as otherwise specified in the articles of incorporation or these bylaws or provided by statute, the acts of fifty-one percent (51%) of the directors present at a meeting at which a quorum is present shall be the acts of the board of directors. The directors shall act only as a board and the individual directors shall have no power as such; provided, however, that any action which may be taken at a meeting of the board or of a committee may be taken without a meeting if all directors or committee members, as the case may be, consent thereto in writing. Such consent shall have the same effect as a unanimous vote.

Section 3.13. Executive and Other Committees.

a. The board of directors, by resolution adopted by a majority of the full board, may designate from among its members an Executive Committee and one or more other committees, each committee to consist of two or more directors. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member, and the alternate or alternates, if any, designated for such member, of any committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another director to act at the meeting in the place of any such absent or disqualified member.

b. Except as otherwise provided in this section, the Executive Committee shall have and exercise all of the authority of the board in the management of the business and affairs of the Corporation and any other committee shall have and exercise the authority of the board to the extent provided in the resolution designating the committee. The board of directors, with or without cause, may dissolve any such committee or remove any member thereof at any time.

c. No such committee of the board shall have the authority of the board in reference to:

- (1) The amendment or repeal of the bylaws or the adoption of new bylaws;
- (2) Declaring any dividend;
- (3) Issuing any authorized but unissued shares;
- (4) Establishing and designating any class or series of shares and fixing and determining the relative rights and preferences thereof, changing the statutory agent of the Corporation, or otherwise effecting any amendment of the articles of incorporation of the Corporation;
- (5) Recommending to the shareholders any plan for the sale, lease or exchange of all or substantially all of the property and assets of the Corporation, any amendment of the articles of incorporation, any plan of merger or consolidation, any voluntary dissolution of the Corporation or any revocation of any election of the Corporation to dissolve voluntarily;
- (6) The filling of vacancies on the board of directors or in any committee of the board of directors;
- (7) The fixing of compensation of directors for serving on the board or on any committee of the board of directors; or
- (8) The submission to shareholders of any action that requires shareholder approval by law.

d. Sections 3.10, 3.11 and 3.12 shall be applicable to committees of the board of directors.

Section 3.14. Compensation. Directors, and members of any committee of the board of directors, shall be entitled to such reasonable compensation for their services as directors and members of any such committee as shall be fixed from time to time by resolution of the board of directors, and also shall be entitled to reimbursement for any reasonable expenses incurred in attending such meetings. Any director receiving compensation under these provisions shall not be barred from serving the Corporation in any other capacity and receiving reasonable compensation for such other services.

Section 3.15. Dividends. Except as limited by statute and the articles of incorporation, the board of directors shall have full power to determine whether any, and, if so, what part, of the funds legally available for the payment of dividends shall be declared in dividends and paid to the shareholders of the Corporation. The board of directors may fix a sum which may be set aside or reserved over and above the paid-in capital of the Corporation for working capital or as a reserve for any proper purpose, and from time to time may increase, diminish and vary such fund.

Section 3.16. Minutes. The Corporation shall keep minutes of the proceedings of its board of directors and committees thereof.

Section 3.17. Director Conflicts of Interest.

a. No contract or other transaction between the corporation and one or more of its directors or any other corporation, firm, association or entity in which one or more of its directors are directors or officers or are financially interested, shall be either void or voidable because of such relationship or interest or because such director or directors are present at the meeting of the board of directors or a committee thereof which authorizes, approves or ratifies such contract or transaction or because his or their votes are counted for such purpose, if:

(1) The fact of such relationship or interest is disclosed or known to the board of directors or committee which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors; or

(2) The fact of such relationship or interest is disclosed or known to the shareholders entitled to vote and they authorize, approve or ratify such contract or transaction by vote or written consent; or

(3) The contract or transaction is fair and reasonable to the Corporation at the time the contract or transaction is authorized, approved or ratified, in the light of circumstances known to those entitled to vote thereon at that time.

b. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or a committee thereof which authorizes, approves or ratifies such contract or transaction.

## ARTICLE IV

### Notice - Waivers

Section 4.01. Notice, What Constitutes. Whenever written notice to any person is required by the articles of incorporation, these bylaws, or statute, it may be given to such person either personally or by sending a copy thereof through the mail to his address appearing on the books of the Corporation, or supplied by him to the Corporation for the purpose of notice. If the notice is sent by mail it shall be deemed to have been given to the person entitled thereto when deposited in the mail.

### Section 4.02. Waiver of Notice.

a. Whenever any notice is required to be given to any shareholder or director by the articles of incorporation, these bylaws, or statute, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

b. Attendance of a person at any meeting shall constitute a waiver of notice of such meeting, except when a person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

## ARTICLE V

### Officers

Section 5.01. Number, Qualifications and Designation. The officers of the Corporation shall be a president, one or more vice-presidents as may be designated by resolution of the board of directors, a secretary, a treasurer, and such other officers as may be elected in accordance with the provisions of Section 5.03 hereof. Any two or more offices may be held by the same person, except the offices of president and secretary. Officers may, but need not, be directors or shareholders of the Corporation. The board of directors may elect from among the members of the board a chairman of the board and a vice chairman of the board who shall be officers of the Corporation.

Section 5.02. Election and Term of Office. The officers of the Corporation, except those elected by delegated authority pursuant to Section 5.03 hereof, shall be elected by the board of directors, and each such officer shall hold office until such officer's successor shall have been duly elected and qualified, or until such officer's death, resignation or removal.

Section 5.03. Subordinate Officers, Committees and Agents. The board of directors from time to time may elect such other officers and appoint such committees, employees or other agents as the business of the corporation may require, including one or more assistant secretaries, and one or more assistant treasurers, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws, or as the board of directors from time to time may determine. The directors may delegate to any

officer or committee the power to elect subordinate officers and to retain or appoint employees or other agents.

Section 5.04. Resignations. Any officer or agent may resign at any time by giving written notice to the board of directors, or to the president or the secretary of the Corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.05. Removal. Any officer or agent of the Corporation may be removed by the board of directors whenever the best interests of the Corporation will be served thereby. Such removal shall not prejudice the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not itself create contract rights.

Section 5.06. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled by the board of directors or by the officer or committee to which the power to fill such office has been delegated pursuant to Section 5.03 hereof, as the case may be.

Section 5.07. General Powers. All officers and agents of the Corporation, as between themselves and the Corporation, shall have such authority and perform such duties in the management of the Corporation as may be provided in these bylaws, or as may be determined by resolution of the board of directors not inconsistent with these bylaws.

Section 5.08. The Chairman and Vice Chairman of the Board. The chairman of the board, or in the chairman's absence, the vice chairman of the board, shall preside at all meetings of the shareholders and the board of directors, and shall perform such other duties as may from time to time be requested of him by the board of directors.

Section 5.09. The Chief Executive Officer. The board of directors may designate a chief executive officer who shall perform such duties as from time to time may be requested by the board of directors.

Section 5.10. The President. The president shall have general supervision over the business and operation of the corporation, subject to the control of the board of directors. The president shall sign, execute, and acknowledge, in the name of the Corporation, deeds, mortgages, bonds, contracts or other instruments, authorized by the board of directors, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors, or by these bylaws, to some other officer or agent of the corporation, and, in general, shall perform all duties incident to the office of president, and such other duties as from time to time may be assigned by the board of directors.

Section 5.11. The Vice Presidents. The vice presidents, in the order designated by the board of directors, shall perform the duties of the president in the president's absence or disability. Each vice president shall have such other duties as from time to time may be assigned by the board of directors or the president.

Section 5.12. The Secretary. The secretary or an assistant secretary shall attend all meetings of the shareholders and the board of directors and shall record all the votes of the shareholders and the directors and the minutes of the meetings of the shareholders, the board of directors and committees of the board in a book or books to be kept for that purpose; shall see that notices are given and records and reports are properly kept and filed by the Corporation as required by law; shall be the custodian of the seal of the Corporation; and, in general, shall perform all duties incident to the office of secretary, and such other, duties as from time to time may be assigned by the board of directors or the president.

Section 5.13. The Treasurer. The treasurer or an assistant treasurer shall have or provide for the custody of the funds or other property of the Corporation and shall keep a separate book account of the same; shall collect and receive or provide for the collection and receipts of monies earned by or in any manner due to or received by the Corporation; shall deposit all funds in his custody as treasurer in such banks or other places of deposit as the board of directors from time to time may designate; shall, whenever so required by the board of directors, render an account showing his transactions as treasurer and the financial condition of the corporation; and, in general, shall discharge such other duties as from time to time may be assigned by the board of directors or the president.

Section 5.14. Officers' Bonds. Any officer shall give a bond for the faithful discharge of such officer's duties in such sum, if any, and with such surety or sureties as the board of directors shall require.

Section 5.15. Salaries. The salaries of the officers elected by the board of directors shall be fixed from time to time by the board of directors or by such officer as may be designated by resolution of the board. The salaries or other compensation of any other officers, employees and other agents shall be fixed from time to time by the officer or committee to which the power to elect such officers or to retain or appoint such employees or other agents has been delegated pursuant to Section 5.03 hereof. No officer shall be prevented from receiving such salary or other compensation by reason of the fact that such officer also is a director of the corporation.

#### ARTICLE VI

##### Certificates of Stock

Section 6.01. Issuance. The interest of each shareholder of the Corporation shall be evidenced by certificates for shares of stock. The share certificates of the Corporation shall be numbered and registered in the share ledger and transfer books of the Corporation as they are issued. They shall be signed by the president or a vice president and the secretary or an assistant secretary of the Corporation, and may bear the corporate seal, which may be a facsimile, engraved or printed. The signatures of such officers upon a certificate may be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar, other than the Corporation itself or an employee of the Corporation. In case any officer who has signed or whose facsimile signature has been placed upon a share certificate shall have ceased to be such officer because of death, resignation or otherwise before the certificate is issued, it may be issued



by the Corporation with the same effect as if the officer has not ceased to be such as the date of its issue.

Section 6.02. Subscriptions for Shares. Unless the subscription agreement provides otherwise, subscriptions for shares, regardless of the time made, shall be paid at such time as determined by the board of directors. All calls made by the board of directors for payments on subscriptions shall carry the same terms with regard to all shares of the same class or as to all shares of the same series, as the case may be.

Section 6.03. Transfers. Transfers of shares of the capital stock of the Corporation shall be made on the books of the Corporation by the registered owner thereof, or by his duly authorized attorney, with a transfer clerk or transfer agent or registrar appointed as provided in Section 6.06 hereof, and on surrender of the certificate or certificates for such shares properly endorsed and with all taxes thereon paid. No transfer shall be made which is inconsistent with the provisions of the Uniform Commercial Code as adopted in Arizona (44 A.R.S. Section 2201 et seq., its amendments and supplements).

Section 6.04. Share Certificates. Certificates for shares of the Corporation shall be in such form as provided by statute and approved by the board of directors. The share record books and the blank share certificate books shall be kept by the secretary or by any agency designated by the board of directors for that purpose. Every certificate exchanged or returned to the Corporation shall be marked "Canceled", with the date of cancellation.

Section 6.05. Lost, Destroyed, Mutilated or Stolen Certificates. The holder of any shares of the Corporation shall immediately notify the Corporation of any loss, destruction, mutilation or theft of the certificate therefor, and the board of directors may, in its discretion, cause a new certificate or certificates to be issued to such holder in case of mutilation of the certificate, upon the surrender of the mutilated certificate, or, in case of loss, destruction or theft of the certificate, upon satisfactory proof of such loss, destruction or theft, and, if the board of directors shall so determine, the submission of a properly executed lost security affidavit and indemnity agreement, or the deposit of a bond in such form and in such sum, and with such surety or sureties, as the board of directors may direct.

Section 6.06. Transfer Agent and Registrar. The board of directors may appoint one or more transfer agents or transfer clerks and one or more registrars, and may require all certificates for shares to bear the signature or signatures of any of them.

## ARTICLE VII

### Indemnification

Section 7.01. Procedure for Effecting Indemnification. Indemnification of an authorized representative of the Corporation (which, for purposes of this article shall mean a director, officer, fiduciary as defined by the Employee Retirement Income Security Act of 1974, as amended ("Fiduciary"), or agent of the Corporation, or a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise serving as such at the

request of the Corporation) shall be made when ordered by court (in which case the expense, including attorneys' fees, of the authorized representative in enforcing such right of indemnification shall be added to and be included in the final judgment against the Corporation) and shall be made in a specific case upon a determination that indemnification of the authorized representative is required or proper in the circumstances because the applicable standard of conduct set forth in the Arizona Revised Statutes as amended from time to time has been met. Such determination shall be made in accordance with the Arizona Revised Statutes as amended from time to time.

Section 7.02. Advancing Expenses. Expenses (including attorneys' fees) incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding, as determined to be authorized in accordance with the Arizona Revised Statutes as amended from time to time upon receipt of an undertaking by or on behalf of a director, officer or fiduciary to repay such amount unless it ultimately shall be determined that such person is entitled to be indemnified by the Corporation as required in the articles of incorporation or this Article. To the extent authorized by law such expenses may be paid by the Corporation in advance on behalf of any other authorized representative when authorized by the board of directors upon receipt of a similar undertaking.

Section 7.03. Scope of Article. The indemnification provided in the articles of incorporation or by this article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any agreement, vote of shareholders or disinterested directors, statute or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office or position, and shall continue as to a person who has ceased to be an authorized representative of the Corporation and shall inure to the benefit of the heirs and personal representatives of such a person.

## ARTICLE VIII

### Miscellaneous

Section 8.01. Corporate Seal. The Corporation may have a corporate seal in the form of a circle containing the name of the Corporation, the year of incorporation and such other details as may be approved by the board of directors. Nothing in these bylaws shall require the impression of a corporate seal to establish the validity of any document executed on behalf of the Corporation.

Section 8.02. Checks. All checks, notes, bills of exchange or other orders in writing shall be signed by such person or persons as the board of directors from time to time may designate.

Section 8.03. Contracts. The board of directors may authorize any officer or officers, agent or agents to enter into any contract or to execute or deliver any instrument on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 8.04. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the board of directors may approve or designate, and all such funds shall be withdrawn only upon checks signed by such one or more officers or employees as the board of directors from time to time shall determine.

Section 8.05. Reports. The board of directors shall present at the annual meeting of shareholders a report of the financial condition of the Corporation as of the closing date of the preceding fiscal year. Such report shall be in such form as shall be approved by the board of directors and shall be available for the inspection of shareholders at the annual meeting. Unless required by statute, the board of directors shall not be required to cause such report to be sent to the shareholders. Unless required by statute, the board of directors may, but shall not be required to, have such report prepared and verified by an independent certified public accountant or by a firm of practicing public accountants.

Section 8.06. Corporate Records.

a. There shall be kept at the principal office of the Corporation an original or duplicate record of the proceedings of the shareholders and of the directors, and the original or a copy of the bylaws including all amendments or alterations thereto to date, certified by the secretary of the Corporation. An original or duplicate share register also shall be kept at the registered office or principal place of business of the Corporation, or at the office of a transfer agent or registrar, giving the names of the shareholders, their respective addresses and the number and class of shares held by each. The Corporation also shall keep appropriate, complete and accurate books or records of account, which may be kept at the office of its statutory agent or at its principal place of business.

b. Any person who shall have been a holder of record of shares or of a voting trust beneficial interest therefor at least six months immediately preceding a demand or shall be the holder of record of, or the holder of record of a voting trust beneficial interest for, at least five per cent of all the outstanding shares of the corporation, upon written demand directed to the Corporation at its principal office or its statutory agent, shall have the right to examine, in person, or by agent or attorney, at any reasonable time or times, for any proper purpose the Corporation's relevant books and records of accounts, minutes, and record of shareholders and to make copies of or extracts therefrom. In every instance where any attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the shareholder.

Section 8.07. Voting Securities Held by the Corporation.

Unless otherwise ordered by the board of directors, the president shall have full power and authority on behalf of the Corporation to attend and to act and to vote at any meeting of security holders of other corporations in which the Corporation may hold securities. At such meeting the president shall possess and may exercise any and all rights and powers incident to the ownership of such securities which the Corporation might have possessed and exercised if it had been present. The board of directors from time to time may confer similar powers upon any other person or persons.

Section 8.08. Amendment of Bylaws. Except as may otherwise be provided in the articles of incorporation, these bylaws may be amended or replaced, or new bylaws may be adopted, by the board of directors of the Corporation at any regular or special meeting of directors, subject to repeal or change by action of the shareholders. It shall not be necessary to set forth such proposed amendment, repeal or new bylaws, or a summary thereof, in any notice of such meeting, whether annual, regular or special.

CERTIFICATION

I hereby certify that the foregoing bylaws were adopted by unanimous written consent of the board of directors of the Corporation as of the 3rd day of April, 1991.

/s/ G. Mary Ruby  
-----  
G. Mary Ruby  
Secretary

CERTIFICATE OF INCORPORATION  
OF  
IMAX THEATRE MANAGEMENT COMPANY

I, the undersigned, for the purposes of incorporating and organizing a corporation under the General Corporation Law of the State of Delaware, do execute this Certificate of Incorporation and do hereby certify as follows:

FIRST. The name of the corporation is Imax Theatre Management Company.

SECOND. The address of the corporation's registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH. The total number of shares of stock which the corporation shall have authority to issue is 100. All such shares are to be Common Stock, par value of \$.01 per share, and are to be of one class.

FIFTH. The incorporator of the corporation is David S. Conway, whose mailing address is c/o Richards, Layton & Finger, One Rodney Square, P.O. Box 551, Wilmington, Delaware 19899.

SIXTH. Unless and except to the extent that the by-laws of the corporation shall so require, the election of directors of the corporation need not be by written ballot.

SEVENTH. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors of the corporation is expressly authorized to make, alter and repeal the by-laws of the corporation, subject to the power of the stockholders of the corporation to alter or repeal any by-law whether adopted by them or otherwise.

EIGHTH. A director of the corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

NINTH. The corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this article.

TENTH. The powers of the incorporator are to terminate upon the filing of this Certificate of Incorporation with the Secretary of State of the State of Delaware. The name and mailing address of the person who is to serve as the sole initial director of the corporation until the first annual meeting of stockholders of the corporation, or until his successor is duly elected and qualified, is:

Richard L. Gelfond  
784 Park Avenue  
Apt. 7B  
New York, NY 10021

The undersigned incorporator hereby acknowledges that the foregoing certificate of incorporation is his act and deed on this the 18th day of April, 1997.

/s/ David S. Conway

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David S. Conway  
Incorporator

BY-LAWS  
OF  
IMAX THEATRE MANAGEMENT COMPANY

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ARTICLE I

Meetings of Stockholders

Section 1.1. Annual Meetings. An annual meeting of stockholders shall be held for the election of directors at such date, time and place, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting.

Section 1.2. Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by the Board of Directors, but such special meetings may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 1.3. Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given that shall state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the certificate of incorporation or these by-laws, the written notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation.

Section 1.4. Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 1.5. Quorum. Except as otherwise provided by law, the certificate of incorporation or these by-laws, at each meeting of stockholders the presence in person or by proxy of the holders of a majority in voting power of the outstanding shares of stock

entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. In the absence of a quorum, the stockholders so present may, by a majority in voting power thereof, adjourn the meeting from time to time in the manner provided in Section 1.4 of these by-laws until a quorum shall attend. Shares of its own stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the corporation or any subsidiary of the corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 1.6. Organization. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in his absence by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 1.7. Voting; Proxies. Except as otherwise provided by or pursuant to the provisions of the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary of the corporation. Voting at meetings of stockholders need not be by written ballot. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect. All other elections and questions shall, unless otherwise provided by the certificate of incorporation, these by-laws, the rules or regulations of any stock exchange applicable to the corporation, as otherwise provided by law or pursuant to any regulation applicable to the corporation, be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock of the corporation which are present in person or by proxy and entitled to vote thereon.

Section 1.8. Fixing Date for Determination of Stockholders of Record. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other



distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (1) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting; (2) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten (10) days from the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (3) in the case of any other action, shall not be more than sixty (60) days prior to such other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action of the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation in accordance with applicable law, or, if prior action by the Board of Directors is required by law, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action; and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 1.9. List of Stockholders Entitled to Vote. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. Upon the willful neglect or refusal of the directors to produce such a list at any meeting for the election of directors, they shall be ineligible for election to any office at such meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 1.10. Action By Written Consent of Stockholders. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which minutes of proceedings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall, to the extent required by law, be given to those stockholders who have not consented in writing.

Section 1.11. Inspectors of Election. The corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

Section 1.12. Conduct of Meetings. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and

procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

## ARTICLE II

### Board of Directors

Section 2.1. Number; Qualifications. The Board of Directors shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

Section 2.2. Election; Resignation; Vacancies. The Board of Directors shall initially consist of the persons named as directors in the certificate of incorporation or elected by the incorporator of the corporation, and each director so elected shall hold office until the first annual meeting of stockholders or until his successor is duly elected and qualified. At the first annual meeting of stockholders and at each annual meeting thereafter, the stockholders shall elect directors each of whom shall hold office for a term of one year or until his successor is duly elected and qualified, subject to such director's earlier death, resignation, disqualification or removal. Any director may resign at any time upon written notice to the corporation. Unless otherwise provided by law or the certificate of incorporation, any newly created directorship or any vacancy occurring in the Board of Directors for any cause may be filled by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum, or by a plurality of the votes cast at a meeting of stockholders, and each director so elected shall hold office until the expiration of the term of office of the director whom he has replaced or until his successor is elected and qualified.

Section 2.3. Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine.

Section 2.4. Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the President, any Vice President, the Secretary, or by any member of the Board of Directors. Notice of a special meeting of the Board of Directors shall be given by the person or persons calling the meeting at least twenty-four hours before the special meeting.

Section 2.5. Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 2.6. Quorum; Vote Required for Action. At all meetings of the Board of Directors a majority of the whole Board of Directors shall constitute a quorum for the transaction of business. Except in cases in which the certificate of incorporation, these

by-laws or applicable law otherwise provides, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.7. Organization. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in their absence by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8. Action by Written Consent of Directors. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or such committee.

## ARTICLE III

### Committees

Section 3.1. Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it.

Section 3.2. Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these by-laws.

## ARTICLE IV

### Officers

Section 4.1. Executive Officers; Election; Qualifications; Term of Office; Resignation; Removal; Vacancies. The Board of Directors shall elect a President and Secretary, and it may, if it so determines, choose a Chairman of the Board and a Vice Chairman of the Board from among its members. The Board of Directors may also choose one or more Vice Presidents, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers. Each such officer shall hold office until the first meeting of the Board of Directors after the annual meeting of stockholders next succeeding his election, and until his successor is elected and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the corporation. The Board of Directors may remove any officer with or without cause at any time, but such removal shall be without prejudice to the contractual rights of such officer, if any, with the corporation. Any number of offices may be held by the same person. Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

Section 4.2. Powers and Duties of Executive Officers. The officers of the corporation shall have such powers and duties in the management of the corporation as may be prescribed in a resolution by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors. The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his duties.

ARTICLE V

Stock

Section 5.1. Certificates. Every holder of stock shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the corporation certifying the number of shares owned by him in the corporation. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 5.2. Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.



## ARTICLE VI

### Indemnification

Section 6.1. Right to Indemnification. The corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "Indemnitee") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the corporation or, while a director or officer of the corporation, is or was serving at the written request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnitee. Notwithstanding the preceding sentence, except as otherwise provided in Section 6.3, the corporation shall be required to indemnify an Indemnitee in connection with a proceeding (or part thereof) commenced by such Indemnitee only if the commencement of such proceeding (or part thereof) by the Indemnitee was authorized by the Board of Directors.

Section 6.2. Prepayment of Expenses. The corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnitee in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Indemnitee to repay all amounts advanced if it should be ultimately determined that the Indemnitee is not entitled to be indemnified under this Article VI or otherwise.

Section 6.3. Claims. If a claim for indemnification or advancement of expenses under this Article VI is not paid in full within sixty (60) days after a written claim therefor by the Indemnitee has been received by the corporation, the Indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the corporation shall have the burden of proving that the Indemnitee is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 6.4. Nonexclusivity of Rights. The rights conferred on any Indemnitee by this Article VI shall not be exclusive of any other rights which such Indemnitee may have or hereafter acquire under any statute, provision of the certificate of incorporation, these by-laws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.5. Other Sources. The corporation's obligation, if any, to indemnify or to advance expenses to any Indemnitee who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Indemnitee may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

Section 6.6. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article VI shall not adversely affect any right or protection hereunder of any Indemnitee in respect of any act or omission occurring prior to the time of such repeal or modification.

Section 6.7. Other Indemnification and Prepayment of Expenses. This Article VI shall not limit the right of the corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Indemnitees when and as authorized by appropriate corporate action.

ARTICLE VII

Miscellaneous

Section 7.1. Fiscal Year. The fiscal year of the corporation shall be determined by resolution of the Board of Directors.

Section 7.2. Seal. The corporate seal shall have the name of the corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 7.3. Manner of Notice. Except as otherwise provided herein, notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the corporation. Notice to directors may be given by telegram, telecopier, telephone or other means of electronic transmission.

Section 7.4. Waiver of Notice of Meetings of Stockholders, Directors and Committees. Any written waiver of notice, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 7.5. Interested Directors; Quorum. No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if: (1) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders. Common or interested directors may

be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 7.6. Form of Records. Any records maintained by the corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs, or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time.

Section 7.7. Amendment of By-Laws. These by-laws may be altered, amended or repealed, and new by-laws made, by the Board of Directors, but the stockholders may make additional by-laws and may alter and repeal any by-laws whether adopted by them or otherwise.

Section 7.8 Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the corporation may be signed by:

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the corporation without any further authorization or formality. The Board of Directors shall have power from time to time to appoint any person or persons, on behalf of the corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any person or persons appointed as aforesaid by the Board of Directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

- (a) any two officers;

(b) any two directors; or

(c) any one officer together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the corporation and to sign and execute (under the seal of the corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of any officer or officers, or any director or directors of the corporation and/or of any other person or persons, appointed as aforesaid by the Board of Directors may, if specifically authorized by the Board of Directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation executed or issued by or on behalf of the corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization, by the Board of Directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation.

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[ONTARIO Ministry of Ministere de  
LOGO] Consumer and la Consommation  
Commercial et du Commerce  
Relations CERTIFICAT  
Ontario Ceci certifie que les presents statuts  
CERTIFICATE entrent en vigueur le  
This is to certify that these  
articles are effective on

ONTARIO CORPORATION NUMBER  
NUMERO DE LA SOCIETE EN ONTARIO

FEBRUARY 19 FEBVRIER, 1998

1019141

TRANS CODE	LINE NO.	STAT	COMP TYPE	METHOD INCORP.
A	0	0	A	3
18	20	28	29	30

Director/Directeur

Business Corporation Act/Loi de sur les compagnies

SHARE	NOTICE REQ'D	JURISDICTION
S	N	ONTARIO
31	32	33
		47

ARTICLES OF INCORPORATION  
STATUTS CONSTITUTIFS

Form 1  
Business  
Corporations  
Act,  
1982

1. The name of the corporation is: Denomination sociale de la compagnie:

IMAX THEATRE SERVICES LTD.

Formule  
numero 1  
Loi de 1982  
sur les  
compagnies

2. The address of the registered office is: Adresse du siege social:

45 Charles Street East, 5th Floor

(Street & Number or R.R. Number & if Multi-Office Building give Room No.)  
(Rue et numero ou numero de la R.R. et, s'il s'agit d'un edifice a bureau, numero du bureau)

Toronto, Ontario

M4Y 1S2

(Name of Municipality or Post Office)  
(Nom de la municipalite ou du bureau de poste)

(Postal Code)  
(Code postal)

Municipality

Metropolitan Toronto

Name of Municipality, Geographic Township)  
(Nom de la municipalite, du canton)

of  
dans le/la

(County, District, Regional Municipality)  
(Comte, district, municipalite regionale)

3. Number (or minimum and maximum number) of  
directors is:

Nombre (ou nombres minimal et maximal) d'administrateurs:

Minimum 1; Maximum 5;

4. The director(s) is/are:

Administrateur(s):

First name, initials and last name  
Prenom, initiales et nom de famille

Residence address, giving Street & No. or R.R. No., or  
Municipality and Postal Code  
Adresse personnelle, y compris la rue et le numero, le  
numero de la R.R., le nom de la municipalite et le code  
postal

Resident  
Canadian  
State  
Yes or No  
Resident  
Canadien  
Oui/Non

G. Mary Ruby

113 Inglewood Dr.  
Toronto, Ontario, M4T 1H6

Yes

5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise. Limites, s'il y a lieu, imposees aux activites commerciales ou aux pouvoirs de la compagnie.

None.

6. The classes and any maximum number of shares that the corporation is authorized to issue. Categories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisee a emettre:

The Corporation is authorized to issue an unlimited number of Common shares.

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:
- Droits, privileges, restrictions et conditions, s'il y a lieu, rattaches a chaque categorie d'actions et pouvoirs des administrateurs relatifs a chaque categorie d'actions qui peut etre emise en serie:

Not applicable.



8. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows: L'emission, le transfert ou la propriete d'actions est/n'est pas restreinte. Les restrictions, s'il y a lieu, sont les suivantes:

The transfer of shares of the Corporation shall be restricted in that no shareholder shall be entitled to transfer any share or shares without either:

- (a) the approval of the directors of the Corporation expressed by a resolution passed at a meeting of the board of directors or by an instrument or instruments in writing signed by a majority of the directors; or
- (b) the approval of the holders of at least a majority of the shares of the Corporation entitling the holders thereof to vote in all circumstances (other than a separate class vote of the holders of another class of shares of the Corporation) for the time being outstanding expressed by a resolution passed at a meeting of the holders of such shares or by an instrument or instruments in writing signed by the holders of a majority of such shares.

9. Other provisions, if any, are:

Autres dispositions, s'il y a lieu:

1. (a) The number of shareholders of the Corporation, exclusive of persons who are in the employment of the corporation and exclusive of persons who, having been formerly in the employment of the Corporation, were, while in that employment, and have continued after the termination of that employment to be, shareholders of the Corporation, is limited to not more than fifty (50), two or more persons who are the joint registered owners of one or more shares being counted as one shareholder; and
  - (b) any invitation to the public to subscribe for securities of the corporation is prohibited.
2. In addition to, and without limiting such other powers which the Corporation may by law possess, the directors of the Corporation may, without authorization of the shareholders, by authentic deed, in particular but without limitation, for the purpose of securing any bonds, debentures or debenture stock which it is by law entitled to issue, hypothecate, mortgage, pledge, cede or transfer any property, moveable or immoveable, present or future, which it may own.

<p>10. The names and addresses of the incorporators are          Nom et adresse des fondateurs          First name, initials and last name or corporate name          Prenom, initiale et nom de famille ou denomination sociale</p>	<p>Full residence address or address of registered office or of principal place of business giving street &amp; No. or R.R. No., municipality and postal code          Adresse personnelle au complet, adresse du siege social ou adresse de l'etablissement principal, y compris la rue et le numero, le numero de la R.R., le nom de la municipalite et le code postal</p>
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G. Mary Ruby

113 Inglewood Dr.  
 Toronto, Ontario, M4T 1H6

These articles are signed in duplicate.

Les presents statuts sont signes en double exemplaire.

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Signatures of incorporators  
 (Signature des fondateurs)

/s/ G. Mary Ruby

-----  
 G. Mary Ruby

A by-law relating generally to the conduct of the affairs of the Corporation.

INTERPRETATION

1. Interpretation. In this by-law and all other by-laws of the Corporation, unless the context otherwise specifies or requires:

- (a) "Act" means the Business Corporations Act, 1982, S.O. 1982, c. 4 as from time to time amended and every statute that may be substituted therefore and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Act shall be read as references to the substituted provisions therefore in the new statute or statutes;
- (b) "Regulations" means the Regulations made under the Act as from time to time amended and every regulation that may be substituted therefore and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Regulations shall be read as references to the substituted provisions therefore in the new regulations;
- (c) "by-law" means any by-law of the Corporation from time to time in force and effect;
- (d) all terms which are contained in the by-laws and which are defined in the Act or the Regulations shall have the meanings respectively given to such terms in the Act or the Regulations;
- (e) words importing the singular number only shall include the plural and vice versa and words importing a specific gender shall include the other genders; and
- (f) the headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

SEAL

2. Seal. The Corporation may but need not have a corporate seal. Any corporate seal adopted for the Corporation shall be such as the board of directors may by resolution from time to time approve.

DIRECTORS

3. Duties and Number. Subject to any unanimous shareholder agreement, the directors shall manage or supervise the management of the business and affairs of the Corporation. The board of directors shall consist of the number of directors set out in the articles of the Corporation or, where a minimum and maximum number is provided for in the articles, such number of directors as shall be determined from time to time by special resolution or, if the special resolution empowers the directors to

determine the number, by resolution of the directors. A majority of the directors shall be resident Canadians except that where the Corporation has only one or two directors, that director or one of the two directors, as the case may be, shall be a resident Canadian. If the Corporation is an offering corporation, at least one-third of the directors shall not be officers or employees of the Corporation or of any affiliate of the Corporation.

4. Term of Office. A director's term of office (subject to (a) the provisions of the articles of the Corporation; (b) the provisions of the Act; (c) any unanimous shareholder agreement; and (d) any expressly stated term of office) shall be from the date on which he is elected or appointed until the close of the annual meeting next following.

5. Vacation of Office. The office of a director shall ipso facto be vacated: (a) if he becomes bankrupt or suspends payment of his debts generally or compounds with his creditors or makes an authorized assignment or is declared insolvent; (b) if he is found to be a mentally incompetent person or of unsound mind; (c) subject to the provisions of the Act, if by notice in writing to the Corporation he resigns his office, which resignation shall be effective at the time it is received by the Corporation or at the time specified in the notice, whichever is later; (d) if he dies; or (e) if he is removed from office by the shareholders in accordance with paragraph 6.

6. Election and Removal. Subject to Section 120 of the Act the shareholders of the Corporation shall elect, at the first meeting of shareholders and at each succeeding annual meeting at which an election of directors is required, directors to hold office for a term expiring not later than the close of the third annual meeting of shareholders following the election. A director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of shareholders following his election, but, if qualified, is eligible for re-election. If directors are not elected at a meeting of shareholders, the incumbent directors continue in office until their successors are elected. Provided always that, subject to Section 122 of the Act, the shareholders of the Corporation may, by ordinary resolution passed at an annual or special meeting of shareholders, remove any director or directors from office and a vacancy created by the removal of a director may be filled at the meeting of the shareholders at which the director is removed.

7. Committee of Directors. The directors may appoint from among their number a committee of directors and subject to Subsection 127(3) of the Act may delegate to such committee any of the powers of the directors. A majority of the directors of any such committee must be resident Canadians. Subject to the by-laws and any resolution of the board of directors, the committee of directors, if any, may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit and may from time to time adopt, amend or repeal rules or procedures in this regard. Subject to the Act, except to the extent otherwise determined by the board of directors or, failing such determination, as determined by the committee of directors, the provisions of paragraphs 8 to 15, inclusive, shall apply, mutatis mutandis, to such committee.

#### MEETINGS OF DIRECTORS

8. Place of Meeting. Meetings of the directors may be held within or outside Ontario and it shall not be necessary in any financial year of the Corporation to hold a majority of the meetings of the directors at a place within Canada.

9. Notice. A meeting of directors may be convened by the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President if he is a director, a Vice-President who is a director or any two directors at any time and the Secretary, when directed or authorized by any of such officers or any two directors, shall convene a meeting as directors. The notice of any meeting convened as aforesaid need not specify the purpose of or the business to be transacted at the meeting. Notice of any such meeting shall be served in the manner specified in paragraph 57 of this by-law not less than two (2) days (exclusive of the day on which the notice is delivered or sent but inclusive of the day for which notice is given) before the meeting is to take place; provided always that a director may in any manner and at any time waive notice of a meeting of directors and attendance of a director at a meeting of directors shall constitute a waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called; provided further that meetings of directors may be held at any time without notice if all the directors are present (except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the absent directors waive notice before or after the date of such meeting.

If the first meeting of the directors following the election of directors by the shareholders is held immediately thereafter, then for such meeting or for a meeting of the directors at which a director is appointed to fill a vacancy in the board, no notice shall be necessary to the newly elected or appointed directors or director in order to legally constitute the meeting, provided that a quorum of the directors is present.

10. Omission of Notice. The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any person shall not invalidate any resolution passed or any proceeding taken at such meeting.

11. Adjournment. Any meeting of directors may be adjourned from time to time by the chairman of the meeting, with the consent of the meeting, to a fixed time and place. Notice of any adjourned meeting of directors is not required to be given if the time and place of the adjourned meeting is announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The directors who formed quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

12. Quorum. A majority of the directors shall form a quorum for the transaction of business and, notwithstanding any vacancy among the directors, a quorum of directors may exercise all the powers of directors. No business shall be transacted at a meeting of directors unless a quorum of the board of directors is present and, except as otherwise permitted by the Act, a majority of directors present are resident Canadians.

13. Telephone Participation. If all of the directors of the Corporation present at or participating in the meeting consent, a meeting of directors may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to

communicate with each other simultaneously and instantaneously, and a director participating in such meeting by such means is deemed for the purpose of the Act to be present at that meeting.

14. Voting. Questions arising at any meeting of the board of directors shall be decided by a majority of votes. In case of an equality of votes the chairman of the meeting in addition to his original vote shall have a second or casting vote.

15. Resolution in Lieu of Meeting. Notwithstanding any of the provisions of this law, but subject to the Act or any unanimous shareholder agreement, a resolution in writing, signed by all of the directors entitled to vote on that resolution at a meeting of the directors is as valid as if it had been passed at a meeting of the directors.

#### REMUNERATION OF DIRECTORS

16. Remuneration of Directors. The remuneration to be paid to the directors shall be such as the board of directors shall from time to time determine and such remuneration shall be in addition to the salary paid to any officer or employee of the Corporation who is also a member of the board of directors. The board of directors may also award special remuneration to any director undertaking any special services on the Corporation's behalf other than the routine work ordinarily required of a director by the Corporation and the confirmation of any such resolution or resolutions by the shareholders shall not be required. The directors shall also be entitled to be paid their travelling and other expenses properly incurred by them in connection with the affairs of the Corporation.

#### SUBMISSION OF CONTRACTS OR TRANSACTIONS TO SHAREHOLDERS FOR APPROVAL

17. Submission of Contracts or Transactions to Shareholders for Approval. The board of directors in its discretion may submit any contract, act or transaction for approval or ratification at any annual meeting of the shareholders or at any special meeting of the shareholders called for the purpose of considering the same and, subject to the provisions of Section 132 of the Act, any such contract, act or transaction that shall be approved or ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's articles or any other by-law) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified or confirmed by every shareholder of the Corporation.

FOR THE PROTECTION OF DIRECTORS AND OFFICERS

18. Conflict of Interest. In supplement of and not by way of limitation upon any rights conferred upon directors and officers by Section 132 of the Act, it is declared that no director or officer shall be disqualified from his office by, or vacate his office by reason of, holding any office or place of profit under the Corporation or under any body corporate in which the Corporation shall be a shareholder, or by reason of being otherwise in any way directly or indirectly interested in or contracting with the Corporation either as vendor, purchaser or otherwise or being concerned in any contract or arrangement made or proposed to be entered into with the Corporation in which he is in any way directly or indirectly interested either as vendor, purchaser or otherwise nor shall any director or officer be liable to account to the Corporation or any of its shareholders or creditors for any profit arising from any such office or place of profit; and, subject to the provisions of Section 132 of the Act, no contract or arrangement entered into by or on behalf of the Corporation in which any director or officer shall be in any way directly or indirectly interested shall be avoided or voidable and no director or officer shall be liable to account to the Corporation or any of its shareholders or creditors for any profit realized by or from any such contract or arrangement by reason of any fiduciary relationship. A director or officer of the Corporation who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, or is a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose the nature and extent of his interest at the time and in the manner provided in the Act. Except as provided in the Act, no such director of the Corporation shall vote on any resolution to approve such contracts or transactions but each such director may be counted to determine the presence of a quorum at the meeting of directors where such vote is being taken.

19. The Protection of Directors and Officers. Except as otherwise provided in the Act, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, including any person with whom or which any moneys, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board of directors. If any directors or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall have an interest in a person which is employed by or performs services for the Corporation, the fact of his being a shareholder, director or officer of the



Corporation shall not disentitle such director or officer or such person, as the case may be, from receiving proper remuneration for such services.

#### INDEMNITIES TO DIRECTORS AND OFFICERS

20. Indemnities to Directors and Officers. Subject to the provisions of Section 136 of the Act, the Corporation shall indemnify a director or officer, a former director or officer, or a person who acts or acted at the corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate, if (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful. The Corporation shall also indemnify any such person in such other circumstances as the Act or law permits or requires. Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law to the extent permitted by the Act or law.

#### OFFICERS

21. Appointment. The board of directors may annually or oftener as may be required appoint a Chairman of the Board, a Vice-Chairman of the Board, a President, a Managing Director, one or more Vice-Presidents, a Secretary, a Treasurer, one or more Assistant Secretaries, one or more Assistant Treasurers and/or a General Manager or Manager. Notwithstanding the foregoing, each incumbent officer shall continue in office until the earliest of: (a) his resignation, which resignation shall be effective at the time a written resignation is received by the Corporation or at the time specified in the resignation, whichever is later; (b) the appointment of his successor; (c) his ceasing to be a director if such is a necessary qualification of his appointment; (d) the meeting at which the board of directors annually appoint the officers of the Corporation; (e) his removal; and (f) his death. A director may be appointed to any office of the Corporation but none of the officers except the Chairman of the Board, the Vice-Chairman of the Board and the Managing Director need be a member of the board of directors. Two or more of the aforesaid offices may be held by the same person. In case and whenever the same person holds the offices of Secretary and Treasurer he may but need not be known as the Secretary-Treasurer. The board of directors may from time to time appoint such other officers and agents as it shall deem necessary who shall have such authority and shall perform such duties as may from time to time be prescribed by the board of directors. The board of directors may from time to time and subject to the provisions of the Act, vary, add to or limit the duties and powers of any officer.

22. Remuneration and Removal. The remuneration of all officers appointed by the board of directors shall be determined from time to time by resolution of the board of directors. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration as may be determined. All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the board of directors at any time, with or without cause.

23. Powers and Duties. All officers shall sign such contracts, documents or instruments in writing as require their respective signatures and shall respectively have and perform all powers and duties incident to their respective offices and such other powers and duties respectively as may from time to time be assigned to them by the board of directors.

24. Duties May be Delegated. In case of the absence or inability to act of any officer of the Corporation except the, Managing Director or for any other reason that the board of directors may deem sufficient, the board of directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

25. Chairman of the Board. The Chairman of the Board, if any, shall, when present, preside as chairman at all meetings of the directors, the committee of directors, if any, and the shareholders.

26. Vice-Chairman of the Board. If the Chairman of the Board is absent or is unable or refuses to act, the Vice-Chairman of the Board, if any, shall, when present, preside as chairman at all meetings of the directors, the committee of directors, if any, and the shareholders.

27. President. The President shall be the chief executive officer of the Corporation unless otherwise determined by the board of directors. The President shall be vested with and may exercise all the powers and shall perform all the duties of the Chairman of the Board and/or Vice-Chairman of the Board if none be appointed or if the Chairman of the Board and the Vice-Chairman of the Board are absent or are unable or refuse to act; provided, however, that unless he is a director he shall not preside as chairman at any meeting of directors or of the committee of directors, if any, or, subject to paragraph 41 of this by-law, at any meeting of shareholders.

28. Vice-President. The Vice-President or, if more than one, the vice presidents, in order of seniority, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President; provided, however, that a Vice-President who is not a director shall not preside as chairman at any meeting of directors or of the committee of directors, if any, or, subject to paragraph 41 of this by-law, at any meeting of shareholders.

29. Secretary. The Secretary shall give or cause to be given notices for all meetings of the directors, the committee of directors, if any, and the shareholders when directed to do so and shall have charge of the minute and record books of the Corporation and, subject to the provisions of paragraph 48 of this by-law, of the records (other than accounting records) referred to in Section 140 of the Act.

30. Treasurer. Subject to the provisions of any resolution of the board of directors, the Treasurer shall have the care and custody of all the funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or with such other depository or depositories as the board of directors may direct. He shall keep or cause to be kept the accounting records referred to in Section 140 of the Act. He may be required to give such bond for the faithful performance of his duties as the board of directors in its uncontrolled discretion may require but no director shall be liable for failure to require any such bond or for the insufficiency of any such bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.

31. Assistant Secretary and Assistant Treasurer. The Assistant Secretary or, if more than one, the Assistant Secretaries in order of seniority, and the Assistant Treasurer or, if more than one, the

Assistant Treasurers in order of seniority, shall respectively perform all the duties of the Secretary and the Treasurer, respectively, in the absence or inability or refusal to act of the Secretary or the Treasurer, as the case may be.

32. Managing Director. The Managing Director shall be a member of the board of directors, and a resident Canadian and shall exercise such powers and have such authority as may be delegated to him by the board of directors in accordance with the provisions of Section 127 of the Act.

33. General Manager or Manager. The board of directors may from time to time appoint one or more General Managers or Managers and may delegate to him or them full power to manage and direct the business and affairs of the Corporation (except such matters and duties as by law must be transacted or performed by the board of directors and/or by the shareholders) and to employ and discharge agents and employees of the Corporation or may delegate to him or them any lesser authority. A General Manager or Manager shall conform to all lawful orders given to him by the board of directors of the Corporation and shall at all reasonable times give to the directors or any of them all information they may require regarding the affairs of the Corporation. Any agent or employee appointed by a General Manager or Manager shall be subject to discharge by the board of directors.

34. Vacancies. If the office of any officer of the Corporation shall be or become vacant by reason of death, resignation, disqualification or otherwise, the board of directors may appoint a person to fill such vacancy.

#### SHAREHOLDERS' MEETINGS

35. Annual Meeting. Subject to the provisions of Section 94 of the Act, the annual meeting of the shareholders shall be held on such day in each year and at such time as the board of directors may determine and subject to the articles and any unanimous shareholder agreement shall be held at any place in or outside Ontario as the board of directors determine or, in the absence of such determination, at the place where the registered office of the Corporation is located.

36. Special Meetings. Special meetings of the shareholders may be convened by order of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President if he is a director, a Vice-President if he is a director or by the board of directors at any date and time and subject to the articles and any unanimous shareholder agreement shall be held at any place in or outside Ontario as the board of directors determines or, in the absence of such determination, at the place where the registered office of the Corporation is located.

37. Notice. A printed, written or typewritten notice stating the day, hour and place of meeting shall be given by serving such notice on each shareholder entitled to vote at such meeting, on each director and on the auditor of the Corporation in the manner specified in paragraph 57 of this by-law, not less than ten (10) days or if the Corporation is an offering corporation not less than twenty-one days but in either case not more than fifty (50) days (in each case, subject to clause 1(1)13 of the Act, exclusive of the day on which the notice is delivered or sent and of the day for which notice is given) before the date of the meeting. Notice of a meeting at which special business, as defined in Section 96(5) of the Act, is to be transacted shall state or be accompanied by a statement of: (a) the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon; and (b) the text of any special resolution or by-law to be submitted to the meeting. Provided that a meeting of shareholders may be held

for any purpose on any day and at any time without notice if all of the shareholders and all other persons entitled to attend such meeting are present in person or, where appropriate, represented by proxy at the meeting (except where a shareholder or other person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the shareholders and all other persons entitled to attend such meeting who are not present in person or, where appropriate, represented by proxy thereat waive notice before or after the date of such meeting.

38. Waiver of Notice. A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of a meeting of shareholders and attendance of any such person at a meeting of shareholders shall constitute a waiver of notice of the meeting except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

39. Omission of Notice. The accidental omission to give notice of any meeting or any irregularity in the notice of any meeting or the non-receipt of any notice by any shareholder or shareholders, director or directors or the auditor of the Corporation shall not invalidate any resolution passed or any proceedings taken at any meeting of shareholders.

40. Votes. Every question submitted to any meeting of shareholders shall be decided in the first instance by a show of hands unless a person entitled to vote at the meeting has demanded a ballot and in the case of an equality of votes the chairman of the meeting shall both on a show of hands and on a ballot have a second or casting vote in addition to the vote or votes to which he may be otherwise entitled.

A ballot may be demanded either before or after any vote by show of hands by any person entitled to vote at the meeting. If at any meeting a ballot is demanded on the election of a chairman or on the question of adjournment it shall be taken forthwith without adjournment. If at any meeting a ballot is demanded on any other question or as to the election of directors, the vote shall be taken by ballot in such manner and either at once, later in the meeting or after adjournment as the chairman of the meeting directs. The result of a ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. A demand for a ballot may be withdrawn.

Where two or more persons hold the same share or shares jointly, one of those holders present at a meeting of shareholders may, in the absence of the other or others, vote the share or shares but if two or more of those persons who are present, in person or by proxy, vote, they shall vote as one on the share or shares jointly held by them.

At any meeting unless a ballot is demanded a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

41. Chairman of the Meeting. In the event that the Chairman of the Board and the Vice-Chairman of the Board are absent and the President is absent or is not a director and there is no Vice-President present who is a director, the persons who are present and entitled to vote shall choose another director as chairman of the meeting and if no director is present or if all the directors present decline to take the chair then the persons who are present and entitled to vote shall choose one of their number to be chairman.

42. Proxies. Votes at meetings of shareholders may be given either personally or by proxy or, in the case of a shareholder who is a body corporate or association, by an individual authorized by the board of directors or governing body of the body corporate or association to represent it at meetings of shareholders of the Corporation. At every meeting at which he is entitled to vote every shareholder and/or person appointed by proxy and/or individual so authorized to represent a shareholder who is present in person shall have one vote on a show of hands. Upon a ballot at which he is entitled to vote, every shareholder present in person or represented by proxy or by an individual so authorized shall (subject to the provisions, if any, of the articles of the Corporation) have one vote for every share held by him.

A proxy shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a body corporate or association, by an officer or attorney thereof duly authorized. If the Corporation is an offering corporation a proxy appointing a proxyholder ceases to be valid one year from its date.

A person appointed by proxy need not be a shareholder.

Subject to the provisions of the Act and the Regulations, a proxy may be in the following form:

The undersigned shareholder of IMAX THEATRE SERVICES LTD. hereby appoints \_\_\_\_\_ of \_\_\_\_\_, or failing him of \_\_\_\_\_ as the nominee of the undersigned to attend and act for the undersigned and on behalf of the undersigned at the meeting of the shareholders of the said Corporation to be held on the day of \_\_\_\_\_, 19\_\_\_\_ and at any adjournment thereof in the same manner, to the same extent and with the same power as if the undersigned were present at the said meeting or such adjournment thereof. This proxy is (not) solicited by or on behalf of management of the Corporation.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

(Signature)  
Name of Shareholder:

The board of directors may from time to time make regulations regarding the lodging of proxies at some place or places other than the place at which a meeting or adjourned meeting of shareholders is to be held and for particulars of such proxies to be cabled or telegraphed or sent by telex or in writing before the meeting or adjourned meeting to the Corporation or any agent of the Corporation for the purpose of receiving such particulars and providing that proxies so lodged may be voted upon as though the proxies themselves were produced at the meeting or adjourned meeting and given in accordance with such regulations shall be valid and shall be counted. The chairman of any meeting of shareholders may, subject to any regulations made as aforesaid, in his discretion accept telegraphic or cable or telex or written communication as to the authority of any person claiming to vote on behalf of and to represent a shareholder notwithstanding that no proxy conferring such authority has been lodged with the Corporation, and any votes given in accordance with such telegraphic or cable or telex or written communication accepted by the chairman of the meeting shall be valid and shall be counted.

43. Adjournment. The chairman of any meeting may with the consent of the meeting adjourn the same from time to time to a fixed time and place and no notice of such adjournment need be given to the shareholders unless the meeting is adjourned by one or more adjournments for an aggregate of thirty days or more in which case subject to subsection 96 (4) of the Act notice of the adjourned meeting shall be given as for an original meeting. Any business may be brought before or dealt with at any adjourned meeting for which no notice is required which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The persons who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

44. Quorum. A quorum at any meeting of shareholders (unless a greater number of persons are required to be present or a greater number of shares are required to be represented by the Act or by the articles or any other by-law) shall be persons present not being less than two in number and holding or representing more than twenty per cent of the total number of the issued shares of the Corporation for the time being entitling the holders thereof to vote at such meeting. Notwithstanding the foregoing, if the Corporation has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting. No business shall be transacted at any meeting unless the requisite quorum be present at the time of the transaction of such business. If a quorum is not present at the time appointed for a meeting of shareholders or within such reasonable time thereafter as the shareholders present may determine, the persons present and entitled to vote may adjourn the meeting to a fixed time and place but may not transact any other business and the provisions of paragraph 43 with regard to notice shall apply to such adjournment.

45. Resolution in Lieu of Meeting. Notwithstanding any of the provisions of this by-law a resolution in writing signed by all of the shareholders entitled to vote on that resolution at a meeting of the shareholders is, subject to Section 104 of the Act, as valid as if it had been passed at a meeting of the shareholders.

#### SECURITIES

46. Allotment and Issuance of Shares. Subject to the provisions of Section 23 of the Act, the articles, by-laws and any unanimous shareholder agreement, shares in the capital of the Corporation may be allotted and issued by the board of directors at such times and on such terms and conditions and to such persons or class or classes of persons as the board of directors determines.

47. Certificates. Security certificates and the instrument of transfer, if any, on the reverse side thereof shall (subject to Section 56 of the Act) be in such form as the board of directors may approve and such certificates shall be signed manually by at least one officer or director of the Corporation holding office at the time of signing or by or on behalf of a registrar, transfer agent, branch transfer agent or issuing or other authenticating agent of the Corporation, or by a trustee who certifies it in accordance with

a trust indenture and any additional signatures required on a security certificate may be printed or otherwise mechanically reproduced thereon.

A security certificate containing the signature of a person which is printed, engraved, lithographed or otherwise mechanically reproduced thereon may be issued notwithstanding that the person has ceased to be a director or an officer, as the case may be, of the Corporation and shall be as valid as if he were a director or an officer, as the case may be, at the date of its issue.

#### TRANSFER OF SECURITIES

48. Transfer Agent and Registrar. For each class of securities and warrants issued by the Corporation, the board of directors may appoint: (a) a trustee, transfer agent, or other agent to keep the securities register and the register of transfers and one or more persons or agent to keep branch registers; and (b) a registrar, trustee or agent to maintain a record of issued securities, certificates and warrants, and, subject to Section 48 of the Act, one person may be appointed for the purposes of subclauses (a) and (b) in respect of all securities and warrants of the Corporation or any class or classes thereof. In the event of any such appointment in respect of the shares (or the shares of any class or classes) of the Corporation, all share certificates issued by the Corporation in respect of the shares (or the shares of the class or classes in respect of which any such appointment has been made) of the Corporation shall be countersigned by or on behalf of one of the said transfer agents and/or branch transfer agents and by or on behalf of one of the said registrars and/or branch registrars, if any.

49. Securities Registers. The securities register and the register of transfers Corporation shall be kept at the registered office of the Corporation or at such other office or place in Ontario as may from time to time be designated by the board of directors and a branch register or registers of transfers may be kept at such office or offices of the Corporation or other place or places, either within or outside Ontario, as may from time to time be designated by the board of directors.

50. Surrender of Certificates. Subject to the Act and the provisions of paragraph 52, no transfer of a security issued by the Corporation shall be registered unless the security certificate representing the security to be transferred has been surrendered or, if no security certificate has been issued by the Corporation in respect of such security, unless a duly executed instrument of transfer in respect thereof has been delivered to the Corporation or its transfer agent, as the case may be.

51. Shareholder Indebted to the Corporation. Subject to subsection 40(2) of the Act, the Corporation has a lien on a share registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation. Such lien on a share of the Corporation may, subject to the Act, be enforced as follows:

- (a) where such share is redeemable pursuant to the articles of the Corporation, by redeeming such share and applying the redemption price to such debt;
- (b) by purchasing such share for cancellation for a price equal to the book value of such share and applying the proceeds to such debt;

- (c) by selling such share to any third party whether or not such party is at arm's length to the Corporation including, without limitation, any officer or director of the Corporation, for the best price which the board of directors in their sole discretion consider to be obtainable for such share and applying the proceeds to such debt;
- (d) by refusing to permit the registration of a transfer of such share until such debt is paid; or
- (e) by any other means permitted by law.

52. Lost, Apparently Destroyed or Wrongfully Taken Security Certificates. Subject to the Act, in case of the loss, apparent destruction or wrongful taking of a security certificate, a new certificate may be issued in replacement of the one lost, apparently destroyed or wrongfully taken or a transfer of the securities represented by such certificate may be registered, upon such terms as the board of directors may from time to time prescribe, either generally or in respect of any particular loss, apparent destruction or wrongful taking of a security certificate.

#### DIVIDENDS

53. Dividends. The board of directors may from time to time declare and the Corporation may pay dividends on the issued and outstanding shares in the capital of the Corporation subject to the provisions (if any) of the articles of the Corporation.

The board of directors shall not declare and the Corporation shall not pay a dividend if there are reasonable grounds for believing that:

- (a) the Corporation is, or after the payment would be, unable to pay its liabilities as they become due; or
- (b) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and its stated capital of all classes.

The Corporation may pay a dividend by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation and, subject to the foregoing, the Corporation may pay a dividend in money or property.

In case several persons are registered as the joint holders of any shares, any one of such persons may give effectual receipts for all dividends and payments on account of dividends and/or redemption of shares (if any) subject to redemption.

#### VOTING SHARES AND SECURITIES IN OTHER BODIES CORPORATE

54. Voting Shares and Securities in other Bodies Corporate. All of the shares or other securities carrying voting rights of any other body corporate held from time to time by the Corporation may be voted at any and all meetings of shareholders or holders of other securities (as the case may be) of such other body corporate and in such manner and by such person or persons as the board of directors of the Corporation shall from time to time determine. The duly authorized signing officers of the



Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the board of directors.

#### INFORMATION AVAILABLE TO SHAREHOLDERS

55. Confidential Information Not Available to Shareholders. Except as provided by the Act, no shareholder shall be entitled to discovery of any information respecting any details or conduct of the Corporation's business which in the opinion of the board of directors it would be inexpedient in the interests of the Corporation to communicate to the public.

56. Availability of Corporate Records to Shareholders. The board of directors may from time to time, subject to rights conferred by the Act, determine whether and to what extent and at what time and place and under what conditions or regulations the documents, books and registers and accounting records of the Corporation or any of them shall be open to the inspection of shareholders and no shareholder shall have any right to inspect any document or book or register or accounting record of the Corporation except as conferred by statute or authorized by the board of directors or by a resolution of the shareholders.

#### NOTICES

57. Service. Any notice or other document required by the Act, the Regulations, the articles or the by-laws to be sent to any shareholder or director or to the auditor shall be delivered personally or sent by prepaid mail or by telegram or cable or telex to any such shareholder at his latest address as shown in the records of the Corporation or its transfer agent and to any such director at his latest address as shown in the records of the Corporation or the most recent notice filed under the Corporations Information Act, whichever is the most current and to the auditor at his business address; provided always that notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto. If a notice or document is sent to a shareholder by prepaid mail in accordance with this paragraph and the notice or document is returned on three consecutive occasions because the shareholder cannot be found, it shall not be necessary to send any further notices or documents to the shareholder until he informs the Corporation in writing of his new address.

58. Securities Registered in More Than One Name. All notices or other documents with respect to any securities in the capital of the Corporation registered in more than one name shall be given to whichever of such persons is named first in the records of the Corporation and any notice or other document so given shall be sufficiently given to all of the holders of such securities.

59. Persons Becoming Entitled by Operation of Law. Subject to Section 67 of the Act, every person who by operation of law, transfer or any other means whatsoever shall become entitled to any securities of the Corporation shall be bound by every notice or other document in respect of such securities which, previous to his name and address being entered in the records of the Corporation, shall have been duly given to the person or persons from whom he derives his title to such securities.

60. Deceased Security Holders. Subject to Section 67 of the Act, any notice or other document delivered or sent by post, telegram or telex or left at the address of any security holder as the same appears in the records of the Corporation shall, notwithstanding that such security holder be then deceased, and whether or not the Corporation has notice of his decease, be deemed to have been duly served in respect of the securities held by such security holder (whether held solely or with any other person or persons) until some other person be entered in his stead in the records of the Corporation as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors or administrators and on all persons, if any, interested through him or with him in such securities.

61. Signature to Notices. The signature of any director or officer of the Corporation to any notice or document to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

62. Computation of Time. Where a given number of days' notice or notice extending over a period is required to be given under any provisions of the articles or by-laws of the Corporation, the day of service or posting of the notice or document shall not, unless it is otherwise provided, be counted in such number of days or other period.

63. Proof of Service. With respect to every notice or other document sent by post it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed as provided in paragraph 57 of this by-law and put into a Post Office or into a letter box. A certificate of an officer of the Corporation in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of shares of any class of the Corporation as to facts in relation to the sending or delivery of any notice or other document to any security holder, director, officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every security holder, director, officer or auditor of the Corporation, as the case may be.

#### CHEQUES, DRAFTS AND NOTES

64. Cheques, Drafts and Notes. All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or persons, whether or not officers of the Corporation, and in such manner as the board of directors may from time to time designate.

#### CUSTODY OF SECURITIES

65. Custody of Securities. All shares and other securities owned by the Corporation shall be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the board of directors, with such other depositories or in such other manner as may be determined from time to time by the board of directors.

All shares and other securities belonging to the Corporation may be issued or held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with right of survivorship) and shall be

endorsed in blank with endorsement guaranteed in order to enable transfer to be completed and registration to be effected.

#### EXECUTION OF INSTRUMENTS

66. Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by:

- (a) any one director;
- (b) the President; or
- (c) any two other officers;

and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board of directors shall have power from time to time to appoint any officer or officers, or any person or persons, on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the Corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers, person or persons, appointed as aforesaid by the board of directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

- (a) any one director;
- (b) the President; or
- (c) any two other officers;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Corporation and to sign and execute (under the seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President, a Vice-President, the Secretary, the Treasurer, or any director or directors of the Corporation and/or of any other officer or officers, person or persons, appointed as aforesaid by the board of directors may, if specifically authorized by the board of directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization by the board of directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation.

FINANCIAL YEAR

67. Financial Year. The financial year of the Corporation shall terminate on such date in each year as the board of directors may from time to time determine.

ENACTED the 19th day of February, 1993.

signed  
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President

/s/ G. Mary Ruby  
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Secretary

IMAX THEATRE SERVICES LTD.

BY-LAW NO. 2

A by-law respecting the borrowing of money and the issue of securities by the Corporation.

1. The directors may and they are hereby authorized, from time to time, to:
  - (a) borrow money upon the credit of the Corporation;
  - (b) limit or increase the amount to be borrowed;
  - (c) issue, reissue, sell or pledge bonds, debentures, notes or other securities or debt obligations of the Corporation;
  - (d) issue, sell or pledge such bonds, debentures, notes or other securities or debt obligations for such sums and at such prices as may be deemed expedient; and
  - (e) mortgage, hypothecate, charge, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real and personal, movable and immovable, property of the Corporation and the undertaking and rights of the Corporation to secure any such bonds, debentures, notes or other securities or debt obligations, or to secure any present or future borrowing, liability or obligation of the Corporation.
2. The directors may from time to time by resolution delegate to the Chairman of the Board of Directors or the President together with the Secretary or to any two directors of the Corporation all or any of the powers conferred on the directors by paragraph 1 of this by-law to the full extent thereof or such lesser extent as the directors may in any such resolution provide.
3. The powers hereby conferred shall be deemed to be in supplement of and not in substitution for any powers to borrow money for the purposes of the Corporation possessed by its directors or officers independently of a borrowing by-law.

ENACTED the 19th day of February, 1993.

signed  
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President

/s/ G. Mary Ruby  
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Secretary

CERTIFICATE OF AMENDMENT  
OF  
CERTIFICATE OF INCORPORATION  
OF  
IMAX SPACE FILMS INC.

IMAX SPACE FILMS INC., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: That the sole director of said corporation by written consent given in accordance with the provisions of Section 141 of the General Corporation Law of the State of Delaware, adopted the following resolution:

RESOLVED, that the Board of Directors of the Corporation has determined it to be advisable and in the best interests of the Corporation that the following resolution, containing proposed amendments to the Certificate of Incorporation of the Corporation, be, and it hereby is, proposed by the Board of Directors for adoption by the sole stockholder of the Corporation, in accordance with Section 228 of the General Corporation Law of the State of Delaware.

Article I of the Certificate of Incorporation of the Corporation shall be amended to read as follows:

"Name

The name of this corporation is IMAX U.S.A. Inc. (the "Corporation")."

Article IV of the Certificate of Incorporation of the Corporation shall be amended to read as follows:

"The total number of shares of stock which the Corporation shall have authority to issue is 50,000. All such shares are to be common stock, par value \$0.01 per share, and are to be of one class."

SECOND: That said amendment has been consented to and authorized by the sole stockholder by written consent given in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Sections 242 and 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said corporation has caused this Certificate to be signed by John M. Davison, its Vice President, and attested by G. Mary Ruby, its Secretary, this 29th day of June, 1995.

/s/ John M. Davison

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John M. Davison  
Vice President

ATTEST:

/s/ G. Mary Ruby

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G. Mary Ruby  
Secretary

CERTIFICATE OF INCORPORATION

OF

IMAX SPACE FILMS INC.

The undersigned, for the purposes of incorporating and organizing a corporation under the General Corporation Law of the State of Delaware, does hereby certify as follows:

ARTICLE I

The name of the Corporation is Imax Space Films Inc.

ARTICLE II

The registered office of the Corporation in the State of Delaware is 1209 Orange Street, Wilmington, County of New Castle, Delaware 19801. The name of the Corporation's registered agent is The Corporation Trust Company.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

ARTICLE IV

The total number of shares of stock which the Corporation shall have authority to issue is 100. All such shares are to be common stock, par value of \$.01 per share, and are to be of one class.

ARTICLE V

The name and mailing address of the Incorporator is William J. Haubert, P.O. Box 551, Wilmington, Delaware 19899.



ARTICLE VI

The powers of the Incorporator shall terminate upon the filing of this Certificate of Incorporation. The name and mailing address of the person who is to serve as the initial director of the Corporation until the first annual meeting of the stockholders of the Corporation, or until her successors are elected and qualify, is:

Name	Mailing Address
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G. Mary Ruby	c/o Imax Corporation 38 Isabella Street Toronto, Ontario, Canada M4Y 1N1

ARTICLE VII

Unless and except to the extent that the By-laws of the Corporation shall so require, the election of directors of the Corporation need not be by written ballot.

ARTICLE VIII

In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized and empowered to make, alter and repeal the By-Laws of the Corporation, subject to the power of the stockholders of the Corporation to alter or repeal any by-law made by the Board of Directors.

ARTICLE IX

A director of this Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any repeal or modification of the foregoing sentence shall not adversely affect any right or protection of a director of the Corporation existing hereunder with respect to any act or omission occurring prior to such repeal or modification.

ARTICLE X

The Corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this Article X.

IN WITNESS WHEREOF, I, the undersigned, being the Incorporator hereinabove named, do hereby further certify that the facts hereinabove stated are truly set forth, and accordingly I have hereunto set my hand this 17th day of January, 1995.

/s/ William J. Haubert

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Incorporator

BY-LAWS  
OF  
IMAX SPACE FILMS INC.

ARTICLE I  
STOCKHOLDERS

Section 1.1. Annual Meetings. An annual meeting of stockholders shall be held for the election of directors at such date, time and place, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting.

Section 1.2. Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by the Board of Directors, or by a committee of the Board of Directors that has been duly designated by the Board of Directors and whose powers and authority, as expressly provided in a resolution of the Board of Directors, include the power to call such meetings, but such special meetings may not be called by any other person or persons.

Section 1.3. Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given that shall state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the certificate of incorporation or these by-laws, the written notice of any meeting shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation.

Section 1.4. Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 1.5. Quorum. Except as otherwise provided by law, the certificate of incorporation or these by-laws, at each meeting of stockholders the presence in person or by proxy of the holders of a majority in voting power of the outstanding shares of stock entitled to

vote at the meeting shall be necessary and sufficient to constitute a quorum. In the absence of a quorum, the stockholders so present may, by majority vote, adjourn the meeting from time to time in the manner provided in Section 1.4 of these by-laws until a quorum shall attend. Shares of its own stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the corporation or any subsidiary of the corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 1.6. Organization. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in his absence by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting. The chairman of the meeting shall announce at the meeting of stockholders the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote.

Section 1.7. Voting; Proxies. Except as otherwise provided by the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by him which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary of the corporation. Voting at meetings of stockholders need not be by written ballot. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect. All other elections and questions shall, unless otherwise provided by law, the certificate of incorporation or these by-laws, be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock which are present in person or by proxy and entitled to vote thereon.

Section 1.8. Fixing Date for Determination of Stockholders of Record. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (1) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment

thereof, shall, unless otherwise required by law, not be more than sixty nor less than ten days before the date of such meeting; (2) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten days from the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (3) in the case of any other action, shall not be more than sixty days prior to such other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action of the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation in accordance with applicable law, or, if prior action by the Board of Directors is required by law, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action; and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 1.9. List of Stockholders Entitled to Vote. The Secretary shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. Upon the willful neglect or refusal of the directors to produce such a list at any meeting for the election of directors, they shall be ineligible for election to any office at such meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 1.10. Action By Consent of Stockholders. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered (by hand or by certified or registered mail, return receipt requested) to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of minutes of stockholders are recorded.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

Section 1.11. Inspectors of Election. The corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

Section 1.12. Conduct of Meetings. The Board of Directors of the corporation may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

ARTICLE II

BOARD OF DIRECTORS

Section 2.1. Number; Qualifications. The Board of Directors shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

Section 2.2. Election; Resignation; Removal; Vacancies. The Board of Directors shall initially consist of the persons named as directors in the certificate of incorporation, and each director so elected shall hold office until the first annual meeting of stockholders or until his successor is elected and qualified. At the first annual meeting of stockholders and at each annual meeting thereafter, the stockholders shall elect directors each of whom shall hold office for a term of one year or until his successor is elected and qualified. Any director may resign at any time upon written notice to the corporation. Any newly created directorship or any vacancy occurring in the Board of Directors for any cause may be filled by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum, or by a plurality of the votes cast at a meeting of stockholders, and each director so elected shall hold office until the expiration of the term of office of the director whom he has replaced or until his successor is elected and qualified.

Section 2.3. Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine, and if so determined notices thereof need not be given.

Section 2.4. Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the President, any Vice President, the Secretary, or by any member of the Board of Directors. Notice of a special meeting of the Board of Directors shall be given by the person or persons calling the meeting at least twenty-four hours before the special meeting.

Section 2.5. Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 2.6. Quorum; Vote Required for Action. At all meetings of the Board of Directors a majority of the whole Board of Directors shall constitute a quorum for the transaction of business. Except in cases in which the certificate of incorporation, these by-laws or applicable law otherwise provides, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.7. Organization. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in their absence by a chairman chosen at the

meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8. Informal Action by Directors. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or such committee.



ARTICLE III

COMMITTEES

Section 3.1. Committees. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it.

Section 3.2. Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these by-laws.

## ARTICLE IV

### OFFICERS

Section 4.1. Executive Officers; Election; Qualifications; Term of Office; Resignation; Removal; Vacancies. The Board of Directors shall elect a President and Secretary, and it may, if it so determines, choose a Chairman of the Board and a Vice Chairman of the Board from among its members. The Board of Directors may also choose one or more Vice Presidents, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers. Each such officer shall hold office until the first meeting of the Board of Directors after the annual meeting of stockholders next succeeding his election, and until his successor is elected and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the corporation. The Board of Directors may remove any officer with or without cause at any time, but such removal shall be without prejudice to the contractual rights of such officer, if any, with the corporation. Any number of offices may be held by the same person. Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

Section 4.2. Powers and Duties of Executive Officers. The officers of the corporation shall have such powers and duties in the management of the corporation as may be prescribed in a resolution by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors. The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his duties.

ARTICLE V

STOCK

Section 5.1. Certificates. Every holder of stock shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the corporation certifying the number of shares owned by him in the corporation. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 5.2. Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

## ARTICLE VI

### INDEMNIFICATION

Section 6.1. Right to Indemnification. The corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans (an "indemnitee"), against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such indemnitee. The corporation shall be required to indemnify an indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if the initiation of such proceeding (or part thereof) by the indemnitee was authorized by the Board of Directors of the corporation.

Section 6.2. Prepayment of Expenses. The corporation shall pay the expenses (including attorneys' fees) incurred by an indemnitee in defending any proceeding in advance of its final disposition, provided, however, that the payment of expenses incurred by a director or officer in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that the director or officer is not entitled to be indemnified under this Article or otherwise.

Section 6.3. Claims. If a claim for indemnification or payment of expenses under this Article is not paid in full within sixty days after a written claim therefor by the indemnitee has been received by the corporation, the indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the corporation shall have the burden of proving that the indemnitee was not entitled to the requested indemnification or payment of expenses under applicable law.

Section 6.4. Nonexclusivity of Rights. The rights conferred on any person by this Article VI shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the certificate of incorporation, these by-laws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.5. Other Indemnification. The corporation's obligation, if any, to indemnify or advance expenses to any person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such person may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or nonprofit enterprise.

Section 6.6. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article VI shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

ARTICLE VII

MISCELLANEOUS

Section 7.1. Fiscal Year. The fiscal year of the corporation shall be determined by resolution of the Board of Directors.

Section 7.2. Seal. The corporate seal shall have the name of the corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 7.3. Waiver of Notice of Meetings of Stockholders, Directors and Committees. Any written waiver of notice, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 7.4. Interested Directors; Quorum. No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if: (1) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 7.5. Form of Records. Any records maintained by the corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs, or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time.

Section 7.6. Amendment of By-laws. These by-laws may be altered or repealed, and new by-laws made, by the Board of Directors, but the stockholders may make additional by-laws and may alter and repeal any by-laws whether adopted by them or otherwise.

CONSENT OF THE SOLE DIRECTOR  
OF  
IMAX U.S.A. INC.

THE UNDERSIGNED, being the sole director of IMAX U.S.A. Inc., a Delaware corporation (the "Corporation"), does hereby consent to and adopt the following resolutions pursuant to Section 141(f) of the Delaware General Corporation Law:

WHEREAS, the Board of Directors desires to amend the Corporation's By-laws regarding the execution of instruments; and

WHEREAS, such amendment has been deemed to be advisable and in the best interests of the Corporation.

NOW, THEREFORE, BE IT RESOLVED, that a new Section 7.7 shall be added to the Corporation's By-laws to read in its entirety as follows:

"Section 7.7 Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the corporation may be signed by:

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the corporation without any further authorization or formality. The Board of Directors shall have power from time to time to appoint any person or persons, on behalf of the corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any person or persons appointed as aforesaid by the Board of Directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts



and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the corporation and to sign and execute (under the seal of the corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of any officer or officers, or any director or directors of the corporation and/or of any other person or persons, appointed as aforesaid by the Board of Directors may, if specifically authorized by the Board of Directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation executed or issued by or on behalf of the corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization, by the Board of Directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation."

RESOLVED, FURTHER, that the officers of this Corporation be, and they hereby are, authorized and directed to take any such

further action as may be deemed necessary or advisable in order to carry out the purpose and intent of the foregoing resolutions.

RESOLVED, FURTHER, that the Secretary of the Corporation shall file this Consent with the minutes of the proceedings of the Board of Directors.

IN WITNESS WHEREOF, the undersigned sole director of this Corporation has executed this Consent on June 30, 1997.

/s/ G. Mary Ruby

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G. Mary Ruby

CERTIFICATE OF INCORPORATION

OF

IMMERSIVE ENTERTAINMENT INC.

The undersigned, for the purposes of incorporating and organizing a corporation under the General Corporation Law of the State of Delaware, does hereby certify as follows:

FIRST. The name of the corporation is Immersive Entertainment Inc.

SECOND. The address of the corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH. The total number of shares of stock which the corporation shall have authority to issue is 100. All such shares are to be Common Stock, par value of \$.01 per share, and are to be of one class.

FIFTH. The incorporator of the corporation is Siobban Cameron, whose mailing address is One Rodney Square, P.O. Box 551, Wilmington, Delaware, 19899.

SIXTH. Unless and except to the extent that the by-laws of the corporation shall so require, the election of directors of the corporation need not be by written ballot.

SEVENTH. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors of the corporation is expressly authorized to make, alter and repeal the by-laws of the corporation, subject to the power of the stockholders of the corporation to alter or repeal any by-law whether adopted by them or otherwise.

EIGHTH. A director of the corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

NINTH. The corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons

whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this article.

TENTH. The powers of the incorporator are to terminate upon the filing of this Certificate of Incorporation with the Secretary of State of the State of Delaware. The name and mailing address of the person who is to serve as the sole initial director of the corporation until the first annual meeting of stockholders of the corporation, or until his successor is duly elected and qualified, is:

I. Bernard Plishtin  
38 Isabella Street  
Toronto, Ontario, CANADA M4Y 1N1

The undersigned incorporator hereby acknowledges that the foregoing certificate of incorporation is her act and deed on April 25, 1995.

/s/ Siobhan Cameron

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Incorporator

BY-LAWS  
OF  
IMMERSIVE ENTERTAINMENT INC.

ARTICLE I  
Stockholders

Section 1.1. Annual Meetings. An annual meeting of stockholders shall be held for the election of directors at such date, time and place, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting.

Section 1.2. Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by the Board of Directors, or by a committee of the Board of Directors that has been duly designated by the Board of Directors and whose powers and authority, as expressly provided in a resolution of the Board of Directors, include the power to call such meetings, but such special meetings may not be called by any other person or persons.

Section 1.3. Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given that shall state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the certificate of incorporation or these by-laws, the written notice of any meeting shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation.

Section 1.4. Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 1.5. Quorum. Except as otherwise provided by law, the certificate of incorporation or these by-laws, at each meeting of stockholders the presence in person or by proxy of the holders of a majority in voting power of the outstanding shares of stock entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. In the absence of a quorum, the stockholders so present may, by majority vote, adjourn the meeting from time to

time in the manner provided in Section 1.4 of these by-laws until a quorum shall attend. Shares of its own stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the corporation or any subsidiary of the corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 1.6. Organization. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in his absence by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting. The chairman of the meeting shall announce at the meeting of stockholders the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote.

Section 1.7. Voting; Proxies. Except as otherwise provided by the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by him which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary of the corporation. Voting at meetings of stockholders need not be by written ballot. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect. All other elections and questions shall, unless otherwise provided by law, the certificate of incorporation or these by-laws, be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock which are present in person or by proxy and entitled to vote thereon.

Section 1.8. Fixing Date for Determination of Stockholders of Record. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (1) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty nor less than ten days before the date of such meeting; (2) in the case of determination of stockholders entitled to

express consent to corporate action in writing without a meeting, shall not be more than ten days from the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (3) in the case of any other action, shall not be more than sixty days prior to such other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action of the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation in accordance with applicable law, or, if prior action by the Board of Directors is required by law, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action; and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 1.9. List of Stockholders Entitled to Vote. The Secretary shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. Upon the willful neglect or refusal of the directors to produce such a list at any meeting for the election of directors, they shall be ineligible for election to any office at such meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 1.10. Action By Consent of Stockholders. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered (by hand or by certified or registered mail, return receipt requested) to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of minutes of stockholders are recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

Section 1.11. Inspectors of Election. The corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

Section 1.12. Conduct of Meetings. The Board of Directors of the corporation may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.



## ARTICLE II

### Board of Directors

Section 2.1. Number; Qualifications. The Board of Directors shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

Section 2.2. Election; Resignation; Removal; Vacancies. The Board of Directors shall initially consist of the persons named as directors in the certificate of incorporation, and each director so elected shall hold office until the first annual meeting of stockholders or until his successor is elected and qualified. At the first annual meeting of stockholders and at each annual meeting thereafter, the stockholders shall elect directors each of whom shall hold office for a term of one year or until his successor is elected and qualified. Any director may resign at any time upon written notice to the corporation. Any newly created directorship or any vacancy occurring in the Board of Directors for any cause may be filled by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum, or by a plurality of the votes cast at a meeting of stockholders, and each director so elected shall hold office until the expiration of the term of office of the director whom he has replaced or until his successor is elected and qualified.

Section 2.3. Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine, and if so determined notices thereof need not be given.

Section 2.4. Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the President, any Vice President, the Secretary, or by any member of the Board of Directors. Notice of a special meeting of the Board of Directors shall be given by the person or persons calling the meeting at least twenty-four hours before the special meeting.

Section 2.5. Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 2.6. Quorum; Vote Required for Action. At all meetings of the Board of Directors a majority of the whole Board of Directors shall constitute a quorum for the transaction of business. Except in cases in which the certificate of incorporation, these by-laws or applicable law otherwise provides, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.7. Organization. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in their absence by a chairman chosen at the

meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8. Informal Action by Directors. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or such committee.

ARTICLE III

Committees

Section 3.1. Committees. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it.

Section 3.2. Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these by-laws.

## ARTICLE IV

### Officers

Section 4.1. Executive Officers; Election; Qualifications; Term of Office; Resignation; Removal; Vacancies. The Board of Directors shall elect a President and Secretary, and it may, if it so determines, choose a Chairman of the Board and a Vice Chairman of the Board from among its members. The Board of Directors may also choose one or more Vice Presidents, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers. Each such officer shall hold office until the first meeting of the Board of Directors after the annual meeting of stockholders next succeeding his election, and until his successor is elected and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the corporation. The Board of Directors may remove any officer with or without cause at any time, but such removal shall be without prejudice to the contractual rights of such officer, if any, with the corporation. Any number of offices may be held by the same person. Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

Section 4.2. Powers and Duties of Executive Officers. The officers of the corporation shall have such powers and duties in the management of the corporation as may be prescribed in a resolution by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors. The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his duties.

ARTICLE V

Stock

Section 5.1. Certificates. Every holder of stock shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the corporation certifying the number of shares owned by him in the corporation. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 5.2. Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

## ARTICLE VI

### Indemnification

Section 6.1. Right to Indemnification. The corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans (an "indemnitee"), against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such indemnitee. The corporation shall be required to indemnify an indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if the initiation of such proceeding (or part thereof) by the indemnitee was authorized by the Board of Directors of the corporation.

Section 6.2. Prepayment of Expenses. The corporation shall pay the expenses (including attorneys' fees) incurred by an indemnitee in defending any proceeding in advance of its final disposition, provided, however, that the payment of expenses incurred by a director or officer in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that the director or officer is not entitled to be indemnified under this Article or otherwise.

Section 6.3. Claims. If a claim for indemnification or payment of expenses under this Article is not paid in full within sixty days after a written claim therefor by the indemnitee has been received by the corporation, the indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the corporation shall have the burden of proving that the indemnitee was not entitled to the requested indemnification or payment of expenses under applicable law.

Section 6.4. Nonexclusivity of Rights. The rights conferred on any person by this Article VI shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the certificate of incorporation, these by-laws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.5. Other Indemnification. The corporation's obligation, if any, to indemnify or advance expenses to any person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such person may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or nonprofit enterprise.

Section 6.6. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article VI shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

ARTICLE VII

Miscellaneous

Section 7.1. Fiscal Year. The fiscal year of the corporation shall be determined by resolution of the Board of Directors.

Section 7.2. Seal. The corporate seal shall have the name of the corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 7.3. Waiver of Notice of Meetings of Stockholders, Directors and Committees. Any written waiver of notice, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 7.4. Interested Directors; Quorum. No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if: (1) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 7.5. Form of Records. Any records maintained by the corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs, or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time.



Section 7.6. Amendment of By-laws. These by-laws may be altered or repealed, and new by-laws made, by the Board of Directors, but the stockholders may make additional by-laws and may alter and repeal any by-laws whether adopted by them or otherwise.

CONSENT OF THE SOLE DIRECTOR  
OF  
IMMERSIVE ENTERTAINMENT INC.

THE UNDERSIGNED, being the sole director of Immersive Entertainment Inc., a Delaware corporation (the "Corporation"), does hereby consent to and adopt the following resolutions pursuant to Section 141(f) of the Delaware General Corporation Law:

WHEREAS, the Board of Directors desires to amend the Corporation's By-laws regarding the execution of instruments; and

WHEREAS, such amendment has been deemed to be advisable and in the best interests of the Corporation.

NOW, THEREFORE, BE IT RESOLVED, that a new Section 7.7 shall be added to the Corporation's By-laws to read in its entirety as follows:

"SECTION 7.7. Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by:

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The Board of Directors shall have power from time to time to appoint any person or persons, on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the Corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any person or persons appointed as aforesaid by the Board of Directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or

personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Corporation and to sign and execute (under the seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of any officer or officers, or any director or directors of the Corporation and/or of any other person or persons, appointed as aforesaid by the Board of Directors may, if specifically authorized by the Board of Directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization, by the Board of Directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation."

RESOLVED, FURTHER, that the officers of this Corporation be, and they hereby are, authorized and directed to take any such

further action as may be deemed necessary or advisable in order to carry out the purpose and intent of the foregoing resolutions.

RESOLVED, FURTHER, that the Secretary of the Corporation shall file this Consent with the minutes of the proceedings of the Board of Directors.

IN WITNESS WHEREOF, the undersigned sole director of this Corporation has executed this Consent on June 30, 1997.

/s/ Christian Jorg

-----  
Christian Jorg

CERTIFICATE OF FORMATION  
OF  
MIAMI THEATRE LLC

ARTICLE I

NAME

The name of the limited liability company is MIAMI THEATRE LLC (the "Company").

ARTICLE II

INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the Company is 1209 Orange Street, Wilmington, Delaware 19801 and the name of the initial registered agent of this Company at that address is The Corporation Trust Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation on this 25th day of November, 1998.

By: /s/ John Mackie

-----  
Print Name: John Mackie

-----  
Print Title: Authorized Person  
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LIMITED LIABILITY COMPANY AGREEMENT  
OF  
MIAMI THEATRE LLC

THIS LIMITED LIABILITY COMPANY AGREEMENT is made and entered into as of the 25th day of November, 1998, by and between IMAX THEATRE HOLDING (CALIFORNIA I) CO., a Delaware corporation ("California I") and IMAX THEATRE HOLDING (CALIFORNIA II) CO., a Delaware corporation ("California II").

W I T N E S S E T H:

WHEREAS, on November 25, 1998, a Certificate of Formation forming a limited liability company (known as "MIAMI THEATRE LLC" (the "Company"), under the Delaware Limited Liability Company Act (the "Act") as in effect at that time in the State of Delaware, was filed with the Delaware Secretary of State; and

WHEREAS, the parties desire to enter into a limited liability company with the terms and conditions set forth below; and

WHEREAS, this Limited Liability Company Agreement, dated as of November 25, 1998, is made and entered into by and between California I and California II for the purpose of setting forth the rights, obligations, and duties of such parties.

NOW, THEREFORE, the parties hereto hereby agree that the Company shall be governed and operated pursuant to the terms of this Limited Liability Company Agreement as hereinafter set forth.

ARTICLE I

NAME, TERM, PRINCIPAL ADDRESS AND REGISTERED AGENT

1.1 Name. The name of the limited liability company is MIAMI THEATRE, LLC

1.2 Term. The term of the Company will continue in full force and effect until December 31, 2096, unless sooner terminated in accordance with the Act (as such term is defined herein) or provisions of this Limited Liability Company Agreement.

1.3 Principal Place of Business. The office and principal place of business of the Company shall be maintained at the IMAX(R) Theatre in The Shops at Sunset Place, 5701 S.W. 72nd Street, South Miami, Florida, 33143.. California I may from time to time change such office and principal place of business, and may establish additional places of business of the Company when and where required by the Company's business.

1.4 Addresses. The address of each Member is as follows:

Imax Theatre Holding (California I) Co.  
One Rodney Square, 10th Floor  
Tenth and King Streets,  
Wilmington, Delaware,  
U.S.A. 19801

Imax Theatre Holding (California II) Co.  
One Rodney Square, 10th Floor  
Tenth and King Streets,  
Wilmington, Delaware,  
U.S.A. 19801

A Member may change its address by written notice to the Company and each of the other Members.

1.5 Registered Office and Registered Agent. The location of the Registered Office of the Company shall be 1209 Orange Street, Wilmington, Delaware 19801 and the name of the Registered Agent of the Company at such office shall be The Corporation Trust Company. Said Registered Agent shall keep and maintain at such address the records of the Company required to be kept and maintained at such address by the Act.

## ARTICLE II

### BUSINESS OF THE COMPANY

2.1 Purposes and Powers. The Company shall have the authority to engage in any lawful business purpose or activity permitted by the Act and shall possess and may exercise all of the powers and privileges granted by the Act.

## ARTICLE III

### CERTAIN DEFINITIONS

3.1 Act. The Delaware Limited Liability Company Act, as from time to time amended.

3.2 Adjusted Capital Contribution. The amount contributed to the capital of the Company by a Member as provided in Article IV.

3.3 Affiliate. Any person or entity that directly or indirectly controls, is controlled by or is under common control with any other person or entity. For this purpose, the term "control" shall mean the direct or indirect ownership of twenty-five (25%) or more of the beneficial interests or voting power of any entity or the spouse, lineal ascendants, lineal descendants and the brothers and sisters of a Person, as applicable.

3.4 Available Cash. All cash of the Company resulting from normal business operations (as distinguished from Extraordinary Events or the sale of all or substantially all of the Company's property and/or the dissolution of the Company), including, without limitation, dividend income, rental income, and any other income derived from the Company property which California I, in its sole and absolute discretion, determines is available for distribution to the Members after payment of all Company cash expenditures, including but not limited to, real and personal property taxes, use taxes, principal and interest payments then due on all loans, (including any mortgages encumbering the Company's property), expenses incident to the construction and rental of the Company property, insurance, present maintenance, including, but not limited to management fees, brokerage fees, or other fees incurred by the Company, capital improvements, accounting and legal fees, and other costs and expenses of the Company, and the setting aside of any amounts which California I may determine, in its discretion, to be necessary as a reserve for operating expenses, capital improvements and contingencies.

3.5 Capital Account. The account established and maintained by the Company for each Member, as set forth in Section 4.5 hereof.

3.6 Capital Contribution. The amount of money and the initial fair market value of any property (other than money) contributed to the Company by a Member with respect to the Company Interest held by such Member.

3.7 Code. The Internal Revenue Code of 1986, as same may be amended from time to time.

3.8 Extraordinary Event. Any financing, refinancing, insurance award (other than for substantially complete destruction of all or substantially all of the Company's property) and sale of Company assets (but less than all or substantially all of such assets), which in accordance with generally accepted accounting principles are attributable to capital but which do not result in a dissolution of the Company.

3.9 Original Capital Contribution. The amount contributed to the capital of the Company by a Member as provided in Article IV.

3.10 Members. Collectively, California I and California II.

3.11 Company. MIAMI THEATRE LLC, a Delaware limited liability company.

3.12 Company Interest. The entire ownership interest of a Member in the Company at the relevant time, including the right of such Member to any and all benefits to which a Member may be entitled as provided in this Limited Liability Company Agreement, together with the obligations of such Member to comply with all the terms and provisions of this Limited Liability Company Agreement. A Company Interest does not include any rights or obligations that a Member may have for providing services or goods for which it is separately compensated as a Person who is not a Member.

3.13 Person. Any individual, corporation, trust, partnership or other form of association.



3.14 Profits and Losses. The Company's income or loss, as the case may be, for each fiscal year of the Company determined in accordance with Code Section 703(a) (including all items of income, gain, deduction or loss that are required to be separately stated). The Company's Profits and Losses shall also include: (i) income of the Company which is exempt from tax; and (ii) the excess of the deductions for depletion over the basis of the property subject to depletion. Similarly, the Company's Losses shall include expenditures for the Company which are not deductible in computing its taxable income and are not properly chargeable to a capital account. Notwithstanding anything to the contrary in this Limited Liability Company Agreement, Profits and Losses shall not include allocations under Code Section 704(c) (which are set forth at Section 4.9 hereof) or Regulatory Allocations.

3.15 Regulatory Allocations. The allocations set forth at Sections 4.10, 4.11, 4.12, 4.13 and 4.15.

3.16 Service. Internal Revenue Service.

3.17 Shares. Units representing each Member's Company Interest. At the Members' mutual consent, the Shares issued to each Member may be represented by a certificate.

3.18 Share Interest. For each Member, the percentage of the total issued and outstanding Shares that are owned by each Member. Where the number or Shares held by a Member varies over a given period, the Share Interest of each Member shall be determined pursuant to any reasonable method that is selected by California I.

#### ARTICLE IV

##### CONTRIBUTIONS TO CAPITAL; DISTRIBUTIONS; ALLOCATIONS

4.1 Capital Contributions of the Members. By the mutual agreement of the two Members, each Member will contribute to the Company cash and/or property in exchange for Shares in the Company. The Members will initially contribute cash and/or property as detailed below:

MEMBER	PROPERTY	FAIR MARKET VALUE	SHARES
California I	IMAX(R) Projection System	US\$2,225,000	
	875 Sets of Glasses	US\$196,875	
	175 Spare Batteries	US\$6,125	
	Furniture, Fixtures and Equipment, Leasehold Improvements and Start-up and Organizational Costs	US\$2,561,029	
	TOTAL	US\$4,989,029	99%
California II	Furniture, Fixtures and Equipment, Leasehold Improvements and Start-up and Organizational Costs	US\$50,395	
	TOTAL	US\$50,395	1%

4.2 Withdrawal and Return of Capital. Except upon the dissolution and liquidation of the Company, a Member shall have no right to withdraw any of its Capital Contributions without the consent of the other Member(s). Under circumstances requiring a return of a Member's Capital Contributions, no Member shall have the right to receive property other than cash except as may be specifically provided herein.

4.3 Additional Capital Contributions. The Company may accept additional Capital Contributions to the extent that such contributions are consented to by both Members and are in accordance with the requirements of Section 5.3 hereof. With the mutual consent of the Members, the Company may issue additional Shares to the contributing Member.

4.4 Loans to the Company. The Members may make loans to the Company from time to time, as authorized by California I (subject to the requirements of Section 5.3 hereof), in excess of their contributions to the capital of the Company, and any such loans shall not be treated as a contribution to the capital of the Company for any purposes hereunder, nor shall any such loans entitle such Member to any increase in its share of the profits, losses or distributions of the Company. The amount of any such loan shall be an obligation of the Company to such Member and shall bear interest at a rate agreed to by California I. Any such loan shall be repaid prior to any distributions being made to the Members pursuant to Sections 4.8.2 and 9.3 hereof.

4.5 Capital Accounts. A separate Capital Account shall be determined and maintained for each Member in accordance with the rules of Treas. Reg. Section 1.704-1(b)(2)(iv). Except as otherwise provided in Treas. Reg. Section 1.704-1(b)(2)(iv), each Member's Capital Account shall initially consist of such Member's Capital Contribution and shall be further credited with each Member's additional Capital Contributions and allocable share of the Company's Profits, as determined in Section 4.6 below and items that are specially allocated in Sections 4.10, 4.11, 4.12, 4.15 and 4.16, and shall be debited by all distributions made by the Company to a Member together with each such Member's allocable share of the Company's losses, as determined in Section 4.6 below and items that are specially allocated in Sections 4.10, 4.11, 4.12, 4.15 and 4.16. In the event that the Company, in conformity with the above Treasury Regulations, has property on its books at a value ("book value") greater than or less than its adjusted tax basis, the Members' Capital Accounts shall be adjusted to reflect only allocations to them of depreciation, amortization and gain or loss as computed for book purposes (and not for tax purposes) with respect to such property. In such event, items of book depreciation, amortization and gain or loss shall be calculated in conformity with the rules of Treas. Reg. Section 1.704-1(b)(2)(iv)(g). For purposes of calculating a Member's Capital Account, the following adjustments shall be included as Profits and Losses:

- (a) any and all adjustments made to Capital Accounts pursuant to Treas. Reg. Section 1.704-1(b)(2)(iv)(f) (optional revaluation of Capital Accounts), as it may be amended or supplemented from time to time;
- (b) any and all adjustments made to Capital Accounts pursuant to Treas. Reg. Section 1.704-1(b)(2)(iv)(e) (adjustment resulting from property distribution), as it may be amended or supplemented from time to time; and

- (c) any and all adjustments made to Capital Accounts pursuant to Treas. Reg. Section 1.704-1(b)(2)(iv)(m)(4) (as it may be amended or supplemented from time to time), as it relates to distributions other than in liquidation of a Member's Interest in the Company.

#### 4.6 Allocation of Income and Losses.

All items of Profits and Losses incurred by the Company shall be allocated to the Members in accordance with their relative Share Interests.

4.7 Principles of Allocation. It is the intention of the Members that the allocations of Profits and Losses hereunder have substantial economic effect in accordance with the tests therefor set forth in the Treasury Regulations under Section 704(b) of the Internal Revenue Code. Accordingly, allocations not specifically provided for in this Limited Liability Company Agreement shall be made in such a manner as shall conform to the allocation rules and principles as set forth in such Treasury Regulations as in effect from time to time, and the Capital Accounts of the Members shall be maintained in accordance with the provisions hereof construed and interpreted in the light of such Treasury Regulations.

#### 4.8 Distributions.

4.8.1 Available Cash shall be distributed periodically, as determined by California I in its sole discretion, to the Members in accordance with their relative Share Interests.

4.8.2 Net Proceeds from an Extraordinary Event which are not retained as reserves for the Company's business shall, to the extent determined by California I as being available for distribution, be distributed as expeditiously as possible, in the following order of priority:

- (a) first, to the payment of any unpaid principal and interest on any third-party financing then due;

- (b) next, to the prepayment of any unpaid principal and interest on any third-party financing, if and to the extent determined by California I;

- (c) next, to the repayment of any loans made by the Members to the Company pursuant to Section 4.4 hereof, in proportion to the total amount of principal and interest payable to each such Member, such distributions being treated first as in payment of accrued interest on such loans and next as in payment of principal of such loans;

- (d) next, to the Members in proportion to their positive capital account balances until such Capital Account balances have been reduced to zero; and

- (e) the balance, if any, in accordance with the Members' relative Share interests.

4.8.3 Distributions in connection with the sale of all or substantially all of the Company's property and/or the dissolution and winding up of the Company shall be made in accordance with Section 9.3 of this Limited Liability Company Agreement.

4.9 Allocations of Certain Tax Items. If the fair market value of any Company property differs from its adjusted basis as of the day it is contributed to the Company, then items of income, gain, loss, deductions and credit related to such property for tax purposes shall be allocated between the Members so as to take into account the variation between the adjusted basis of the property for tax purposes and its fair market value in the manner provided for under Code Section 704(c). Except as may be otherwise required by Code Section 704(c), depreciation, amortization and gain or loss, as computed for tax purposes with respect to Company property which has a book value greater or less than its adjusted tax basis, shall be allocated among the Members in a manner that takes into account the variation between the adjusted tax basis and the book value of such property, in the same manner as variations between the adjusted tax basis and fair market value of property contributed to the Company are taken into account in determining the Members' share of tax items under Code Section 704(c), as required by Treas. Reg. Section 1.704-1(b)(2)(iv)(f)(4) and Treas. Reg. Section 1.704-1(b)(4)(i). In complying with the requirements of Code Section 704(c), California I is authorized to utilize any method permitted by the Treasury Regulations under Code Section 704(c). Allocations pursuant to this Section 4.9 are solely for purposes of complying with federal, state and local tax requirements, and shall not affect, or in any way be taken into account, in computing any Member's share of income, gain, loss, deduction or credit.

4.10 Minimum Gain Chargeback. Nonrecourse deductions shall be allocated to Members in accordance with their relative Share Interests. Notwithstanding any other provision of this Article IV, if there is a net decrease in partnership minimum gain (as such term is defined in Treas. Reg. Section 1.704-2(f)) during any Company fiscal year, a Member shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to its share of the net decrease in the minimum gain. The items to be so allocated shall be determined in accordance with Section 1.704-2(f) of the Treasury Regulations. This Section 4.10 is intended to comply with the minimum gain chargeback requirement in such Section of the Treasury Regulations and shall be interpreted consistently therewith.

4.11 Partner Nonrecourse Deductions. Any partner nonrecourse deductions for any fiscal year or other period shall be allocated to the Member who bears the risk of loss with respect to the loan to which such partner nonrecourse deduction is attributable in accordance with Regulations Section 1.704-2(i), if such sections of the Regulations become applicable to the Company. Partner nonrecourse debt minimum gain shall be charged back to the Members in accordance with Regulations Section 1.704-2(i)(4).

4.12 Qualified Income Offset. In the event a Member unexpectedly receives any adjustments, allocations, or distributions described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6) of the Treasury Regulations, items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the adjusted capital account deficit (as such term is used in Section 1.704-2(f) of the Treasury Regulations) of the Member as quickly as possible, provided that an allocation pursuant to this Section 4.12 shall be

made only if and to the extent that the Member would have an adjusted capital account deficit after all other allocations provided for in this Article IV have been tentatively made as if this Section 4.12 were not in this Limited Liability Company Agreement. This Section 4.12 is intended to constitute a "qualified income offset" within the meaning of Section 1.704-1(b)(2)(ii)(d)(3) of the Treasury Regulations, and is to be interpreted, to the extent possible, to comply with the requirements of such Treasury Regulation as it may be amended or supplemented from time to time.

4.13 Loss Limitation. The Losses allocated to the Members pursuant to Section 4.6 hereof shall not exceed the maximum amount of Losses that can be so allocated without causing the Member to have a deficit Capital Account at the end of any Fiscal Year after: (a) increasing a Member's Capital Account by amounts that it is obligated to restore pursuant to this Limited Liability Company Agreement or is deemed obligated to restore pursuant to the penultimate sentences of Treas. Reg. Sections 1.704-2(g)(1) and 1.704-2(i)(5), as they may be amended or supplemented from time to time; and (b) decreasing the Member's Capital Account by the items described in Treas. Reg. Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(d)(5) and 1.704-1(b)(2)(d)(6), as it may be amended or supplemented from time to time (an "Adjusted Deficit Capital Account"). All Losses in excess of the limitations set forth in this Section 4.13 shall be allocated to the Members in accordance with their relative Share Interests.

4.14 Future Amendments; Revaluation of Company Property. The Members, by a majority vote of the issued and outstanding Shares, will have complete discretion to amend the provisions of this Limited Liability Company Agreement if such amendment would not have a material adverse effect on the Members and if, in the opinion of counsel for the Company, such amendment is advisable for purposes of complying with Section 1.704-1 and 1.704-2 of the Treasury Regulations (as it may be amended or supplemented from time to time). The Members, by a majority vote of the issued and outstanding Shares, may revise the Members' Capital Accounts to reflect a revaluation of the Company property, provided that the revaluation adheres to the requirements of Section 1.704-1(b)(2)(iv)(f) of the Treasury Regulations.

4.15 Gross Income Allocation. In the event a Member has a deficit Capital Account at the end of any Company fiscal year which is in excess of the sum of (i) the amount the Member is obligated to restore pursuant to any provision of this Limited Liability Company Agreement, and (ii) the amount the Member is deemed to be obligated to restore pursuant to the penultimate sentences of Treas. Reg. Sections 1.704-2(g)(1) and 1.704-2(i)(5), the Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 4.15 shall be made only if and to the extent that the Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article IV have been made, as if Article 4.12 hereof and this Section 4.15 were not in this Limited Liability Company Agreement.

4.16 Curative Allocations. In the event that income, loss or items thereof are allocated to one or more Members pursuant to Sections 4.10, 4.11, 4.12, 4.13, and 4.15, above, subsequent income and loss first will be allocated (subject to the provisions of Sections 4.10, 4.11, 4.12, 4.13, and 4.15) to the Members in a manner designed to result in each Member having a Capital Account balance equal to what it would have been if the original allocation of income or loss pursuant to Sections 4.10, 4.11, 4.12, 4.13, and 4.15 had not occurred.

ARTICLE V

MANAGEMENT OF THE COMPANY

5.1 Rights and Duties of the Members. Except as otherwise provided herein, Members shall have full, exclusive and complete authority and discretion in the management and control of the business of the Company and shall make all decisions affecting the business of the Company. Further, the Members shall have all of the rights and powers of a member as provided in the Act and as otherwise provided by law or this Limited Liability Company Agreement, and any action taken by a Member shall constitute the act of and serve to bind the Company. Each member shall manage and control the affairs of the Company to the best of its ability and shall use its best efforts to carry out the business of the Company as set forth in Article II.

5.2 Indemnification of the Members. The Members and all Affiliates of the Members and their respective shareholders, partners, officers, directors and employees (hereinafter referred to individually as an "Indemnitee") shall not be liable to the Company or any other Member for any loss incurred in connection with any action or inaction of an Indemnitee, if such Indemnitee, in good faith, determined that such course of conduct was in the best interest of the Company and did not constitute gross negligence of such Indemnitee. An Indemnitee shall be indemnified and held harmless by the Company against any and all losses, judgments, liabilities, expenses, costs (including attorney's fees) actually and necessarily incurred by said Indemnitee in connection with the defense of any suit or action (including, without limitation, all costs of appeal) to which the Indemnitee is made a party by reason of its position herein, to the fullest extent permitted under the provisions of the Act or any other applicable statute. Nothing herein shall make any Affiliate of a Member liable in any way for the acts, omissions, obligations or liabilities of a Member.

5.3 Tax Matters Partner. If the Company is required by the Code or the Treasury Regulations to have a Tax Matters Partner ("TMP"), California I shall serve as the TMP for the Company. The TMP agrees to act as a liaison between the Company and the Service in connection with all administrative and judicial proceedings involving tax controversies of the Company, and agrees to assume all the rights and duties of a TMP as set forth in the Code and the Regulations promulgated thereunder. These rights and duties include, but are not limited to:

- (a) the duty to notify and keep all other Members informed of all administrative and judicial proceedings, as required by Section 6223(g) of the Code, and to furnish to each Member, who so requests in writing, a copy of each notice or other communication received by the TMP from the Service;
- (b) the right to settle any claims by the Service against the Company;
- (c) the right to initiate judicial proceedings contesting adverse determinations by the Service against the Company;
- (d) the right to enter into an agreement to extend the statute of limitations;
- (e) the right to employ experienced tax counsel to represent the Company in connection with any audit or investigation of the Company by the Service, and in

connection with all subsequent administrative and judicial proceedings arising out of such audit. The fees and expenses of such counsel shall be a Company expense and shall be paid by the Company. Such counsel shall be responsible for representing the Company; it shall be the responsibility of California I and of California II, at their expense, to employ tax counsel to represent their respective separate interests; and

(f) arrange for the preparation and delivery of Company information returns and Schedule K's to the Members.

The TMP shall be entitled to be reimbursed for all expenses incurred when acting in its capacity as TMP.

5.4 Company Basis Elections. In the event of a distribution of property by the Company within the meaning of Section 734 of the Code, or the transfer of any interest in the Company within the meaning of Section 743 of the Code, California I, in its sole and absolute discretion, may cause the Company to elect to adjust the basis of its assets pursuant to Section 754 of the Code. The Members affected by this election, if made, shall supply to the Company any information that may be required to make such election.

#### ARTICLE VI

##### LIABILITY OF MEMBERS AND TRANSFERABILITY OF INTERESTS

6.1 Limited Liability of the Members. Except as otherwise provided in the Act or any other applicable law, the Members are not personally liable for the expenses, liabilities or obligations of the Company beyond the amount of its Capital Contribution.

6.2 Transfer of a Member's Company Interest. A Member shall not transfer, sell, encumber, assign or otherwise dispose (a "Transfer") of part or all of the Shares representing its Company Interest without the permission of the other Member. Any certificate evidencing ownership of the Shares shall contain the foregoing restriction.

#### ARTICLE VII

##### ADMISSION AND WITHDRAWAL OF MEMBERS

7.1 Admission. The Members may jointly select and admit additional members.

7.2 Withdrawal. A Member may not resign or withdraw from the Company without the written consent of the remaining Member(s).

ARTICLE VIII

TERMINATION OF THE COMPANY

8.1 Dissolution. The Company shall be dissolved upon the happening of any of the following events:

(a) The bankruptcy, death, retirement, resignation, expulsion or dissolution, of a Member, unless within ninety (90) days after such event, the sole remaining Member or a majority in interest of the remaining Members, as the case may be: (i) elects to continue the business of the Company; and (ii) if necessary for the Company to have two Members, elects a substitute Member who agrees in writing to accept such election;

(b) The sale or other disposition, not including an exchange, of all or substantially all of the Company's property; or

(c) The unanimous written consent of the Members.

8.2 Effectiveness. Dissolution of the Company shall be effective on December 31, 2096, or the day on which the event occurs giving rise to the dissolution, but the Company shall not terminate until the Certificate of Formation shall have been canceled and the assets of the Company shall have been distributed as provided in Section 8.3 below. Notwithstanding the dissolution of the Company, prior to the termination of the Company, as aforesaid, the business of the Company and the affairs of the Members, as such, shall continue to be governed by this Limited Liability Company Agreement.

8.3 Liquidation. Upon dissolution of the Company, California I shall wind up the affairs of the Company, apply and distribute its assets or the proceeds thereof as contemplated by this Limited Liability Company Agreement and cause the cancellation of the Certificate of Formation. As soon as possible after the dissolution of the Company, a full account of the assets and liabilities of the Company shall be taken, and a statement shall be prepared by a certified public accountant to be selected by California I, setting forth the assets and liabilities of the Company. A copy of such statement shall be furnished to each of the Members within thirty (30) days after such dissolution. Thereafter, California I shall, in its sole and absolute discretion, either liquidate the assets as promptly as is consistent with obtaining in so far as possible the fair value thereof or determine to distribute all or part of the assets in kind. Any proceeds from liquidation, together with any assets which California I determines to distribute in kind shall be applied to the following order:

(a) first, to the payment of debts and liabilities of the Company other than to Members, to the expenses of liquidation, and to the setting up of such reserves as may be deemed reasonably necessary for any known contingent or unforeseen liabilities or obligations of the Company arising out of or in connection with the Company or its liquidation. Such reserves shall be held for the purpose of disbursement in payment of any of the aforementioned contingencies, and at the expiration of such period as California I shall deem advisable, the Company shall distribute the balance remaining in the manner provided for herein;



(b) next, to the repayment of any debts and liabilities of the Company to Members not in respect of their Company Interests, including, without limitation, unpaid expense accounts or advances made to or for the benefit of the Company;

(c) next, to the Members in proportion to their then Capital Account balances until such Capital Account balances have been reduced to zero; and

(d) the balance, if any, in accordance with the Members' relative Share Interests.

8.4 Gain or Loss From Dissolution. The net gain or loss, if any, resulting from such dissolution and termination shall be allocable to the Members as provided in Section 4.6 hereof.

#### ARTICLE IX

##### BOOKS AND RECORDS; REPORTS

9.1 Books and Records. California I shall keep adequate books and records at one or more of its places of business, setting forth a true and accurate account of all business transactions arising out of and in connection with the conduct of the Company. Members or their designated representatives shall have the right, at any reasonable time, to have access to and inspect and copy the contents of said books or records.

9.2 Annual Reports. The Members shall be furnished annually by the Company with an unaudited financial statement for the year then ended. Upon request by any Member, the Company shall furnish an audited financial statements, with such costs being borne by the Company.

#### ARTICLE X

##### GENERAL PROVISIONS

10.1 Notices. Any notice, payment, demand or communication required or permitted to be given by any provision of this Limited Liability Company Agreement shall be in writing and delivered personally, sent by overnight courier or sent by registered or certified mail, return receipt requested, to a party at the address specified in Section 1.4 hereof. Any such notice shall be deemed to be given as of the date of receipt or refusal of receipt to the party at its address. Any Member may from time to time specify a different address by notice to the Company.

10.2 Jurisdiction and Applicable Law. Each party hereto and with regard solely to matters arising out of, or in connection with, this Limited Liability Company Agreement hereby designates the laws of the State of Delaware, both substantive and procedural, without reference to the conflicts of the law provisions thereof, as the law applicable hereto.

10.3 Survival of Rights. Except as otherwise provided, this Limited Liability Company Agreement shall be binding upon and inure to the benefit of the Members, their personal representatives, successors and permitted assigns.

10.4 Validity. In the event that any provision of this Limited Liability Company Agreement shall be held to be invalid, the same shall not affect in any respect whatsoever the validity of this Limited Liability Company Agreement.

10.5 Agreement in Counterparts. This Limited Liability Company Agreement may be executed in several counterparts, and as executed shall constitute one agreement, binding on all the parties hereto, notwithstanding that all the parties are not signatory to the original or to the same counterpart.

10.6 Waiver of Partition. The Members hereby waive any right of partition as to the Company's property or any right to take any other action which otherwise might be available to them for the purpose of severing their relationship in connection with Company property.

10.7 Headings. The headings, titles and subtitles used in this Limited Liability Company Agreement are for ease of reference only and shall not control or affect the meaning or construction of any provision hereof.

10.8 Amendments. This Limited Liability Company Agreement may be amended by California I as permitted by Section 4.14 hereof. All other amendments of this Limited Liability Company Agreement must be jointly consented to by the Members.

10.9 Entire Agreement. This Limited Liability Company Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof. This Limited Liability Company Agreement replaces and supersedes all previous agreements and amendments entered into by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Limited Liability Company Agreement as of the 25th day of November, 1998.

IMAX THEATRE HOLDING (CALIFORNIA I) CO.,  
a Delaware corporation

Attest:

/s/ J. Marsell

- -----

By: /s/ John M. Davidson

-----

Print Name: John M. Davidson  
Title: Vice President

By: /s/ Peter J. Chilibeck

-----

Print Name: Peter J. Chilibeck  
Title: Vice President

IMAX THEATRE HOLDING (CALIFORNIA II) CO.,  
a Delaware corporation

Attest:

/s/ J. Marsell

-----

By: /s/ John M. Davidson

-----

Print Name: John M. Davidson  
Title: Vice President

By: /s/ Peter J. Chilibeck

-----

Print Name: Peter J. Chilibeck  
Title: Vice President

CERTIFICATE  
This is to certify that these  
articles are effective on

CERTIFICAT  
Ceci certifie que les presents  
statuts entrent en vigueur le

FEBRUARY 21 FEVRIER, 1996

Director/Directeur  
Business Corporations Act/Loi sur les societes par actions

Ontario Corporation Number  
Numero de la societe en Ontario

1161734

ARTICLES OF AMENDMENT  
STATUTS DE MODIFICATION

Form 3  
Business  
Corporations  
Act

Formule numero 3  
Loi sur les  
compagnies

1. The present name of the corporation is: Denomination sociale actuelle de la compagnie:  
-----  
1161734 ONTARIO INC.  
-----  
-----
2. The name of the corporation is changed to (if applicable): Nouvelle denomination sociale de la compagnie (s'il y a lieu):  
-----  
MITEY CINEMA INC.  
-----  
-----
3. Date of incorporation/amalgamation: Date de la constitution ou de la fusion:  
-----  
22, December, 1995  
-----  
(Day, Month, Year)  
(jour, mois, annee)
4. The articles of the corporation are amended as follows: Les statuts de la compagnie sont modifies de la facon suivante:  
-----  
To change the name of the Corporation to MITEY CINEMA INC.

- 5. The amendment has been duly authorized as required by Sections 168 & 170 (as applicable) to the Business Corporations Act.
- 6. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on

La modification a ete dument autorisee conformement a l'article 168 et, s'il y a lieu, a l'article 170 de la Loi sur les compagnies.

Les actionnaires ou les administrateurs (le cas echeant) de la compagnie ont approuve la resolution autorisant la modification

20, February, 1996

-----  
(Day, Month, Year)  
(jour, mois, annee)

These articles are signed in duplicate.

Les presents statuts sont signes en double exemplaire.

1161734 ONTARIO INC.

-----  
(Name of Corporation)  
(Denomination sociale de la compagnie)

By/Par: /s/ G. Mary Ruby      Secretary  
-----  
(Signature)                      (Description of Office)  
(Signature)                      (Fonction)

G. Mary Ruby, Secretary

CERTIFICATE  
This is to certify that these  
articles are effective on

CERTIFICAT  
Ceci certifie que les presents  
statuts entrent en vigueur le

FEBRUARY 21 FEVRIER, 1996

Director/Directeur  
Business Corporations Act/Loi sur les sociétés par actions

Ontario Corporation Number  
Numero de la compagnie en Ontario

1161734

TRANS CODE	LINE NO.	STAT	COMP TYPE	METHOD INCORP.
A	0	0	A	3
18	20	28	29	30

  

SHARE	NOTICE REQ'D	JURISDICTION
S	N	ONTARIO
31	32	33

ARTICLES OF INCORPORATION  
STATUTS CONSTITUTIFS

Form 1  
Business  
Corporations  
Act,  
1982

Formule  
numero 1  
Loi de 1982  
sur les  
compagnies

1. The name of the corporation is: Denomination sociale de la compagnie:  
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1161734 ONTARIO INC.  
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2. The address of the registered office is: Adresse du siege social:  
38 Isabella Street  
-----  
(Street & Number or R.R. Number & if Multi-Office Building give Room No.)  
(Rue et numero ou numero de la R.R. et, s'il s'agit d'un edifice a bureau, numero du bureau)  
Toronto, Ontario M4Y 1N1  
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(Name of Municipality or Post Office) (Postal Code)  
(Nom de la municipalite ou du bureau de poste) (Code postal)  
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City of Toronto in The Municipality of Metropolitan Toronto  
-----  
Name of Municipality, Geographic Township) dans le/la (County, District, Regional Municipality)  
(Nom de la municipalite, du canton) (Comte, district, municipalite regionale)
3. Number (or minimum and maximum number) of directors is: Nombre (ou nombres minimal et maximal)  
d'administrateurs:  
A minimum of 1 and a maximum of 5.
4. The first director(s) is/are: Premier(s) administrateur(s):
- | First name, initials and last name<br>Prenom, initiales et nom de famille | Residence address, giving Street & No. or R.R. No.,<br>Municipality and Postal Code.<br>Adresse personnelle, y compris la rue et le numero,<br>le numero de la R.R., le nom de la municipalite et<br>le code postal | Resident<br>Canadian<br>State<br>Yes or No<br>Resident<br>Canadien<br>Oui/Non |
|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| G. Mary Ruby                                                              | 113 Inglewood Drive<br>Toronto, Ontario<br>M4T 1H6                                                                                                                                                                  | Yes                                                                           |

5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise. Limites, s'il y a lieu, imposees aux activites commerciales ou aux pouvoirs de la compagnie.
- There are no restrictions.
6. The classes and any maximum number of shares that the corporation is authorized to issue: Categories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisee a emettre:
- The Corporation is authorized to issue an unlimited number of common shares.

- |                                                                                                                                                                                          |                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: | Droits, privileges, restrictions et conditions, s'il y a lieu, rattaches a chaque categorie d'actions et pouvoirs des administrateurs relatifs a chaque categorie d'actions qui peut etre emise en serie: |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

The rights, privileges, restrictions and conditions attaching to the common shares are as follows:

- (1) Payment of Dividends: The holders of the common shares shall be entitled to receive dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends in such amounts and payable in such manner as the board of directors may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to or rateably with the holders of the common shares, the board of directors may in their sole discretion declare dividends on the common shares to the exclusion of any other class of shares of the Corporation.
- (2) Participation upon Liquidation, Dissolution or Winding-up: In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the common shares shall, subject to the rights of the holders of any other class of shares of the Corporation entitled to receive the assets of the Corporation upon such a distribution in priority to or rateably with the holders of the common shares, be entitled to participate rateably in any distribution of the assets of the Corporation.
- (3) Voting Rights: The holders of the common shares shall be entitled to receive notice of and to attend all annual and special meetings of the shareholders of the Corporation and to 1 vote in respect of each common share held at all such meetings.



8. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows: L'emission, le transfert ou la propriete d'actions est/n'est pas restreinte. Les restrictions, s'il y a lieu, sont les suivantes:

The right to transfer shares of the Corporation shall be restricted in that no shareholder shall be entitled to transfer any share or shares in the capital of the Corporation without either (a) the previous express sanction of the holders of more than 50% of the common shares of the Corporation for the time being outstanding expressed by a resolution passed at a meeting of the shareholders or by an instrument or instruments in writing signed by the holders of more than 50% of such shares or (b) the previous express sanction of the directors of the Corporation expressed by a resolution passed by the votes of a majority of the directors of the Corporation at a meeting of the board of directors or by an instrument or instruments in writing signed by a majority of the directors.

9. Other provisions, if any, are:

Autres dispositions, s'il y a lieu:

(1) The number of shareholders of the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been formerly in the employment of the Corporation, were, while in that employment and have continued after the termination of that employment to be, shareholders of the Corporation, is limited to not more than fifty, two or more persons who are the joint registered owners of one or more shares being counted as one shareholder.

(2) Any invitation to the public to subscribe for securities of the Corporation is prohibited.

10. The names and addresses of the incorporators are Full residence address or address of registered  
Nom et adresse des fondateurs office or of principal place of business giving  
First name, initials and last name or corporate street & No. or R.R. No., municipality and  
name postal code  
Prenom, initiale et nom de famille ou Adresse personnelle au complet, adresse du siege  
denomination sociale social ou adresse de l'etablissement principal,  
y compris la rue et le numero, le numero de la  
R.R., le nom de la municipalite et le code postal

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G. Mary Ruby

113 Inglewood Drive  
Toronto, Ontario  
M4T 1H6

These articles are signed in duplicate.

Les presents statuts sont signes en double  
exemplaire.

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Signatures of incorporators  
(Signature des fondateurs)

/s/ G. Mary Ruby

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G. Mary Ruby

BY-LAW NO. 1

A by-law relating generally to the conduct of the affairs of the Corporation.

INTERPRETATION

1. Interpretation. In this by-law and all other by-laws of the Corporation, unless the context otherwise specifies or requires:

- (a) "Act" means the Business Corporations Act (Ontario), as from time to time amended and every statute that may be substituted therefore and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Act shall be read as references to the substituted provisions therefore in the new statute or statutes;
- (b) "Regulations" means the Regulations made under the Act as from time to time amended and every regulation that may be substituted therefore and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Regulations shall be read as references to the substituted provisions therefore in the new regulations;
- (c) "by-law" means any by-law of the Corporation from time to time in force and effect;
- (d) all terms which are contained in the by-laws and which are defined in the Act or the Regulations shall have the meanings respectively given to such terms in the Act or the Regulations;
- (e) words importing the singular number only shall include the plural and vice versa and words importing a specific gender shall include the other genders; and
- (f) the headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

SEAL

2. Seal. The Corporation may but need not have a corporate seal. Any corporate seal adopted for the Corporation shall be such as the board of directors may by resolution from time to time approve.

## DIRECTORS

3. Duties and Number. Subject to any unanimous shareholder agreement, the directors shall manage or supervise the management of the business and affairs of the Corporation. The board of directors shall consist of the number of directors set out in the articles of the Corporation or, where a minimum and maximum number is provided for in the articles, such number of directors as shall be determined from time to time by special resolution or, if the special resolution empowers the directors to determine the number, by resolution of the directors. A majority of the directors shall be resident Canadians except that where the Corporation has only one or two directors, that director or one of the two directors, as the case may be, shall be a resident Canadian. If the Corporation is an offering corporation, at least one-third of the directors shall not be officers or employees of the Corporation or of any affiliate of the Corporation.

4. Term of Office. A director's term of office (subject to (a) the provisions of the articles of the Corporation; (b) the provisions of the Act; (c) any unanimous shareholder agreement; and (d) any expressly stated term of office) shall be from the date on which he is elected or appointed until the close of the annual meeting next following.

5. Vacation of Office. The office of a director shall ipso facto be vacated: (a) if he becomes bankrupt or suspends payment of his debts generally or compounds with his creditors or makes an authorized assignment or is declared insolvent; (b) if he is found to be a mentally incompetent person or of unsound mind; (c) subject to the provisions of the Act, if by notice in writing to the Corporation he resigns his office, which resignation shall be effective at the time it is received by the Corporation or at the time specified in the notice, whichever is later; (d) if he dies; or (e) if he is removed from office by the shareholders in accordance with paragraph 6.

6. Election and Removal. Subject to Section 120 of the Act the shareholders of the Corporation shall elect, at the first meeting of shareholders and at each succeeding annual meeting at which an election of directors is required, directors to hold office for a term expiring not later than the close of the third annual meeting of shareholders following the election. A director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of shareholders following his election, but, if qualified, is eligible for re-election. If directors are not elected at a meeting of shareholders, the incumbent directors continue in office until their successors are elected. Provided always that, subject to Section 122 of the Act, the shareholders of the Corporation may, by ordinary resolution passed at an annual or special meeting of shareholders, remove any director or directors from office and a vacancy created by the removal of a director may be filled at the meeting of the shareholders at which the director is removed.

7. Committee of Directors. The directors may appoint from among their number a committee of directors and subject to Subsection 127(3) of the Act may delegate to such committee any of the powers of the directors. A majority of the directors of any such committee must be resident Canadians. Subject to the by-laws and any resolution of the board of directors, the committee of directors, if any, may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit and may from time to time adopt, amend or repeal

rules or procedures in this regard. Subject to the Act, except to the extent otherwise determined by the board of directors or, failing such determination, as determined by the committee of directors, the provisions of paragraphs 8 to 15, inclusive, shall apply, mutatis mutandis, to such committee.

#### MEETINGS OF DIRECTORS

8. Place of Meeting. Meetings of the directors may be held within or outside Ontario and it shall not be necessary in any financial year of the Corporation to hold a majority of the meetings of the directors at a place within Canada.

9. Notice. A meeting of directors may be convened by the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President if he is a director, a Vice-President who is a director or any two directors at any time and the Secretary, when directed or authorized by any of such officers or any two directors, shall convene a meeting as directors. The notice of any meeting convened as aforesaid need not specify the purpose of or the business to be transacted at the meeting. Notice of any such meeting shall be served in the manner specified in paragraph 57 of this by-law not less than two (2) days (exclusive of the day on which the notice is delivered or sent but inclusive of the day for which notice is given) before the meeting is to take place; provided always that a director may in any manner and at any time waive notice of a meeting of directors and attendance of a director at a meeting of directors shall constitute a waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called; provided further that meetings of directors may be held at any time without notice if all the directors are present (except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the absent directors waive notice before or after the date of such meeting.

If the first meeting of the directors following the election of directors by the shareholders is held immediately thereafter, then for such meeting or for a meeting of the directors at which a director is appointed to fill a vacancy in the board, no notice shall be necessary to the newly elected or appointed directors or director in order to legally constitute the meeting, provided that a quorum of the directors is present.

10. Omission of Notice. The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any person shall not invalidate any resolution passed or any proceeding taken at such meeting.

11. Adjournment. Any meeting of directors may be adjourned from time to time by the chairman of the meeting, with the consent of the meeting, to a fixed time and place. Notice of any adjourned meeting of directors is not required to be given if the time and place of the adjourned meeting is announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The directors who formed quorum at the original meeting are not required to form the

quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

12. Quorum. A majority of the directors shall form a quorum for the transaction of business and, notwithstanding any vacancy among the directors, a quorum of directors may exercise all the powers of directors. No business shall be transacted at a meeting of directors unless a quorum of the board of directors is present and, except as otherwise permitted by the Act, a majority of directors present are resident Canadians.

13. Telephone Participation. If all of the directors of the Corporation present at or participating in the meeting consent, a meeting of directors may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such meeting by such means is deemed for the purpose of the Act to be present at that meeting.

14. Voting. Questions arising at any meeting of the board of directors shall be decided by a majority of votes. In case of an equality of votes the chairman of the meeting in addition to his original vote shall have a second or casting vote.

15. Resolution in Lieu of Meeting. Notwithstanding any of the provisions of this law, but subject to the Act or any unanimous shareholder agreement, a resolution in writing, signed by all of the directors entitled to vote on that resolution at a meeting of the directors is as valid as if it had been passed at a meeting of the directors.

#### REMUNERATION OF DIRECTORS

16. Remuneration of Directors. The remuneration to be paid to the directors shall be such as the board of directors shall from time to time determine and such remuneration shall be in addition to the salary paid to any officer or employee of the Corporation who is also a member of the board of directors. The board of directors may also award special remuneration to any director undertaking any special services on the Corporation's behalf other than the routine work ordinarily required of a director by the Corporation and the confirmation of any such resolution or resolutions by the shareholders shall not be required. The directors shall also be entitled to be paid their travelling and other expenses properly incurred by them in connection with the affairs of the Corporation.

SUBMISSION OF CONTRACTS OR TRANSACTIONS  
TO SHAREHOLDERS FOR APPROVAL

17. Submission of Contracts or Transactions to Shareholders for Approval. The board of directors in its discretion may submit any contract, act or transaction for approval or ratification at any annual meeting of the shareholders or at any special meeting of the shareholders called for the purpose of considering the same and, subject to the provisions of Section 132 of the Act, any such contract, act or transaction that shall be approved or ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's articles or any other by-law) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified or confirmed by every shareholder of the Corporation.

FOR THE PROTECTION OF DIRECTORS AND OFFICERS

18. Conflict of Interest. In supplement of and not by way of limitation upon any rights conferred upon directors and officers by Section 132 of the Act, it is declared that no director or officer shall be disqualified from his office by, or vacate his office by reason of, holding any office or place of profit under the Corporation or under any body corporate in which the Corporation shall be a shareholder, or by reason of being otherwise in any way directly or indirectly interested in or contracting with the Corporation either as vendor, purchaser or otherwise or being concerned in any contract or arrangement made or proposed to be entered into with the Corporation in which he is in any way directly or indirectly interested either as vendor, purchaser or otherwise nor shall any director or officer be liable to account to the Corporation or any of its shareholders or creditors for any profit arising from any such office or place of profit; and, subject to the provisions of Section 132 of the Act, no contract or arrangement entered into by or on behalf of the Corporation in which any director or officer shall be in any way directly or indirectly interested shall be avoided or voidable and no director or officer shall be liable to account to the Corporation or any of its shareholders or creditors for any profit realized by or from any such contract or arrangement by reason of any fiduciary relationship. A director or officer of the Corporation who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, or is a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose the nature and extent of his interest at the time and in the manner provided in the Act. Except as provided in the Act, no such director of the Corporation shall vote on any resolution to approve such contracts or transactions but each such director may be counted to determine the presence of a quorum at the meeting of directors where such vote is being taken.

19. The Protection of Directors and Officers. Except as otherwise provided in the Act, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for



or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, including any person with whom or which any moneys, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board of directors. If any directors or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall have an interest in a person which is employed by or performs services for the Corporation, the fact of his being a shareholder, director or officer of the Corporation shall not disentitle such director or officer or such person, as the case may be, from receiving proper remuneration for such services.

#### INDEMNITIES TO DIRECTORS AND OFFICERS

20. Indemnities to Directors and Officers. Subject to the provisions of Section 136 of the Act, the Corporation shall indemnify a director or officer, a former director or officer, or a person who acts or acted at the corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate, if (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful. The Corporation shall also indemnify any such person in such other circumstances as the Act or law permits or requires. Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law to the extent permitted by the Act or law.

#### OFFICERS

21. Appointment. The board of directors may annually or oftener as may be required appoint a Chairman of the Board, a Vice-Chairman of the Board, a President, a Managing

Director, one or more Vice-Presidents, a Secretary, a Treasurer, one or more Assistant Secretaries, one or more Assistant Treasurers and/or a General Manager or Manager. Notwithstanding the foregoing, each incumbent officer shall continue in office until the earliest of: (a) his resignation, which resignation shall be effective at the time a written resignation is received by the Corporation or at the time specified in the resignation, whichever is later; (b) the appointment of his successor; (c) his ceasing to be a director if such is a necessary qualification of his appointment; (d) the meeting at which the board of directors annually appoint the officers of the Corporation; (e) his removal; and (f) his death. A director may be appointed to any office of the Corporation but none of the officers except the Chairman of the Board, the Vice-Chairman of the Board and the Managing Director need be a member of the board of directors. Two or more of the aforesaid offices may be held by the same person. In case and whenever the same person holds the offices of Secretary and Treasurer he may but need not be known as the Secretary-Treasurer. The board of directors may from time to time appoint such other officers and agents as it shall deem necessary who shall have such authority and shall perform such duties as may from time to time be prescribed by the board of directors. The board of directors may from time to time and subject to the provisions of the Act, vary, add to or limit the duties and powers of any officer.

22. Remuneration and Removal. The remuneration of all officers appointed by the board of directors shall be determined from time to time by resolution of the board of directors. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration as may be determined. All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the board of directors at any time, with or without cause.

23. Powers and Duties. All officers shall sign such contracts, documents or instruments in writing as require their respective signatures and shall respectively have and perform all powers and duties incident to their respective offices and such other powers and duties respectively as may from time to time be assigned to them by the board of directors.

24. Duties May be Delegated. In case of the absence or inability to act of any officer of the Corporation except the Managing Director or for any other reason that the board of directors may deem sufficient, the board of directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

25. Chairman of the Board. The Chairman of the Board, if any, shall, when present, preside as chairman at all meetings of the directors, the committee of directors, if any, and the shareholders.

26. Vice-Chairman of the Board. If the Chairman of the Board is absent or is unable or refuses to act, the Vice-Chairman of the Board, if any, shall, when present, preside as chairman at all meetings of the directors, the committee of directors, if any, and the shareholders.

27. President. The President shall be the chief executive officer of the Corporation unless otherwise determined by the board of directors. The President shall be vested with and may exercise all the powers and shall perform all the duties of the Chairman of the Board and/or Vice-Chairman of the Board if none be appointed or if the Chairman of the Board and the Vice-

Chairman of the Board are absent or are unable or refuse to act; provided, however, that unless he is a director he shall not preside as chairman at any meeting of directors or of the committee of directors, if any, or, subject to paragraph 41 of this by-law, at any meeting of shareholders.

28. Vice-President. The Vice-President or, if more than one, the vice presidents, in order of seniority and/or function, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President; provided, however, that a Vice-President who is not a director shall not preside as chairman at any meeting of directors or of the committee of directors, if any, or, subject to paragraph 41 of this by-law, at any meeting of shareholders.

29. Secretary. The Secretary shall give or cause to be given notices for all meetings of the directors, the committee of directors, if any, and the shareholders when directed to do so and shall have charge of the minute and record books of the Corporation and, subject to the provisions of paragraph 48 of this by-law, of the records (other than accounting records) referred to in Section 140 of the Act.

30. Treasurer. Subject to the provisions of any resolution of the board of directors, the Treasurer shall have the care and custody of all the funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or with such other depository or depositories as the board of directors may direct. He shall keep or cause to be kept the accounting records referred to in Section 140 of the Act. He may be required to give such bond for the faithful performance of his duties as the board of directors in its uncontrolled discretion may require but no director shall be liable for failure to require any such bond or for the insufficiency of any such bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.

31. Assistant Secretary and Assistant Treasurer. The Assistant Secretary or, if more than one, the Assistant Secretaries in order of seniority, and the Assistant Treasurer or, if more than one, the Assistant Treasurers in order of seniority, shall respectively perform all the duties of the Secretary and the Treasurer, respectively, in the absence or inability or refusal to act of the Secretary or the Treasurer, as the case may be.

32. Managing Director. The Managing Director shall be a member of the board of directors, and a resident Canadian and shall exercise such powers and have such authority as may be delegated to him by the board of directors in accordance with the provisions of Section 127 of the Act.

33. General Manager or Manager. The board of directors may from time to time appoint one or more General Managers or Managers, in order of seniority and/or function, and may delegate to him or them full power to manage and direct the business and affairs of the Corporation (except such matters and duties as by law must be transacted or performed by the board of directors and/or by the shareholders) and to employ and discharge agents and employees of the Corporation or may delegate to him or them any lesser authority. A General Manager or Manager shall conform to all lawful orders given to him by the board of directors of the Corporation and shall at all reasonable times give to the directors or any of them all information they may require regarding the affairs of the Corporation. Any agent or employee

appointed by a General Manager or Manager shall be subject to discharge by the board of directors.

34. Vacancies. If the office of any officer of the Corporation shall be or become vacant by reason of death, resignation, disqualification or otherwise, the board of directors may appoint a person to fill such vacancy.

#### SHAREHOLDERS' MEETINGS

35. Annual Meeting. Subject to the provisions of Section 94 of the Act, the annual meeting of the shareholders shall be held on such day in each year and at such time as the board of directors may determine and subject to the articles and any unanimous shareholder agreement shall be held at any place in or outside Ontario as the board of directors determine or, in the absence of such determination, at the place where the registered office of the Corporation is located.

36. Special Meetings. Special meetings of the shareholders may be convened by order of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President if he is a director, a Vice-President if he is a director or by the board of directors at any date and time and subject to the articles and any unanimous shareholder agreement shall be held at any place in or outside Ontario as the board of directors determines or, in the absence of such determination, at the place where the registered office of the Corporation is located.

37. Notice. A printed, written or typewritten notice stating the day, hour and place of meeting shall be given by serving such notice on each shareholder entitled to vote at such meeting, on each director and on the auditor of the Corporation in the manner specified in paragraph 57 of this by-law, not less than ten (10) days or if the Corporation is an offering corporation not less than twenty-one days but in either case not more than fifty (50) days (in each case, subject to clause 1(1)13 of the Act, exclusive of the day on which the notice is delivered or sent and of the day for which notice is given) before the date of the meeting. Notice of a meeting at which special business, as defined in Section 96(5) of the Act, is to be transacted shall state or be accompanied by a statement of: (a) the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon; and (b) the text of any special resolution or by-law to be submitted to the meeting. Provided that a meeting of shareholders may be held for any purpose on any day and at any time without notice if all of the shareholders and all other persons entitled to attend such meeting are present in person or, where appropriate, represented by proxy at the meeting (except where a shareholder or other person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the shareholders and all other persons entitled to attend such meeting who are not present in person or, where appropriate, represented by proxy thereat waive notice before or after the date of such meeting.

38. Waiver of Notice. A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of a meeting of shareholders and attendance of any such person at a meeting of shareholders shall constitute a waiver of notice of

the meeting except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

39. Omission of Notice. The accidental omission to give notice of any meeting or any irregularity in the notice of any meeting or the non-receipt of any notice by any shareholder or shareholders, director or directors or the auditor of the Corporation shall not invalidate any resolution passed or any proceedings taken at any meeting of shareholders.

40. Votes. Every question submitted to any meeting of shareholders shall be decided in the first instance by a show of hands unless a person entitled to vote at the meeting has demanded a ballot and in the case of an equality of votes the chairman of the meeting shall both on a show of hands and on a ballot have a second or casting vote in addition to the vote or votes to which he may be otherwise entitled.

A ballot may be demanded either before or after any vote by show of hands by any person entitled to vote at the meeting. If at any meeting a ballot is demanded on the election of a chairman or on the question of adjournment it shall be taken forthwith without adjournment. If at any meeting a ballot is demanded on any other question or as to the election of directors, the vote shall be taken by ballot in such manner and either at once, later in the meeting or after adjournment as the chairman of the meeting directs. The result of a ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. A demand for a ballot may be withdrawn.

Where two or more persons hold the same share or shares jointly, one of those holders present at a meeting of shareholders may, in the absence of the other or others, vote the share or shares but if two or more of those persons who are present, in person or by proxy, vote, they shall vote as one on the share or shares jointly held by them.

At any meeting unless a ballot is demanded a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

41. Chairman of the Meeting. In the event that the Chairman of the Board and the Vice-Chairman of the Board are absent and the President is absent or is not a director and there is no Vice-President present who is a director, the persons who are present and entitled to vote shall choose another director as chairman of the meeting and if no director is present or if all the directors present decline to take the chair then the persons who are present and entitled to vote shall choose one of their number to be chairman.

42. Proxies. Votes at meetings of shareholders may be given either personally or by proxy or, in the case of a shareholder who is a body corporate or association, by an individual authorized by the board of directors or governing body of the body corporate or association to represent it at meetings of shareholders of the Corporation. At every meeting at which he is entitled to vote every shareholder and/or person appointed by proxy and/or individual so authorized to represent a shareholder who is present in person shall have one vote on a show of hands. Upon a ballot at which he is entitled to vote, every shareholder present in person or

represented by proxy or by an individual so authorized shall (subject to the provisions, if any, of the articles of the Corporation) have one vote for every share held by him.

A proxy shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a body corporate or association, by an officer or attorney thereof duly authorized. If the Corporation is an offering corporation a proxy appointing a proxyholder ceases to be valid one year from its date.

A person appointed by proxy need not be a shareholder.

Subject to the provisions of the Act and the Regulations, a proxy may be in the following form:

The undersigned shareholder of \_\_\_\_\_ hereby appoints \_\_\_\_\_ of \_\_\_\_\_, or failing him of \_\_\_\_\_ as the nominee of the undersigned to attend and act for the undersigned and on behalf of the undersigned at the meeting of the shareholders of the said Corporation to be held on the \_\_\_\_\_ day of \_\_\_\_\_, and at any adjournment thereof in the same manner, to the same extent and with the same power as if the undersigned were present at the said meeting or such adjournment thereof. This proxy is (not) solicited by or on behalf of management of the Corporation.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_.

\_\_\_\_\_  
(Signature)  
Name of Shareholder:

The board of directors may from time to time make regulations regarding the lodging of proxies at some place or places other than the place at which a meeting or adjourned meeting of shareholders is to be held and for particulars of such proxies to be cabled or telegraphed or send by telex or in writing before the meeting or adjourned meeting to the Corporation or any agent of the Corporation for the purpose of receiving such particulars and providing that proxies so lodged may be voted upon as though the proxies themselves were produced at the meeting or adjourned meeting and given in accordance with such regulations shall be valid and shall be counted. The chairman of any meeting of shareholders may, subject to any regulations made as aforesaid, in his discretion accept telegraphic or cable or telex or written communication as to the authority of any person claiming to vote on behalf of and to represent a shareholder notwithstanding that no proxy conferring such authority has been lodged with the Corporation, and any votes given in accordance with such telegraphic or cable or telex or written communication accepted by the chairman of the meeting shall be valid and shall be counted.

43. Adjournment. The chairman of any meeting may with the consent of the meeting adjourn the same from time to time to a fixed time and place and no notice of such adjournment need be given to the shareholders unless the meeting is adjourned by one or more adjournments

for an aggregate of thirty days or more in which case subject to subsection 96 (4) of the Act notice of the adjourned meeting shall be given as for an original meeting. Any business may be brought before or dealt with at any adjourned meeting for which no notice is required which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The persons who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

44. Quorum. A quorum at any meeting of shareholders (unless a greater number of persons are required to be present or a greater number of shares are required to be represented by the Act or by the articles or any other by-law) shall be persons present not being less than two in number and holding or representing more than twenty per cent of the total number of the issued shares of the Corporation for the time being entitling the holders thereof to vote at such meeting. Notwithstanding the foregoing, if the Corporation has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting. No business shall be transacted at any meeting unless the requisite quorum be present at the time of the transaction of such business. If a quorum is not present at the time appointed for a meeting of shareholders or within such reasonable time thereafter as the shareholders present may determine, the persons present and entitled to vote may adjourn the meeting to a fixed time and place but may not transact any other business and the provisions of paragraph 43 with regard to notice shall apply to such adjournment.

45. Resolution in Lieu of Meeting. Notwithstanding any of the provisions of this by-law a resolution in writing signed by all of the shareholders entitled to vote on that resolution at a meeting of the shareholders is, subject to Section 104 of the Act, as valid as if it had been passed at a meeting of the shareholders.

#### SECURITIES

46. Allotment and Issuance of Shares. Subject to the provisions of Section 23 of the Act, the articles, by-laws and any unanimous shareholder agreement, shares in the capital of the Corporation may be allotted and issued by the board of directors at such times and on such terms and conditions and to such persons or class or classes of persons as the board of directors determines.

47. Certificates. Security certificates and the instrument of transfer, if any, on the reverse side thereof shall (subject to Section 56 of the Act) be in such form as the board of directors may approve and such certificates shall be signed manually by at least one officer or director of the Corporation holding office at the time of signing or by or on behalf of a registrar, transfer agent, branch transfer agent or issuing or other authenticating agent of the Corporation,

or by a trustee who certifies it in accordance with a trust indenture and any additional signatures required on a security certificate may be printed or otherwise mechanically reproduced thereon.

A security certificate containing the signature of a person which is printed, engraved, lithographed or otherwise mechanically reproduced thereon may be issued notwithstanding that the person has ceased to be a director or an officer, as the case may be, of the Corporation and shall be as valid as if he were a director or an officer, as the case may be, at the date of its issue.

#### TRANSFER OF SECURITIES

48. Transfer Agent and Registrar. For each class of securities and warrants issued by the Corporation, the board of directors may appoint: (a) a trustee, transfer agent, or other agent to keep the securities register and the register of transfers and one or more persons or agent to keep branch registers; and (b) a registrar, trustee or agent to maintain a record of issued securities, certificates and warrants, and, subject to Section 48 of the Act, one person may be appointed for the purposes of subclauses (a) and (b) in respect of all securities and warrants of the Corporation or any class or classes thereof. In the event of any such appointment in respect of the shares (or the shares of any class or classes) of the Corporation, all share certificates issued by the Corporation in respect of the shares (or the shares of the class or classes in respect of which any such appointment has been made) of the Corporation shall be countersigned by or on behalf of one of the said transfer agents and/or branch transfer agents and by or on behalf of one of the said registrars and/or branch registrars, if any.

49. Securities Registers. The securities register and the register of transfers Corporation shall be kept at the registered office of the Corporation or at such other office or place in Ontario as may from time to time be designated by the board of directors and a branch register or registers of transfers may be kept at such office or offices of the Corporation or other place or places, either within or outside Ontario, as may from time to time be designated by the board of directors.

50. Surrender of Certificates. Subject to the Act and the provisions of paragraph 52, no transfer of a security issued by the Corporation shall be registered unless the security certificate representing the security to be transferred has been surrendered or, if no security certificate has been issued by the Corporation in respect of such security, unless a duly executed instrument of transfer in respect thereof has been delivered to the Corporation or its transfer agent, as the case may be.

51. Shareholder Indebted to the Corporation. Subject to subsection 40(2) of the Act, the Corporation has a lien on a share registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation. Such lien on a share of the Corporation may, subject to the Act, be enforced as follows:

- (a) where such share is redeemable pursuant to the articles of the Corporation, by redeeming such share and applying the redemption price to such debt;



- (b) by purchasing such share for cancellation for a price equal to the book value of such share and applying the proceeds to such debt;
- (c) by selling such share to any third party whether or not such party is at arm's length to the Corporation including, without limitation, any officer or director of the Corporation, for the best price which the board of directors in their sole discretion consider to be obtainable for such share and applying the proceeds to such debt;
- (d) by refusing to permit the registration of a transfer of such share until such debt is paid; or
- (e) by any other means permitted by law.

52. Lost, Apparently Destroyed or Wrongfully Taken Security Certificates. Subject to the Act, in case of the loss, apparent destruction or wrongful taking of a security certificate, a new certificate may be issued in replacement of the one lost, apparently destroyed or wrongfully taken or a transfer of the securities represented by such certificate may be registered, upon such terms as the board of directors may from time to time prescribe, either generally or in respect of any particular loss, apparent destruction or wrongful taking of a security certificate.

#### DIVIDENDS

53. Dividends. The board of directors may from time to time declare and the Corporation may pay dividends on the issued and outstanding shares in the capital of the Corporation subject to the provisions (if any) of the articles of the Corporation.

The board of directors shall not declare and the Corporation shall not pay a dividend if there are reasonable grounds for believing that:

- (a) the Corporation is, or after the payment would be, unable to pay its liabilities as they become due; or
- (b) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and its stated capital of all classes.

The Corporation may pay a dividend by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation and, subject to the foregoing, the Corporation may pay a dividend in money or property.

In case several persons are registered as the joint holders of any shares, any one of such persons may give effectual receipts for all dividends and payments on account of dividends and/or redemption of shares (if any) subject to redemption.

## VOTING SHARES AND SECURITIES IN OTHER BODIES CORPORATE

54. Voting Shares and Securities in other Bodies Corporate. All of the shares or other securities carrying voting rights of any other body corporate held from time to time by the Corporation may be voted at any and all meetings of shareholders or holders of other securities (as the case may be) of such other body corporate and in such manner and by such person or persons as the board of directors of the Corporation shall from time to time determine. The duly authorized signing officers of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the board of directors.

## INFORMATION AVAILABLE TO SHAREHOLDERS

55. Confidential Information Not Available to Shareholders. Except as provided by the Act, no shareholder shall be entitled to discovery of any information respecting any details or conduct of the Corporation's business which in the opinion of the board of directors it would be inexpedient in the interests of the Corporation to communicate to the public.

56. Availability of Corporate Records to Shareholders. The board of directors may from time to time, subject to rights conferred by the Act, determine whether and to what extent and at what time and place and under what conditions or regulations the documents, books and registers and accounting records of the Corporation or any of them shall be open to the inspection of shareholders and no shareholder shall have any right to inspect any document or book or register or accounting record of the Corporation except as conferred by statute or authorized by the board of directors or by a resolution of the shareholders.

## NOTICES

57. Service. Any notice or other document required by the Act, the Regulations, the articles or the by-laws to be sent to any shareholder or director or to the auditor shall be delivered personally or sent by prepaid mail or by telegram or cable or telex to any such shareholder at his latest address as shown in the records of the Corporation or its transfer agent and to any such director at his latest address as shown in the records of the Corporation or the most recent notice filed under the Corporations Information Act, whichever is the most current and to the auditor at his business address; provided always that notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto. If a notice or document is sent to a shareholder by prepaid mail in accordance with this paragraph and the notice or document is returned on three consecutive occasions because the shareholder cannot be found, it shall not be necessary to send any further notices or documents to the shareholder until he informs the Corporation in writing of his new address.

58. Securities Registered in More Than One Name. All notices or other documents with respect to any securities in the capital of the Corporation registered in more than one name shall be given to whichever of such persons is named first in the records of the Corporation and any notice or other document so given shall be sufficiently given to all of the holders of such securities.

59. Persons Becoming Entitled by Operation of Law. Subject to Section 67 of the Act, every person who by operation of law, transfer or any other means whatsoever shall become entitled to any securities of the Corporation shall be bound by every notice or other document in respect of such securities which, previous to his name and address being entered in the records of the Corporation, shall have been duly given to the person or persons from whom he derives his title to such securities.

60. Deceased Security Holders. Subject to Section 67 of the Act, any notice or other document delivered or sent by post, telegram or telex or left at the address of any security holder as the same appears in the records of the Corporation shall, notwithstanding that such security holder be then deceased, and whether or not the Corporation has notice of his decease, be deemed to have been duly served in respect of the securities held by such security holder (whether held solely or with any other person or persons) until some other person be entered in his stead in the records of the Corporation as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors or administrators and on all persons, if any, interested through him or with him in such securities.

61. Signature to Notices. The signature of any director or officer of the Corporation to any notice or document to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

62. Computation of Time. Where a given number of days' notice or notice extending over a period is required to be given under any provisions of the articles or by-laws of the Corporation, the day of service or posting of the notice or document shall not, unless it is otherwise provided, be counted in such number of days or other period.

63. Proof of Service. With respect to every notice or other document sent by post it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed as provided in paragraph 57 of this by-law and put into a Post Office or into a letter box. A certificate of an officer of the Corporation in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of shares of any class of the Corporation as to facts in relation to the sending or delivery of any notice or other document to any security holder, director, officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every security holder, director, officer or auditor of the Corporation, as the case may be.

CHEQUES, DRAFTS AND NOTES

64. Cheques, Drafts and Notes. All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or persons, whether or not officers of the Corporation, and in such manner as the board of directors may from time to time designate.

CUSTODY OF SECURITIES

65. Custody of Securities. All shares and other securities owned by the Corporation shall be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the board of directors, with such other depositories or in such other manner as may be determined from time to time by the board of directors.

All shares and other securities belonging to the Corporation may be issued or held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer to be completed and registration to be effected.

EXECUTION OF INSTRUMENTS

66. Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by:

- (a) any one of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President or a Vice-President together with any one of the Secretary or the Treasurer;
- (b) any two directors; or
- (c) any one of the aforementioned officers together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board of directors shall have power from time to time to appoint any officer or officers, or any person or persons, on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the Corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers, person or

persons, appointed as aforesaid by the board of directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

- (a) any one of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President or a Vice-President together with, any one of the Secretary or the Treasurer;
- (b) any two directors; or
- (c) any one of the aforementioned officers together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Corporation and to sign and execute (under the seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President, a Vice-President, the Secretary, the Treasurer, or any director or directors of the Corporation and/or of any other officer or officers, person or persons, appointed as aforesaid by the board of directors may, if specifically authorized by the board of directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization by the board of directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation.

FINANCIAL YEAR

67. Financial Year. The financial year of the Corporation shall terminate on such date in each year as the board of directors may from time to time determine.

MADE as of December 22, 1995.

/s/ John M. Davison

-----  
Vice-President, Finance,  
John M. Davison

/s/ G. Mary Ruby

-----  
Secretary,  
G. Mary Ruby

BUSINESS CORPORATIONS ACT  
(SECTION 6)

ALBERTA CONSUMER AND CORPORATE AFFAIRS ARTICLES OF INCORPORATION

1. NAME OF CORPORATION

Mountainview Theatre Management Ltd.

2. THE CLASSES AND ANY MAXIMUM NUMBER OF SHARES THAT THE CORPORATION IS AUTHORIZED TO ISSUE.

The attached Schedule "A" is incorporated into and forms part of this form

3. RESTRICTIONS IF ANY ON SHARE TRANSFERS.

No shares of the corporation may be transferred without the prior consent of the Directors expressed by a resolution passed by the Directors

4. NUMBER (OR MINIMUM AND MAXIMUM NUMBER) OF DIRECTORS.

A minimum of 1 and a maximum of 11

5. IF THE CORPORATION IS RESTRICTED FROM CARRYING ON A CERTAIN BUSINESS, SPECIFY THESE RESTRICTIONS.

None

6. OTHER PROVISIONS IF ANY.

The attached Schedule "B" is incorporated into and forms part of this form

7. DATE:

December 13th, 1988

INCORPORATORS NAMES:

ADDRESS (INCLUDE POSTAL CODE)

SIGNATURE

Shirley Vroom

#700, 801 - 7th Avenue S.W. Calgary,  
Alberta, T2P 3S4

/s/ Shirley Vroom

FOR DEPARTMENTAL USE ONLY

CORPORATE ACCESS NO. \_\_\_\_\_  
CCA-06.101

INCORPORATION DATE 88-12-13 MJT

SCHEDULE "A"

The shares which the Corporation is authorized to issue are:

- a) an unlimited number of Class "A" Voting Common shares, the holders of which are entitled:
  - i) to receive notice of and to attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote;
  - ii) to receive any dividend declared by the Corporation on this class of shares; provided that the Corporation shall be entitled to declare dividends on the Class "B" Voting Common shares, the Class "C" Non-Voting Common shares and the Preferred shares, or on any of such classes of shares without being obliged to declare any dividends on the Class "A" Voting Common shares of the Corporation;
  - iii) subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to receive the remaining property of the Corporation upon dissolution in equal rank with the holders of all other Common shares of the Corporation;
  - iv) to the rights, privileges and restrictions normally attached to Common shares;
  
- b) an unlimited number of Class "B" Voting Common shares, the holders of which are entitled:
  - i) to receive notice of and to attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote;
  - ii) to receive any dividend declared by the Corporation on this class of shares; provided that the Corporation shall be entitled to declare dividends on the Class "A" Voting Common shares, the Class "C" Non-Voting Common shares and the Preferred shares, or on any of such classes of shares without being obliged to declare any dividends on the Class "B" Voting Common shares of the Corporation;
  - iii) subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to receive the remaining property of the Corporation upon dissolution in equal rank with the holders of all other Common shares of the Corporation;
  - iv) to the rights, privileges and restrictions normally attached to Common shares;



- c) an unlimited number of Class "C" Non-Voting Common shares, the holders of which are entitled:
- i) to receive notice of and to attend at any meetings of shareholders with respect to this class of shares, but subject to the provisions of the Business Corporations Act of Alberta, not to vote at any meeting;
  - ii) to receive any dividend declared by the Corporation on this class of shares; provided that the Corporation shall be entitled to declare dividends on the Class "A" Voting Common shares, the Class "B" Voting Common shares and the Preferred shares, or on any of such classes of shares without being obliged to declare any dividends on the Class "C" Non-Voting Common shares of the Corporation;
  - iii) subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to receive the remaining property of the Corporation upon dissolution in equal rank with the holders of all other Common shares of the Corporation;
- d) an unlimited number of Preferred shares, which as a class, have attached thereto the following:
- i) the Preferred shares may from time to time be issued in one or more series, and the Directors may fix from time to time before such issue the number of Preferred shares which is to comprise each series and the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred shares including, without limiting the generality of the foregoing, any voting rights, the rate or amount of dividends or the method of calculating dividends, the dates of payment thereof, the terms and conditions of redemption, purchase and conversion if any, and any sinking fund or other provisions;
  - ii) the Preferred shares of each series shall, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other return of capital or distribution of the assets of the Corporation amongst its shareholders for the purpose of winding up its affairs, be entitled to preference over the Voting and Non-Voting Common shares and over any other shares of the Corporation ranking by their terms junior to the Preferred shares of that series. The Preferred shares of any series may also be given such other preferences, not inconsistent with these Articles, over the Common shares and any other shares of the Corporation ranking by their terms junior to such Preferred shares as may be fixed in accordance with clause (d)(i); and
  - iii) if any cumulative dividends or amounts payable on the return of capital in respect of a series of Preferred shares are not paid in full, all series of Preferred shares shall participate ratably in respect of accumulated dividends and return of capital.

SCHEDULE "B"

- 1) The number of shareholders for the time being of the Corporation shall be limited to fifty (50) or less (exclusive of persons who are in the employment of the Corporation or that of an affiliate, and persons who, having been formerly in the employment of the Corporation or that of an affiliate, were, while in such employment and have continued after the termination of such employment to be shareholders of the Corporation) provided that where two or more persons hold one or more shares in the Corporation jointly, they shall be treated as a single shareholder;
- 2) No invitation shall be made to the public to subscribe for any shares, debentures or securities (as the term "securities" is defined by the Securities Act (Alberta) or any successor legislation) of the Corporation.

BY-LAW NO. 1

A by-law relating generally to the transaction of the  
business and affairs of

MOUNTAINVIEW THEATRE MANAGEMENT LTD.

CONTENTS

One	-	Interpretation
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BE IT ENACTED as a by-law of the Corporation as follows:

SECTION ONE  
INTERPRETATION

1.01 Definitions - In the by-laws of the Corporation, unless the context otherwise requires:

"Act" means the Business Corporations Act, S.A. 1981, c. B-15, and any statute that may be substituted therefor, as from time to time amended;

"appoint" includes "elect" and vice versa;

"articles" means the articles attached to the certificate of incorporation dated the 13th day of December, A.D. 1988 of the Corporation as from time to time amended or restated;

"Board" means the board of directors of the Corporation;

"by-laws" means this by-law and all other by-laws of the Corporation from time to time in force and effect;

"Corporation" means the corporation incorporated by a certificate of incorporation under the Act and named MOUNTAINVIEW THEATRE MANAGEMENT LTD.;

"meeting of shareholders" means an annual meeting of shareholders and a special meeting of shareholders; "special meeting of shareholders" means a special meeting of all shareholders entitled to vote at an annual meeting of shareholders;

"non-business day" means Saturday, Sunday and any other day that is a holiday as defined in The Interpretation Act, 1980, S.A. 1980, C. 70;

"recorded address" means in the case of a shareholder his address as recorded in the securities register of the Corporation; and in the case of joint shareholders the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are more than one; and in the case of a director, officer, auditor or member of a committee of the board, his latest address as recorded in the records of the Corporation;

"signing officer" means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by section 2.02 or by a resolution passed pursuant thereto;

"unanimous shareholder agreement" means a written agreement among all the shareholders of the Corporation, or among all such shareholders and a person who is not a shareholder as from time to time amended;

save as aforesaid, words and expressions defined in the Act have the same meanings when used herein; and words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; and words importing persons include individuals, bodies corporate, partnerships, trusts and unincorporated organizations.

## SECTION TWO BUSINESS OF THE CORPORATION

2.01 Registered Office - Until changed in accordance with the Act, the registered office of the Corporation shall be at the City of Calgary in the Province of Alberta and at such location therein as the Board may from time to time determine.

2.02 Execution of Instruments - Unless determined otherwise by the Directors of the Corporation, all deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by two persons, one of whom holds the office of chairman of the Board, president, managing director, vice-president or director and the other of whom holds one of the said offices or the office of secretary, treasurer, assistant secretary or assistant treasurer or any other office created by by-law or by resolution of the Board. In addition, the Board may from time to time direct the manner in which the person or persons by whom any particular instrument or class of instruments may or shall be signed. Any signing officer may affix the corporate seal to any instrument requiring the same.

2.03 Banking Arrangements - The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the Board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the Board may from time to time prescribe or authorize.

2.04 Voting Rights in Other Bodies Corporate - The signing officers of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the officers executing such proxies or arranging for the issuance of voting certificates or such other evidence of the right to exercise such voting rights. In addition, the Board may from time to time direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

2.05 Withholding information from Shareholders - Subject to the provisions of the Act, no shareholder shall be entitled to discovery of any information respecting any details or conduct of the Corporation's business which, in the opinion of the Board, would be inexpedient in the interests of the shareholders or the Corporation to communicate to the public. The Board may from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the accounts, records and documents of the Corporation or any of them shall be open to the inspection of shareholders and no shareholder shall have any right of inspecting any account, record or document of the Corporation except as conferred by the Act or authorized by the Board or by resolution passed at a general meeting of shareholders.

SECTION THREE  
BORROWING AND SECURITIES

3.01 Borrowing Power - Without limiting the borrowing powers of the Corporation as set forth in the Act, the Board may from time to time:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge bonds, debentures, notes or other evidence of indebtedness or guarantee of the Corporation, whether secured or unsecured;
- (c) subject to the provisions of the Act give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create an interest in or charge upon all or any property (including the undertaking and rights) of the Corporation, owned or subsequently acquired, by way of mortgage, hypothec, pledge or otherwise, to secure payment of any such evidence of indebtedness or guarantee of the Corporation.

Nothing in this section limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

3.02 Delegation - The Board may from time to time delegate to such one or more of the directors and officers of the Corporation as may be designated by the Board all or any of the powers conferred on the Board by section 3.01 or by the Act to such extent and in such manner as the Board shall determine at the time of each such delegation.

#### SECTION FOUR DIRECTORS

4.01 Quorum - Subject to section 4.08, the quorum for the transaction of business at any meeting of the Board shall consist of a majority of the number of directors then elected or such greater or lesser number of directors as the Board may from time to time determine.

4.02 Qualification - No person shall be qualified for election as a director if he (i) is less than 18 years of age; (ii) is a dependent adult as defined in The Dependent Adults Act or is the subject of a certificate of incapacity under that Act; (iii) is a formal patient as defined in The Mental Health Act; (iv) is the subject of an order under The Mentally Incapacitated Persons Act appointing a committee of his person or estate or both; (v) has been found to be a person of unsound mind by a court elsewhere than in Alberta; (vi) is not an individual; (vii) has the status of a bankrupt. A director need not be a shareholder. At least half of the directors shall be resident Canadians.

4.03 Election and Term - The election of directors shall take place at the first meeting of shareholders and at each annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. The number of directors to be elected at any such meeting shall be the number of directors then in office unless the shareholders otherwise determine. The election shall be by resolution. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

4.04 Removal of Directors - Subject to the provisions of the Act, the shareholders may by resolution passed at a special meeting remove any director from office and the vacancy created by such removal may be filled at the same meeting failing which it may be filled by the directors.

4.05 Vacation of Office - A director ceases to hold office when he dies; he is removed from office by the shareholders; he ceases to be qualified for election as a director; or his written resignation is sent or delivered to the Corporation, or if a time is specified in such resignation, at the time so specified, whichever is later.

4.06 Vacancies - Subject to the Act, a quorum of the Board may fill a vacancy in the Board, except a vacancy resulting from an increase in the minimum number of directors or from a failure of the shareholders to elect the minimum number of directors. In the absence of a quorum of the Board, or if the vacancy has arisen from a failure of the shareholders to elect the minimum number of directors, the Board shall forthwith call a special meeting of shareholders to

fill the vacancy. If the Board fails to call such meeting or if there are no such directors then in office, any shareholder may call the meeting.

4.07 Action by the Board - Subject to any unanimous shareholder agreement, the Board shall manage the business and affairs of the Corporation. Subject to sections 4.08 and 4.09, the powers of the Board may be exercised by resolution passed at a meeting at which a quorum is present or by resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the Board. Where there is a vacancy in the Board, the remaining directors may exercise all the powers of the Board so long as a quorum remains in office.

4.08 Residence - The Board shall not transact business at a meeting, other than filling a vacancy in the Board, unless at least half of the directors present are resident Canadians, except where:

- (a) a resident Canadian director who is unable to be present approves in writing or by telephone or other communications facilities the business transacted at the meeting; and
- (b) the number of resident Canadian directors present at the meeting together with any resident Canadian director who gives his approval under clause (a), totals at least half of the directors present at the meeting.

4.09 Meetings by Telephone - If all the directors consent, a director may participate in a meeting of the Board or of a committee of the Board by means of such telephone or other communications facilities as permit all persons participating in the meeting to hear each other, and a director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the Board and of committees of the Board held while a director holds office.

4.10 Place of Meeting - Meetings of the Board may be held at any place in or outside Canada.

4.11 Calling of Meetings - Meetings of the Board shall be held from time to time and at such place as the chairman of the board, the managing director, the president or any two directors may determine.

4.12 Notice of Meeting - Notice of the time and place of each meeting of the Board shall be given in the manner provided in section 12.01 to each director not less than 48 hours before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, including any proposal to:

- (a) submit to the shareholders any question or matter requiring approval of the shareholders;
- (b) fill a vacancy among the directors or in the office of auditor;

- (c) issue securities;
- (d) declare dividends;
- (e) purchase, redeem or otherwise acquire shares issued by the Corporation;
- (f) pay a commission for the sale of shares;
- (g) approve a prospectus or management proxy circular;
- (h) approve a take-over bid circular or directors circular;
- (i) approve any annual financial statements; or
- (j) adopt, amend or repeal by-laws.

A director may in any manner waive notice of or otherwise consent to a meeting of the Board.

4.13 First Meeting of New Board - Provided a quorum of directors is present, each newly elected Board may, without notice, hold its first meeting immediately following the meeting of shareholders at which such Board is elected.

4.14 Adjourned Meeting - Notice of an adjourned meeting of the Board is not required if the time and place of the adjourned meeting is announced at the original meeting.

4.15 Regular Meetings - The Board may appoint a day or days in any month or months for regular meetings of the Board at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

4.16 Chairman - The chairman of any meeting of the Board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: chairman of the Board, managing director, president, or a vice-president who is a director. If no such officer is present, the directors present shall choose one of their number to be chairman.

4.17 Votes to Govern - At all meetings of the Board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote.

4.18 Conflict of Interest - A director or officer who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, a material contract or proposed material contract with the Corporation shall disclose the nature and extent of his interest at the time and in the manner provided by the Act. Any such contract or proposed contract shall be referred to the Board for approval even if such contract is one that in the ordinary course of the Corporation's business would not require approval by the Board or



shareholders, and a director interested in a contract so referred to the Board shall not vote on any resolution to approve the same except as provided by the Act.

4.19 Remuneration and Expenses - Subject to any unanimous shareholder agreement, the directors shall be paid such remuneration for their services as the Board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the Board or any meetings of the Board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

SECTION FIVE  
COMMITTEES

5.01 Committee of Directors - The Board may appoint a committee of directors, however designated, and delegate to such committee any of the powers of the Board except those which, under the Act, a committee of directors has no authority to exercise. At least half of the members of such committee shall be resident Canadians.

5.02 Transaction of Business - Subject to the provisions of section 4.09, the powers of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Canada.

5.03 Advisory Committees - The Board may from time to time appoint such other committees as it may deem advisable, but the functions of any such other committees shall be advisory only.

5.04 Procedure - Unless otherwise determined by the Board, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

SECTION SIX  
OFFICERS

6.01 Appointment - Subject to any unanimous shareholder agreement, the Board may from time to time appoint a president, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the Board may determine, including one or more assistants to any of the officers so appointed. The Board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to sections 6.02 and 6.03, an officer may but need not be a director and one person may hold more than one office.

6.02 Chairman of the Board - The Board may from time to time also appoint a chairman of the Board who shall be a director. If appointed, the Board may assign to him any of the powers and duties that are by any provisions of this by-law assigned to the managing director or to the president; and he shall, subject to the provisions of the Act, have such other powers and

duties as the Board may specify. During the absence or disability of the chairman of the Board, his duties shall be performed and his powers exercised by the managing director, if any, or by the president.

6.03 Managing Director - The Board may from time to time appoint a managing director who shall be a resident Canadian and director. If appointed, he shall be the chief executive officer and, subject to the authority of the Board, shall have general supervision of the business and affairs of the Corporation; and he shall, subject to the provisions of the Act, have such other powers and duties as the Board may specify. During the absence or disability of the president, or if no president has been appointed, the managing director shall also have the powers and duties of that office.

6.04 President - If appointed, the president shall be the chief operating officer and, subject to the authority of the Board, shall have general supervision of the business of the Corporation; and he shall have such other powers and duties as the Board may specify. During the absence or disability of the president, or if no president has been appointed, the managing director shall also have the powers and duties of that office.

6.05 Vice-President - A vice-president shall have such powers and duties as the Board or the chief executive officer may specify.

6.06 Secretary - The secretary shall attend and be the secretary of all meetings of the Board, shareholders and committees of the Board and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat; he shall give or cause to be given, as and when instructed, all notices to shareholders, directors, officers, auditors and members of committees of the Board; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose; and he shall have such other powers and duties as the Board or the chief executive officer may specify.

6.07 Treasurer - The treasurer shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the Board whenever required an account of all his transactions as treasurer and of the financial position of the Corporation; and he shall have such other powers and duties as the Board or the chief executive officer may specify.

6.08 Powers and Duties of Other Officers - The powers and duties of all other officers shall be such as their terms of their engagement call for or as the Board or the chief executive officer may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the Board or the chief executive officer otherwise directs.

6.09 Variation of Powers and Duties - The Board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

6.10 Term of Office - The Board, in its discretion, may remove any officer of the Corporation, without prejudice to such officer's rights under any employment contract. Otherwise each officer appointed by the Board shall hold office until his successor is appointed.

6.11 Terms of Employment and Remuneration - The terms of employment and the remuneration of officers appointed by the Board shall be settled by it from time to time.

6.12 Conflict of Interest - An officer shall disclose his interest in any material contract or proposed material contract with the Corporation in accordance with section 4.18.

6.13 Agents and Attorneys - The Board shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

6.14 Fidelity Bonds - The Board may require such officers, employees and agents of the Corporation as the Board deems advisable to furnish bonds for the faithful discharge of their powers and duties, in such form and with such surety as the Board may from time to time determine.

SECTION SEVEN  
PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

7.01 Limitation of Liability - No director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same are occasioned by his own wilful neglect or default; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

7.02 Indemnity - Subject to the limitations contained in the Act, the Corporation shall indemnify a director, or a former director or officer, or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor (or a person who undertakes or has undertaken any liability on behalf of the Corporation or any such body corporate) and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate, if

- (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and

- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

7.03 Insurance - Subject to the limitations contained in the Act, the Corporation may purchase and maintain such insurance for the benefit of its directors and officers as such, as the Board may from time to time determine.

SECTION EIGHT  
SHARES

8.01 Allotment - The Board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the Board shall determine, provided that no share shall be issued until it is fully paid as prescribed by the Act.

8.02 Commissions - The Board may from time to time authorize the Corporation to pay a commission to any person in consideration of his purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

8.03 Registration of Transfer - Subject to the provisions of the Act, no transfer of shares shall be registered in a securities register except upon presentation of the certificate representing such shares with a transfer endorsed thereon or delivered therewith duly executed by the registered holder or by his attorney or successor duly appointed, together with such reasonable assurance or evidence of signature, identification and authority to transfer as the Board may from time to time prescribe, upon payment of all applicable taxes and any fees prescribed by the Board, upon compliance with such restrictions on transfer as are authorized by the articles and upon satisfaction of any lien referred to in section 8.05.

8.04 Transfer Agents and Registrars - The Board may from time to time appoint a registrar to maintain the securities register and a transfer agent to maintain the register of transfers and may also appoint one or more branch registrars to maintain branch securities registers and one or more branch transfer agents to maintain branch registers of transfers, but one person may be appointed both registrar and transfer agent. The Board may at any time terminate any such appointment.

8.05 Lien for Indebtedness - If the articles provide that the Corporation shall have a lien on shares registered in the name of a shareholder indebted to the Corporation, such lien may be enforced, subject to any other provision of the articles and to any unanimous shareholder agreement, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, may refuse to register a transfer of the whole or any part of such shares.

8.06 Non-recognition of Trusts - Subject to the provisions of the Act, the Corporation shall treat as absolute owner of any share the person in whose name the share is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of

ownership, irrespective of any indication to the contrary through knowledge or notice or description in the Corporations records or on the share certificate.

8.07 Share Certificates - Every holder of one or more shares of the Corporation shall be entitled, at his option, to a share certificate, or to a non-transferable written acknowledgement of his right to obtain a share certificate, stating the number and class or series of shares held by him as shown on the securities register. Share certificates and acknowledgements of a shareholder's right to a share certificate, respectively, shall be in such form as the Board shall from time to time approve. Any share certificate shall be signed in accordance with section 2.02 and need not be under the corporate seal; provided that, unless the Board otherwise determines, certificates representing shares in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the signing officers, in the case of share certificates which are not valid unless countersigned by or on behalf of the transfer agent and/or registrar the signatures of both signing officers, may be printed or mechanically reproduced in facsimile upon share certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A share certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose facsimile signature appear thereon no longer holds office at the date of issue of the certificate.

8.08 Replacement of Share Certificates - The Board or any officer or agent designated by the Board may in its or his discretion direct the issue of a new share certificate in lieu of and upon cancellation of a share certificate that has been mutilated or in substitution for a share certificate claimed to have been lost, destroyed or wrongfully taken on payment of such fee, not exceeding \$3, and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the Board may from time to time prescribe, whether generally or in any particular case.

8.09 Joint Shareholders - If two or more persons are registered as joint holders of any share, the Corporation shall not be bound to issue more than one certificate in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share.

8.10 Deceased Shareholders - In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make payment of any dividends thereon except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

SECTION NINE  
DIVIDENDS AND RIGHTS

9.01 Dividends - Subject to the provisions of the Act, the Board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in

the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.

9.02 Dividend Cheques - A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at his recorded address, unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

9.03 Non-receipt of Cheques - In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of nonreceipt and of title as the Board may from time to time prescribe, whether generally or in any particular case.

9.04 Record Date for Dividends and Rights - The Board may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities, provided that notice of any such record date is given, not less than 14 days before such record date, in the manner provided in the Act. Where no record date is fixed in advance as aforesaid, the record date for the determination of the persons entitled to receive payment of any dividend or to exercise the right to subscribe for securities of the Corporation shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the Board.

9.05 Unclaimed Dividends - Any dividend unclaimed after a period of 6 years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

SECTION TEN  
MEETINGS OF SHAREHOLDERS

10.01 Annual Meetings - The annual meeting of shareholders shall be held at such time in each year and, subject to section 10.03, at such place as the Board, the chairman of the Board, the managing director or the president may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appoint auditors and for the transaction of such other business as may properly be brought before the meeting.

10.02 Special Meetings - The Board, the chairman of the Board, the managing director or the president shall have power to call a special meeting of shareholders at any time.

10.03 Place of Meetings - Meetings of shareholders shall be held at the registered office of the Corporation or elsewhere in the municipality in which the registered office is situated or, if the Board shall so determine, at some other place within Alberta or, if all the shareholders entitled to vote at the meeting so agree, at some place outside the Province of Alberta.

10.04 Notice of Meetings - Notice of the time and place of each meeting of shareholders shall be given in the manner provided in section 12.01 not less than 21 nor more than 50 days before the date of the meeting to each director, to the auditor and to each shareholder who at the close of business on the record date for notice, if any, is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the financial statements and auditors report, election of directors and reappointment of the incumbent auditor shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting. A shareholder may in any manner waive notice of or otherwise consent to a meeting of shareholders.

10.05 List of Shareholders Entitled to Notice - For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares entitled to vote at the meeting held by each shareholder. If a record date for the meeting is fixed pursuant to section 10.06, the shareholders listed shall be those registered at the close of business on a day not later than 10 days after such record date, if no record date is fixed, the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given, or where no such notice is given, the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the securities register is kept and at the place where the meeting is held.

10.06 Record Date for Notice - The Board may fix in advance a record date, preceding the date of any meeting of shareholders by not more than 50 days and not less than 21 days, for the determination of the shareholders entitled to notice of the meeting, provided that notice of any such record date is given, not less than 14 days before such record date, by newspaper advertisement in the manner provided in the Act. If no record date is so fixed, the record date for the determination of the shareholders entitled to notice of the meeting shall be the close of business on the last business day immediately preceding the day on which the notice is sent, or, if no notice is sent, the day on which the meeting is held.

10.07 Meetings without Notice - A meeting of shareholders may be held without notice at any time and place permitted by the Act (a) if all the shareholders entitled to vote thereat are present in person or represented by proxy or if those not present or represented by proxy waive notice of or otherwise consent to such meeting being held, and (b) if the auditors and the directors are present or waive notice of or otherwise consent to such meeting being held. At such a meeting any business may be transacted which the Corporation at a meeting of shareholders may transact. If the meeting is held at a place outside Alberta, shareholders not present or represented by proxy, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to the meeting being held at such place.

10.08 Chairman, Secretary and Scrutineers - The chairman of any meeting of shareholders shall be the first mentioned of such of the following officers as have been appointed and who is present at the meeting: president, managing director, chairman of the Board, or a vice-president who is a shareholder. If no such officer is present within 15 minutes after the time fixed for the commencement of the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. If the secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chairman with the consent of the meeting.

10.09 Persons Entitled to be Present - The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

10.10 Quorum - A quorum for the transaction of business at any meeting of shareholders shall be the holders of a majority of the shares entitled to vote at a meeting of shareholders present in person or by proxy.

10.11 Right to Vote - Subject to the provisions of the Act as to authorized representatives of any other body corporate, at any meeting of shareholders in respect of which the Corporation has prepared the list referred to in section 10.05, every person who is named in such list shall be entitled to vote the shares shown thereon opposite his name except, where the Corporation has fixed a record date in respect of such meeting pursuant to section 10.06, to the extent that such person has transferred any of his shares after such record date and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he owns such shares, demands not later than 10 days before the meeting that his name be included to vote the transferred shares at the meeting. In the absence of a list prepared as aforesaid in respect of a meeting of shareholders, every person shall be entitled to vote at the meeting who at the time is entered in the securities register as the holder of one or more shares carrying the right to vote at such meeting.

10.12 Proxies - Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, who need not be shareholders, to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the shareholder or his attorney and shall conform with the requirements of the Act.

10.13 Time for Deposit of Proxies - The Board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than 48 hours exclusive of non-business days, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time is specified in such notice, unless it has been received by the secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.



10.14 Joint Shareholders - If two or more persons hold shares jointly, any one of them present in person or represented by proxy at a meeting of shareholders may, in the absence of the other or others, vote the shares; but if two or more of those persons are present in person or represented by proxy and vote, they shall vote as one on the shares jointly held by them.

10.15 Votes to Govern - At any meeting of shareholders every question shall, unless otherwise required by the articles or by-laws or by-law, be determined by the majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chairman of the meeting shall not be entitled to a second or casting vote.

10.16 Show of Hands - Subject to the provisions of the Act, any question at a meeting of shareholders shall be decided by a show of hands unless a ballot thereon is required or demanded as hereinafter provided, upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

10.17 Ballots - On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken thereon, any shareholder or proxyholder entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which he is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

10.18 Adjournment - If a meeting of shareholders is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

10.19 Resolution in Writing - A resolution in writing signed in counterpart or in one instrument by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders unless a written statement with respect to the subject matter of the resolution is submitted by a director or the auditors in accordance with the Act.

10.20 Only One Shareholder - Where the Corporation has only one shareholder or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting.

10.21 Meetings by Telephone - If all the shareholders entitled to vote at the meeting' consent, a shareholder or any other person entitled to attend a meeting of shareholders may participate in the meeting by means of telephone or other communication facilities that permit all persons participating in the meeting to hear each other, and a person participating in such a meeting by those means is deemed, for the purposes of the by-laws or the Act, to be present at the

meeting. Any such consent shall be effective whether given before or after the meeting to which it relates. A meeting where all persons participate in the meeting by means of telephone or other telecommunication facilities shall be deemed to have been held at the Corporation's registered office unless otherwise determined by such meeting.

SECTION ELEVEN  
DIVISIONS AND DEPARTMENTS

11.01 Creation and Consolidation of Divisions - The Board may cause the business and operations of the Corporation or any part thereof to be divided or to be segregated into one or more divisions upon such basis, including without limitation, character or type of operation, geographical territory, product manufactured or service rendered, as the Board may consider appropriate in each case. The Board may also cause the business and operations of any such division to be further divided into sub-units and the business and the operations of any such divisions or sub-units to be consolidated upon such basis as the Board may consider appropriate in each case.

11.02 Name of Division - Any division or its sub-units may be designated by such name as the Board may from time to time determine and may transact business, enter into contracts, sign cheques and other documents of any kind and do all acts and things under such name. Any such contract, cheque or document shall be binding upon the Corporation as if it had been entered into or signed in the name of the Corporation.

11.03 Officers of Divisions - From time to time the Board or, if authorized by the Board, the chief executive officer, may appoint one or more officers for any division, prescribe their powers and duties and settle their terms of employment and remuneration. The Board or, if authorized by the Board, the chief executive officer, may remove at its or his pleasure any officer so appointed, without prejudice to such officers rights under any employment contract. Officers of divisions or their sub-units shall not, as such, be officers to the Corporation.

SECTION TWELVE  
NOTICES

12.01 Method of Giving Notices - Any notice (which term includes any communication or document) to be given (which

term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the Board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid ordinary or air mail or if sent to him at his recorded address by any means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the Board in accordance with any information believed by him to be reliable.

12.02 Notice to Joint Shareholders - If two or more persons are registered as joint holders of any share, any notice shall be addressed to all of such joint holders but notice to one of such persons shall be sufficient notice to all of them.

12.03 Computation of Time - In computing the date when notice must be given under any provision requiring a specified number of days notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.

12.04 Undelivered Notices - If any notice given to a shareholder pursuant to section 12.01 is returned on three consecutive occasions because he cannot be found, the Corporation shall not be required to give any further notices to such shareholder until he informs the Corporation in writing of his new address.

12.05 Omissions and Errors - The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the Board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

12.06 Persons Entitled by Death or Operation of Law - Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he derives his title to such share prior to his name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

12.07 Waiver of Notice - Any shareholder (or his duly appointed proxyholder), director, officer, auditor or member of a committee of the Board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him under any provision of the Act, the regulations thereunder, the articles, the by-laws or otherwise and such waiver or abridgement shall cure any default in the giving or in the time of such notice, as the case may be.

Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the Board which may be given in any manner.

SECTION THIRTEEN  
EFFECTIVE DATE

13.01 Effective Date - This by-law shall come into force upon the passing of same by the Board, subject to confirmation of the by-law by the shareholders of the Corporation as required by the Act.

CONSENTED to by the first director of the Corporation, as endorsed by his signature hereto this 13th day of December, A.D. 1988.

/s/ Brian Anderson

-----  
BRIAN ANDERSON

CONFIRMED by the sole shareholder of the Corporation, as endorsed by the hands of its authorized officers in that behalf this 13th day of December, A.D. 1988.

IMAX SYSTEMS CORPORATION

Per: /s/ Signed

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MOUNTAINVIEW THEATRE MANAGEMENT LTD.

BY-LAW NO. 2

A by-law respecting the borrowing of money and the issue of securities by the Corporation.

1. The directors may and they are hereby authorized, from time to time, to:
  - (a) borrow money upon the credit of the Corporation;
  - (b) limit or increase the amount to be borrowed;
  - (c) issue, reissue, sell or pledge bonds, debentures, notes or other securities or debt obligations of the Corporation;
  - (d) issue, sell or pledge such bonds, debentures, notes or other securities or debt obligations for such sums and at such prices as may be deemed expedient; and
  - (e) mortgage, hypothecate, charge, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real and personal, movable and immovable, property of the Corporation and the undertaking and rights of the Corporation to secure any such bonds, debentures, notes or other securities or debt obligations, or to secure any present or future borrowing, liability or obligation of the Corporation.

2. The directors may from time to time by resolution delegate to the Chairman of the Board of Directors or the President together with the Secretary or to any two directors of the Corporation all or any of the powers conferred on the directors by paragraph 1 of this by-law to the full extent thereof or such lesser extent as the directors may in any such resolution provide.

3. The powers hereby conferred shall be deemed to be in supplement of and not in substitution for any powers to borrow money for the purposes of the Corporation possessed by its directors or officers independently of a borrowing by-law.

ENACTED the 22nd day of December, 1992.

signed  
-----  
President

/s/ G. Mary Ruby  
-----  
Secretary

ARTICLES OF ORGANIZATION

OF

NYACK THEATRE LLC

UNDER SECTION 203 OF THE NEW YORK LIMITED LIABILITY COMPANY LAW

FIRST: The name of the limited liability company is:

Nyack Theatre LLC

SECOND: The county within this state in which the office of the limited liability company is to be is: Rockland

THIRD: The Secretary of State is designated as agent of the limited liability company upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the limited liability company served upon him or her is: c/o CT CORPORATION SYSTEM, 1633 Broadway, New York, New York 10019.

FOURTH: The name and street address within this state of the registered agent of the limited liability company upon whom and at which process against the limited liability company served upon him or her is: CT CORPORATION SYSTEM, 1633 Broadway, New York, New York 10019.

FIFTH: The limited liability company is to be managed by one or more members.

IN WITNESS WHEREOF, this certificate has been subscribed this 10th day of September, 1998, by the undersigned who affirms that the statements made herein are true under the penalties of perjury.

/s/ Michael Voller

-----  
Michael Voller  
Organizer



OPERATING AGREEMENT

FOR

NYACK THEATRE LLC

DATED

SEPTEMBER 16, 1998

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EXHIBITS

- Exhibit A - Capital Contributions and Capital Interests
- Exhibit A-1 - Agreed Value of Assets Contributed by Members
- Exhibit B - Members' Percentage Interests in the Company

OPERATING AGREEMENT  
FOR  
NYACK THEATRE LLC

AGREEMENT made on this 16th day of September, 1998, by and between IMAX THEATRE HOLDING (NYACK I) CO., a Delaware corporation, ("Nyack I") having an address care of The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801 and IMAX THEATRE HOLDING (NYACK II) CO., a Delaware corporation, ("Nyack II") having an address care of The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801. Nyack I and Nyack II are sometimes hereinafter individually or collectively referred to as a "Member" or "Members").

W I T N E S S E T H :

WHEREAS, the Members have formed a limited liability company pursuant to the New York Limited Liability Company Act (the "Act") on September 16, 1998; and

WHEREAS, the Members hereto desire to adopt this Operating Agreement, and

WHEREAS, by execution hereof, each Member represents that it has sufficient right and authority to execute this Agreement and is not acting on behalf of any undisclosed or partially disclosed principal.

NOW, THEREFORE, in consideration of ten (\$10) dollars and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows effective as of the date first written above.

ARTICLE I

DEFINITIONS

The following terms shall have the following meanings:

"Additional Contribution" means each Member's pro rata share of any Additional Funds as determined pursuant to Sections 4.2.

"Additional Funds" means the amount of additional funds required by the Company as determined by the Manager pursuant to Section 4.2.

"Additional Member" means any person or entity who acquires an Interest in the Company from the Company pursuant to the terms of this Agreement, other than the parties hereto.

"Adjusted Capital Account" means with respect to any Member, such Member's Capital Account as adjusted by the items described in Sections 1.704-2(g)(1), 1.704-2(i)(5) and 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Treasury Regulations.

"Affiliate" means with respect to any Member (i) any spouse, parent, sibling and lineal descendant of a Member, (ii) any trust for the benefit of a party described in (i) above and (iii) any corporation, partnership or other entity or Person directly or indirectly controlling, controlled by or under common control with such Member or a party described in (i) or (ii) above. For purposes of this definition unless otherwise provided for in this Agreement, the terms "control", "controlling" or "controlled" mean with respect to any entity the ownership of 20% or more of the voting or beneficial interests in such entity.

"Agreed Value" means with respect to any property, its value agreed between the Members, or in the absence of such agreement, its fair market value as determined by an independent appraiser selected in good faith by the Manager.

"Agreement" means this Operating Agreement as originally executed and as amended, modified, supplemented or restated from time to time, as the context requires.

"Articles of Organization" of the Company means the Articles of Organization filed with the Secretary of State, State of New York, pursuant to the Act to form the Company, as originally executed and as amended, modified, supplemented or restated from time to time, as the context requires.

"Capital Account" shall mean the accounts maintained for each Member as set forth in Section 4.5.

"Capital Contribution" means any contribution to the capital of the Company in cash or property by a Member, or Members, as the case may be, pursuant to the provisions of Article IV.

"Capital Interest" means for each Member the percentage Capital Interest set forth opposite its name on Exhibit A attached hereto.

"Capital Transaction" means (i) any transaction by the Company (other than receipt of Capital Contributions) not in the ordinary course of the Company's business, including without limitation, sales of the Property (or any part thereof), damage recoveries, insurance recoveries, casualty or condemnation proceeds or other similar transactions and (ii) any financing or refinancing of Company Property.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" means Nyack Theatre LLC.

"Dissolution Event" shall have the meaning assigned to such term in Section 9.1.

"Interest" means for any Member, its entire interest in the Company (including but not limited to its Capital interest and its Percentage Interest).

"Gain From a Capital Transaction " means the gain recognized by the Company attributable to a Capital Transaction, determined in accordance with the method of accounting

used by the Company for federal income tax purposes. In the event there is a revaluation of Company Property and the Capital Accounts are adjusted pursuant to Section 4.5(c), Gain from a Capital Transaction shall be computed by reference to the "book items" and not the corresponding "tax items".

"Loss from a Capital Transaction" means the loss recognized by the Company attributable to a Capital Transaction, determined in accordance with the method of accounting used by the Company for federal income tax purposes. In the event there is a revaluation of Company Property and the Capital Accounts are adjusted pursuant to Section 4.5(c), Loss from a Capital Transaction shall be computed by reference to the "book items" and not the corresponding "tax items".

"Major Decisions" means the management decisions set forth in Section 5.2.

"Manager" means Nyack I or any successor manager of the Company.

"Member" means each of the parties that have executed this Agreement and each of the parties that may hereafter become Additional or Substitute Members pursuant to this Agreement.

"Net Cash Flow" means, for any period, the excess of (i) the gross receipts and other miscellaneous revenue received by the Company during such period, including without limitation, all receipts of the Company from the operation of the Theatre, sponsorship revenues, business interruption insurance proceeds, any funds that are withdrawn from reserve accounts for use in operations, refinancing proceeds, proceeds of sales of assets and other amounts that are realized in cash by the Company from operations and customarily included in gross revenues; over (ii) the sum of all operating expenses, determined on a cash basis, by the Company for such period, including, without limitation, cash operating expenses, debt service payments, capital



expenditures, tax payments, reimbursement required under contracts with third parties and reasonable payments into reserve accounts.

"Net Profit" and "Net Loss" means the net income (including income exempt from tax) and net loss (including any expenditures described in Section 705(a)(2)(B) of the Code or treated as such under Section 1.7045-1(b)(2)(iv)(i) of the Treasury Regulations), respectively, of the Company, for any period, determined in accordance with the method of accounting used by the Company for federal income tax purposes.

"Non-Member" shall mean any Person that is not a Member.

"Percentage Interest" for each Member means the Percentage Interest set forth opposite its name in Exhibit B attached hereto.

"Person" shall have the meaning assigned to such term in Section 11.1(d)(4).

"Premises" shall have the meaning assigned to such term in Section 3.1.

"Property" means all real, personal and mixed properties, cash, assets, interests and rights of any type owned by the Company. All assets acquired with Company funds or in exchange for Company Property shall be Company Property.

"Representative" shall mean a person designated by a Member pursuant to Section 5.3(b).

"Substitute Member" shall mean transferee of a Member's Interest or any part thereof who is admitted to the Company as a Member as permitted by Article VIII of the Agreement.

"Theatre" shall have the meaning assigned to such term in Section 3.1.

"Unrecovered Capital Contributions" for each Member shall mean the aggregate amount of Capital Contributions and Additional Contributions therefore made by such Member

pursuant to Section 4.1 and 4.2, reduced by the aggregate amount of distributions theretofore made to such Member pursuant to Section 6.2(a)(i).

## ARTICLE II

### ORGANIZATION AND TERM

2.1 Formation. The Members do hereby agree to form the Company under the name of Nyack Theatre LLC for the purpose and scope set forth herein. Pursuant to the provisions of the Act, the formation of the Company shall be effective upon the execution hereof and the filing of the Articles of Organization.

In order to maintain the Company as a limited liability company under the laws of the State of New York, the Company shall from time to time take appropriate action, including the preparation and filing of such amendments to the Articles of Organization and such other assumed name certificates, documents, instruments and publications as may be required by law, including, without limitation, action to reflect:

(i) a change in the Company name:

(ii) a correction of defectively or erroneously executed Articles of Organization;

(iii) a correction of false or erroneous statements in the Articles of Organization or the desire of the Members to make a change in any statement therein in order that it shall accurately represent the agreement among the Members; or

(iv) a change in the time for dissolution of the Company as stated in the Articles of Organization and in this Agreement.

2.2 Term. The term of the Company shall commence upon filing the Articles of Organization and shall continue in full force and effect until the earliest of the following: (i)

December 31, 2050; (ii) upon the happening of an event described in Section 9.1 hereof; or (iii) pursuant to the Act.

2.3 Registered Agent and Office. The Company's registered agent that is a resident in New York is The Corporation Trust Company. At any time, the Company may designate another registered agent and/or office by amending the Articles of Organization pursuant to the Act.

2.4 Principal Place of Business. The principal place of business of the Company shall be c/o Palisades Center, 1000 Palisades Center Drive, West Nyack, New York 10994. At any time, the Company may change the location of its principal place of business and may establish additional offices.

2.5 Other Instruments. Each Member hereby agrees to execute and deliver to the Company within ten (10) days after receipt of a written request therefor, such other and further documents and instruments, statements of interest and holdings, designations, powers of attorney and other instruments and to take such other action as the Company reasonably deems necessary, useful or appropriate to comply with any laws, rules or regulations as may be necessary to enable the Company to fulfill its responsibilities under this Agreement.

### ARTICLE III

#### PURPOSE AND POWERS OF THE COMPANY

3.1 Purpose. The purpose of the Company's business is to contract, own, develop, manage, operate and maintain a motion picture theatre (the "Theatre") at the Palisades Center, West Nyack, New York (the "Premises") capable of exhibiting motion pictures using an IMAX(R) Projection System and to do all acts necessary, appropriate and incidental in connection

therewith and to engage in any other business permitted under the Act as determined by the Manager.

3.2 Powers of the Company. In furtherance of the purpose of the Company as set forth in Section 3.1, the Company shall have the power and authority to take in its name all actions necessary, useful or appropriate in the Members' discretion to accomplish its purpose.

#### ARTICLE IV

##### MEMBERS' CAPITAL CONTRIBUTIONS AND INTERESTS

4.1 Capital Contributions. Each Member shall be obligated to contribute to the capital of the Company as its Capital Contribution the amount set forth opposite its name on Exhibit A attached hereto (the "Contribution Obligation"). Upon execution hereof, each of the Members has contributed in cash and/or property, either previously or as of the date hereof, to the capital of the Company the amount set forth on Exhibit A attached hereto. The parties hereto acknowledge that the Agreed Value of any property contributed, including certain equipment and other assets, is set forth on Exhibit A-1 attached hereto.

4.2 Additional Contributions. The Members shall contribute to the capital of the Company in accordance with their Percentage Interest, any additional funds ("Additional Funds") that the Manager deems necessary for the development or operation of the Theatre.

4.3 Withdrawals and Interest. No Member shall have the right to withdraw from the Company or receive any return or interest on any portion of its Capital Contribution except as otherwise provided herein.

4.4 Return of Capital. No Member shall be entitled to the return of all or any part of its Capital Contribution except in accordance with the provisions of this Agreement.

4.5 Capital Accounts. The Company shall determine and maintain "Capital Accounts" for each member throughout the full term of the Company in accordance with the provisions of Treasury Regulation Section 1.704-1(b)(2)(iv), as such regulation may be amended from time to time. To the extent not inconsistent with such rules, the following shall apply.

(a) The Capital Account of each Member shall be credited with (1) an amount equal to such Member's cash contributions and the Agreed Value of property contributed to the Company by such Member (net of liabilities securing such contributed property that the Company is considered to assume or take subject to under Section 752 of the Code) and (2) such Member's share of the Company's Net Profits (or items thereof). The Capital Account of each Member shall be debited by (1) the amount of cash distributions to such Member and the Agreed Value of property distributed to such Member (net of liabilities assumed by such Member and liabilities to which such distributed property is subject) and (2) such Member's share of the Company's Net Losses (or items thereof).

(b) Upon the transfer of a Percentage Interest in the Company after the date of this Agreement, (x) if such transfer does not cause a termination of the Company within the meaning of Section 708(b)(1)(B) of the Code, the Capital Account of the transferor Member that is attributable to the transferred Percentage Interest will be carried over to the transferee Member but, if the Company has a Section 754 election in effect, the Capital Account will not be adjusted to reflect any adjustment under Section 743 of the Code, or (y) if such transfer causes a termination of the Company within the meaning of Section 708(b)(1)(B) of the Code, the income tax consequences of the deemed contribution of the Property by the Company to a "new" Company (which for all other purposes continues to be the Company) in exchange for interests in the "new" Company and the deemed immediate distribution of such interests in the "new"

Company by the "terminated" Company to the transferee Member and the other remaining Members in proportion to their respective interests in the "terminated" Company in liquidation thereof, shall be governed by the relevant provisions of Subchapter K of Chapter 1 of the Code and the regulations promulgated thereunder, and the Capital Accounts of the transferee Member (which is the same as the Capital Account of the Transferor Member) and the other Members of the "terminated" Company shall carry over and become the initial Capital Accounts of such Members in the "new" Company, in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(1), and thereafter the Capital Accounts of such Members shall be determined in accordance with Section 4.5(a).

(c) Upon (i) the "liquidation of the Company" (as hereinafter defined), (ii) the "liquidation of a Member's interest in the Company" (as hereinafter defined), (iii) the distribution of money or property to a Member as consideration for a Percentage Interest in the Company, or (iv) the contribution of money or property to the Company by a new or existing Member as consideration for a Percentage Interest in the Company, or upon any transfer causing a termination of the Company for tax purposes within the meaning of Section 708(b)(1)(B) of the Code, then adjustments shall be made to the Members' Capital Accounts in the following manner: All property of the Company which is not sold in connection with such event shall be valued at its then "Agreed Value". Such Agreed Value shall be used to determine both the amount of gain or loss which would have been recognized by the Company if the property had been sold for its Agreed Value (subject to any debt secured by the property) at such time, and the amount of Net Cash Flow which would have been distributable by the Company pursuant to Section 6.2 if the property had been sold at such time for said value, less the amount of any debt secured by the property. The Capital Accounts of the Members shall be adjusted to reflect the

deemed allocation of such hypothetical gain or loss in accordance with Section 6.1. The Capital Accounts of the Members (or of a transferee of a Member) shall thereafter be adjusted to reflect "book items" and not tax items in accordance with Treasury Regulation Sections 1.704-1(b)(2)(iv) and 1.704-1(b)(4)(i).

(d) For purposes of this Section 4.5, (i) the term "liquidation of the Company" shall mean (A) a termination of the Company effected in accordance with this Agreement, which shall be deemed to occur, for purposes of this Article IV, on the date upon which the Company ceases to be a going concern and is continued in existence solely to wind-up its affairs, or (B) a termination of the Company pursuant to Section 708(b)(1) of the Code; and (ii) the term "liquidation of a Member's interest in the Company" shall mean the termination of the Member's entire interest in the Company effected by a distribution, or a series of distributions, by the Company to the Member.

4.6 Liability. Except to the extent provided in the Act, no Member shall be liable under a judgment, decree or order of a court, or in any other manner for a debt, obligation or liability of the Company.

#### ARTICLE V

##### RIGHTS AND DUTIES OF MEMBERS

5.1 Management. Except as provided in Section 5.2, the business and affairs of the Company shall be managed solely and exclusively by the Manager. The Members hereby elect Nyack I as the Manager of the Company and authorize Nyack I to make, in its sole and absolute discretion all operational and management decisions of the Company, on behalf of the Members, except as provided otherwise in Section 5.2 below.

5.2 Certain Powers of Members. The approval of all of the Member's (which shall be expressed solely by obtaining the approval of at least two Representatives of each Member (including the Manager) as provided in Section 5.3) shall be required to take the following actions on behalf of the Company ("Major Decisions").

- (a) Sell, transfer or otherwise dispose of all or substantially all of Company Property or the Theatre;
- (b) Amend this Agreement;
- (c) Enter into a merger or consolidation of the Company into or with another company;
- (d) Amend the "Articles of Organization" other than an amendment described in Section 2.1(ii); and
- (e) Grant a security interest in any Property.

5.3 Notice Procedure for Major Decisions.

(a) The Manager, at the expense of the Company, shall furnish, or where appropriate, make available to each Member and each of its Representatives, or use its best efforts to obtain from third parties, such documents and information as such Member or any of its Representative may request in order to enable such Member, acting through its Representatives, as provided in Section 5.2 and this Section 5.3, to make the Major Decision set forth above. If less than two of the Representatives of a Member have approved or disapproved any Major Decision following the expiration of 15 business days after (i) receipt by each of the Member's Representatives of a notice requesting the Representative's approval and (ii) receipt of all additional information reasonably requested by any of such Representatives pertaining thereto, then such failure to approve or disapprove shall be deemed the approval by two of such Member's Representatives of such Major Decision as required by Section 5.2 and this Section



5.3. Notwithstanding, the foregoing with respect to all Major Decisions, such approval shall not be deemed to have occurred unless less than two of the Representatives of the Member in question shall have responded by the specified date, Manager shall have sent to the non-responding Representatives of such Member additional notices by hand delivery, telex, telecopy, telegram or electronic mail to advise each of such Representatives of his or her failure to respond to the specific Major Decision and such Representatives shall have continued his or her failure to approve or disapprove such matter for a period of 5 days after receipt of such additional notice.

(b) The Members each shall act through their respective Representatives with respect to any Major Decision. A determination with respect to any Major Decision shall be deemed to have been made by a Member upon the earlier of (i) the receipt by the Manager of the approvals of such Major Decision from of at least two of such Member's Representatives or (ii) the receipt by the Manager of the disapprovals of such Major Decision from at least two of such Member's Representatives. The subsequent receipt by the Manager of the approval or disapproval of one or more of the remaining Representatives of a Member shall have no effect upon an earlier determination made with respect to such Major Decision pursuant to the preceding sentence. Upon notice to the Manager and the other Members, a Member may at any time and for any reason substitute another person as one of its Representative. If a particular Representative should die, retire, withdraw for any reason or become disabled, the Member whom such Representative represents shall designate a substitute Representative within the following ten (10) business days. If during any period of time more than four of the Representatives representing a Member should die, retire, withdraw or for any reason become disabled, the Company shall make no further Major Decisions until at least one additional

Representative representing such Member shall have been substituted as set forth above. The Members initially designate as their respective Representatives:

Nyack I:           Richard L. Gelfond  
                      John M. Davison  
                      Peter J. Chilibeck  
                      G. Mary Ruby  
                      Brian E. Weisfeld

Nyack II:           Richard L. Gelfond  
                      John M. Davison  
                      Peter J. Chilibeck  
                      G. Mary Ruby  
                      Brian E. Weisfeld

Although a Member's organizational or internal documents or structure may require the taking of certain action or the obtaining of certain approvals in order for its Representative to do certain acts, each Member represents that it will be solely responsible for taking such action and obtaining such approvals and that, prior to entering into any binding agreement or making any decision, its Representative will be vested with all power, right and authority to bind, and make decisions on behalf of, such Member. Accordingly, the Members and any third party may rely without inquiry upon its dealings with the other Member's Representative as being fully binding upon such other Member.

5.4 Indemnity. The Company shall indemnify and hold harmless the Manager and the Members and their respective Representatives, directors, officers, agents and employees from any loss or damage incurred by them (including reasonable attorney's fees and costs) by reason of any acts performed or omitted by them for or on behalf of the Company, unless they committed such acts in bad faith or such acts were the results of active and deliberate dishonesty and were material to the cause of action so adjudicated or such Members or their respective Representatives, directors, officers, agents or employees shall have personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

5.5 Reliance on Authority of Manager. Any Person dealing with the Company, other than a Member, may rely on the authority of the Manager without inquiry into the provisions of this Agreement or compliance herewith, regardless of whether that action actually is taken in accordance with the provisions of this Agreement.

5.6 Power of Attorney. The Manager is hereby appointed attorney-in-fact for the Company and in such capacity is hereby authorized to execute on the Company's behalf all forms, documents and other instruments required to be executed in the Company's name.

#### ARTICLE VI

##### ALLOCATIONS AND DISTRIBUTIONS

6.1 Allocations of Profits and Losses and Gain or Loss On Sale.

(a) Net Profits. The Net Profits of the Company, for each fiscal year of the Company shall be allocated among the Members as follows:

(i) First to the Members in an amount equal to, and in proportion to, the aggregate amount of Net Losses theretofore allocated to each Member; and

(ii) Thereafter, in accordance with their respective Percentage Interests in the Company.

Any credit available for income tax purposes shall be allocated among the Members in proportion to their respective Percentage Interests in the Company.

(b) Gain on Sale. Gain from a Capital Transaction shall be allocated among the Members as follows:

(i) First, to those Members, if any, who have deficit balances in their Capital Accounts immediately prior to such transaction, an amount equal to the aggregate

amount of such deficit balances, which amount shall be allocated in the same proportions as such deficit balances;

(ii) Then, to each of the Members an amount equal to the amount by which (x) the aggregate Net Cash Flow derived from such transaction distributable to such Member in accordance with Section 6.2(a), assuming such amounts are distributable, exceeds (y) the positive balance, if any, in such Member's Capital Account after such Member's Capital Account has been adjusted to reflect the gain allocated to such Member pursuant to paragraph (i) above; provided, however, that if there shall be an insufficient amount of gain determined by this paragraph, to the Members in proportion to the respective amounts determined pursuant to this paragraph; and

(iii) Any remaining gain to the Members in accordance with their respective Percentage Interests.

(c) Net Losses. Net Losses of the Company shall be allocated among the Members as follows:

(i) First, to the Members in proportion to their respective Capital Interests until the Capital Account balances are reduced to zero; and

(ii) The balance to the Members in accordance with their respective Percentage Interests in the Company.

(d) Loss on Sale. Loss from a Capital Transaction from the sale or other disposition of Company Property shall be allocated in the following order:

(i) First, to those Members, if any, who have positive balances in their Capital Accounts, an amount equal to the aggregate balances, which amounts shall be allocated in the same proportion as such positive balances; and

(ii) The balance to the Members in accordance with their respective Percentage Interests.

(e) Special Rules Regarding Allocations. Notwithstanding the foregoing provisions of Section 6.1:

(i) In accordance with Sections 704(b) and (c) of the Code and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company (including all or part of any deemed capital contribution under Section 708 of the Code) shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company and its agreed value. In the event that Capital Accounts are ever adjusted pursuant to Treasury Regulation Section 1.704-1(b)(2) to reflect the fair market value of any Company Property, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset and its value as adjusted in the same manner as required under Section 704(c) of the Code and the Treasury Regulations thereunder.

(ii) At no time shall any allocation of losses be made to a Member if such allocation would cause the deficit in the Member's Adjusted Capital Account, if any, to exceed his allocable share of "partnership minimum gain" or "minimum gain attributable to Member nonrecourse debt" (as defined in Treasury Regulation Sections 1.704-2(g)(1) and (i)(5), respectively), and any losses not allocated to a Member by reason of this clause (ii) shall be allocated to each Member whose deficit, if any, in the Member's Adjusted Capital Account of such Member shall not exceed his allocable share of such minimum gain by reason of such allocation.

(iii) If there is a net decrease in the Company's minimum gain (within the meaning of Treasury Regulation Section 1.704-2(g)(2)) for a Company taxable year and, at the end of such taxable year, the deficit, if any, in a Member's Capital Account exceeds his allocable share of such minimum gain, gross income of the Company shall be allocated to such Member in an amount equal to such excess so as to satisfy the requirements of Treasury Regulation Section 1.704-2(f) (minimum gain chargeback).

(iv) If, during any taxable year, there is a net decrease in Company minimum gain attributable to Member nonrecourse debt, then, before any other allocations are made for such year other than those pursuant to clause (ii) above, each Member with a share of the Company minimum gain attributable to Member nonrecourse debt at the beginning of the year shall be allocated items of Company income and gain for such year (and, if necessary, for subsequent years) in an amount equal to each Member's share of the net decrease in minimum gain attributable to Member nonrecourse debt as determined in accordance with Treasury Regulation Section 1.704-2(i)(4) in a manner so as to satisfy the requirements of said Treasury Regulation.

(v) If, during any taxable year, a Member unexpectedly receives an adjustment, allocation or distribution described in paragraph (4), (5) or (6) of Treasury Regulation Section 1.704-1(b)(2)(ii)(d), and if such adjustment, allocation or distribution would cause at the end of the taxable year a deficit balance in such Member's Capital Account in excess of his allocable share of minimum gain as described above, then such Member shall be allocated items of income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount and in a manner sufficient to eliminate such excess balance as quickly as possible before any other allocation is made for such year, other than pursuant to clause (iii) and (iv) above, so as

to satisfy the requirements of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) (qualified income offset).

(vi) In the event any Member has a deficit balance in his Capital Account at the end of the Fiscal Year which is in excess of the sum of (A) the amount such Member is obligated to restore pursuant to any provision of this Agreement, if any, and (B) the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible.

6.2 Distributions. The Manager shall distribute Net Cash Flow to the Members in the following order of priority at such times as the Manager shall determine (but not less often than annually):

(i) First, until the Members receive payment of their Unrecovered Capital Contributions, to the Members in proportion to their Unrecovered Capital Contributions; and

(ii) The balance, if any, shall be distributed to the Members in proportion to their respective Percentage Interests in the Company.

6.3 Limitation Upon Distributions. No distribution shall be declared and paid if, after the distribution is made the sum of the Company's total assets would be less than the sum of its total liabilities.

## ARTICLE VII

### TRANSFERABILITY

7.1 Restrictions on Transferability.

(a) No Member shall transfer or assign its Interest in the Company without the unanimous consent of the Members (including the Manager) (which shall not be unreasonably withheld). If the Members do not unanimously consent to the proposed sale or assignment of a selling Member's Interest, the proposed purchaser, transferee or assignee of the selling Member's Interest shall have no right to be admitted as a Member and no right to participate in the management of the business and affairs of the Company or to become a Substitute Member. No transfer of a Member's Interest in the Company (including the transfer of any rights to receive or share in profits, losses, income or the return of contributions) shall be effective unless and until written notice (including the name and address of the proposed purchaser, transferee, or assignee and the date of such transfer) has been provided to all of the Members.

(b) Notwithstanding the foregoing, a Member may transfer its Interest to an Affiliate of such Member without the consent of the other Members (or the Manager) provided that, for purposes of this Section 7.1, 80% is substituted for 20% in the definition of Affiliate set forth in Article I hereof.

## ARTICLE VIII

### ADDITIONAL AND SUBSTITUTE MEMBERS

#### 8.1 Admission of New Members

(a) From the date of the formation of the Company, any person or entity may, with the unanimous consent of the Members and subject to the terms and conditions of this Agreement: (i) become an Additional Member in this Company by the sale of new Company Interests for such consideration as the Members shall determine, or (ii) become a Substitute Member as a transferee of a Member's Interest or any portion thereof.



(b) No assignment or transfer of all or any part of the Interest of a Member permitted to be made under this Agreement and no admission of any person as a new Member pursuant to the terms hereof shall be effective or binding upon the Company unless and until such Additional or Substitute member shall have executed and acknowledge such instruments in form and substance reasonably acceptable to the Manager as the Manager may deem necessary or desirable to effectuate such admission, including the execution of the Agreement (including any amendment or restatement hereto or hereof) or a confirmation of the Agreement of the person to be admitted as a Member to be bound by all of the covenants, terms and conditions of the Agreement (as the same may be amended).

8.2 Allocations to New Members. The Manager may, at its option, at the time an Additional or Substitute Member is admitted, close the Company books (as though the . Company's tax year had ended) or make pro-rata allocations of loss, income and expense deductions to an Additional or Substitute Member for that portion of the Company's tax year in which an Additional or Substitute Member was admitted, in accordance with the provisions of Section 706(d) of the Code and the Treasury Regulations promulgated thereunder.

8.3 Withdrawal. No Member shall have the right to withdraw from the Company except as specifically provided in Section 8.1 above.

#### ARTICLE IX

##### DISSOLUTION AND TERMINATION

9.1 Dissolution. The Company shall be dissolved upon the occurrence of any of the following events ("Dissolution Event"):

- (a) when the period fixed for the duration of the Company shall expire;
- (b) by the unanimous written consent of all Members;

(c) the entry of a decree of judicial dissolution under Section 702 of the Act; or

(d) upon the sale of all of the Property or any other event that terminates the Company.

9.2 Distribution of Assets Upon Dissolution. In settling accounts after dissolution, the liabilities of the Company shall be entitled to payment in the following order:

(a) to creditors (including Members who are creditors to the extent otherwise permitted by law), other than liabilities for distributions to Members;

(b) reasonable reserves as determined by the Members; and

(c) then, to the Members of the Company in accordance with Section 6.2.

9.3 Winding Up. Except as provided by law, upon dissolution, each Member shall look solely to the assets of the Company for the return of its Capital Contribution. If the Company Property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the Capital Contribution of each Member, such Member shall have no recourse against any other Member. The winding up of the affairs of the Company and the distribution of its assets shall be conducted exclusively by the Members, who are hereby authorized to take all actions necessary to accomplish such distribution including, without limitation, selling any Company assets the Members deem necessary or appropriate to sell.

9.4 Articles of Dissolution. When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets have been distributed to the Members, Articles of Dissolution shall be executed and filed pursuant to Section 705 of the Act, and shall contain the information required by the Act.

ARTICLE X

FINANCIAL STATEMENTS, BOOK RECORDS, TAX RETURNS, ETC.

10.1 Books of Account. The Manager shall maintain, at the principal office of the Company or at the office of its attorney or accountant, complete books of account, in which there shall be entered, fully and accurately, every transaction of the Company and which shall include the following:

(a) A current list of the full name and last known business address of each Member and the Manager;

(b) A copy of the Articles of Organization of the Company and all amendments thereto;

(c) Copies of the Company's federal, state, and local income tax returns and reports, if any, for the three most recent years; and

(d) Copies of the Company's currently effective written Agreement and copies of any financial statements of the Company for the three most recent years.

The fiscal year of the Company shall be the calendar year. The books of account of the Company shall be kept on a tax accounting basis applied in a consistent manner. All determinations by the TMM (defined in Section 10.5 below) with respect to the treatment of any item or its allocation for Federal, state, or local tax purposes shall be binding upon all of the Members. Any Member shall have the right, from time to time, at its own expense, to cause its accountants and representatives to inspect, examine and audit the books and records of the Company, and the Manager upon not less than seven (7) days written notice shall make such books and records available for such inspections, examinations and audits at reasonable hours during business days.

10.2 Financial Statements and Reports. The Manager shall furnish the Members with the following statements and reports:

(a) Unaudited monthly income statements showing in detail the income received during such period;

(b) Within ninety (90) days after the end of each fiscal year, the Manager shall cause to be delivered to each Member (i) a balance sheet and an annual statement of the Company's receipts and expenses for such year and the Capital Account of such Member as at the end of such year, and (ii) a report setting forth such Member's share of the Company's profit or loss for such year and such Member's allocable share of all items of income, gain, loss, deduction and credit, for Federal income tax purposes.

10.3 Returns and Other Elections. The Members shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to the Members within a reasonable time after the end of the Company's fiscal year.

10.4 Election under Section 754 of the Code. In the event of any transaction described in Section 743(n) of the Code and permitted by the provisions of this Agreement, the Company shall, upon the timely written request of the person succeeding to a Company Interest in such transaction, make the election provided for in Section 754 of the Code.

10.5 Tax Matters Member. Nyack I is hereby designated the Tax Matters Member (the "TMM") of the Company for purposes of Chapter 63 of the Code and the Treasury Regulations thereunder.

(a) The Members shall cooperate with the TMM with such information as the TMM may reasonably request to permit it to provide the Internal Revenue Service with sufficient information to allow proper notice to the parties in accordance with Section 6223 of the Code.

(b) No Member shall file, pursuant to Section 6227 of the Code, a request for an administrative adjustment of company items for any Company taxable year without first notifying the other Members. If the other Members agree with the requested adjustment, the TMM shall file the request for administrative adjustment on behalf of the Company. If the Members do not reach agreement within 30 days or within the period required to timely file the request for administrative adjustment, if such period is shorter, any Member may file a request for administrative adjustment on its own behalf. If, under Section 6227 of the Code, a request for administrative adjustment which is to be made by the TMM must be filed on behalf of the Company, the TMM shall also file such a request on behalf of the Company under the circumstances set forth in the preceding sentence.

(c) If any Member intends to file a petition under Section 6226 or 6228 of the Code with respect to any company item or other tax matter involving the Company, the Member so intending shall notify the other Members of such intention and the nature of the contemplated proceeding. Such notice shall be given in a reasonable time to allow the other Members to participate in the choosing of the forum in which such petition will be filed. If the Members do not agree on the appropriate forum, the petition shall be filed with the United States Tax Court. If any Member intends to seek review of any court decision rendered as a result of the proceeding instituted under the preceding part of this subsection, such party shall notify the others of such intended action.

(d) The TMM shall not bind the other Members to a settlement agreement without the Approval of the Members. If any Member enters into a settlement agreement with the Secretary of the Treasury with respect to any Company items, as defined by Section 6231(a)(3) of the Code, it shall notify the other Members of such settlement agreement and its terms within thirty days from the date of settlement.

#### ARTICLE XI

##### REPRESENTATIONS AND WARRANTIES

11.1 Nyack I Representations. Nyack I represents and warrants

as follows:

(a) All documents executed pursuant to this Agreement and delivered by Nyack I shall be duly authorized and executed and constitute valid, binding and enforceable obligations of the Nyack I, and Nyack I has the legal authority and ability to execute this Agreement and all documents in connection herewith;

(b) Nyack I is duly organized, validly existing and qualified and empowered to conduct its business, and is directly or indirectly through other entities owned and controlled by and has full power and authority to enter into and fully perform and comply with the terms of this Agreement. Neither the execution and delivery of this Agreement nor its performance by Nyack I will conflict with or result in the breach of any contract, agreement, law, rule or regulation to which they are a party or by which they are bound. This Agreement is valid and enforceable against Nyack I in accordance with its terms and each instrument to be executed by Nyack I pursuant to this Agreement or in connection herewith will, when executed and delivered, be valid and enforceable against Nyack I in accordance with its terms;

(c) No portion of the funds to be used to purchase the Property shall be derived from any source which might subject said funds to civil or criminal forfeiture;

(d) For the purposes of the representations set forth in the remainder of this Article 11 the following terms shall mean the following:

(1) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

(2) "Code" means the internal Revenue Code of 1986, as amended.

(3) "Plan" means an employee benefit plan, as defined in Section 3(3) of ERISA, or a plan as defined in Section 4975(e)(2) of the Code, and includes, without limitation, any trust or separate account established in connection therewith.

(4) "Person" includes, without limitation, any natural person, corporation, partnership, joint venture, association, trust, or other entity.

(i) As of the date of sale, Nyack I will be acting on its own behalf and not on account of or for the benefit of any Plan.

(ii) Nyack I has no present intent to transfer the Property to any Person or Plan which will cause a violation of ERISA.

(iii) Nyack I shall not assign its interest under this Agreement to any Person or Plan which will cause a violation of ERISA.

11.2 Nyack II Representations. Nyack II represents and warrants as follows:

(a) All documents executed pursuant to this Agreement and delivered by Nyack II shall be duly authorized and executed and constitute valid, binding and enforceable obligations of the Nyack II, and Nyack II has the legal authority and ability to execute this Agreement and all documents in connection herewith;

(b) Nyack II is duly organized, validly existing and qualified and empowered to conduct its business, and is directly or indirectly through other entities owned and controlled

by and has full power and authority to enter into and fully perform and comply with the terms of this Agreement. Neither the execution and delivery of this Agreement nor its performance by Nyack II will conflict with or result in the breach of any contract, agreement, law, rule or regulation to which they are a party or by which they are bound. This Agreement is valid and enforceable against Nyack II in accordance with its terms and each instrument to be executed by Nyack II pursuant to this Agreement or in connection herewith will, when executed and delivered, be valid and enforceable against Nyack II in accordance with its terms;

(c) No portion of the funds to be used to purchase the Property shall be derived from any source which might subject said funds to civil or criminal forfeiture;

(d) (i) As of the date of sale, Nyack II will be acting on its own behalf and not on account of or for the benefit of any Plan.

(ii) Nyack II has no present intent to transfer the Property to any Person or Plan which will cause a violation of ERISA.

(iii) Nyack II shall not assign its interest under this Agreement to any Person or Plan which will cause a violation of ERISA.

11.3 Survival. Notwithstanding any provision in this Agreement to the contrary, the representations and warranties in this Article XI shall survive the execution of this Agreement and continue throughout the term of this Agreement.

## ARTICLE XII

### MISCELLANEOUS

12.1 Confidentiality. All parties to this Agreement and all future Members and/or Managers of the Company hereby agree to hold and keep all information regarding the Company and its operations including, without limitation, the IMAX(R) Projection System, in



strict confidence. All parties agree the financial information of the Company is considered proprietary information and not to be divulged to any third party without the express written consent of the Manager and Members. Any party or future Manager and/or Member breaching the terms of this Section 12.1 agrees that monetary damages alone may not be sufficient to compensate for the breach of this Agreement and consents and acknowledges that injunctive relief prohibiting the violation of this Agreement may be required to properly protect and safeguard the business.

12.2 Notices. Any notice, demand, election or other communication (hereinafter called a "notice") that, under the terms of this Assignment or under any statute, must be or may be given by the parties hereto shall be in writing and shall be given by telecopier, personal delivery, by mailing the same by certified or registered mail, return receipt requested, postage prepaid, or by reputable overnight courier:

Nyack I:

Nyack I  
c/o The Corporation Trust Company  
1209 Orange Street  
Wilmington, Delaware 19801

with copies to:

Legal Department  
IMAX Corporation  
2525 Speakman Drive, Sheridan Park  
Mississauga, Ontario, Canada L5K 1B1

and to:

Pryor Cashman Sherman & Flynn LLP  
410 Park Avenue  
New York, New York 10022  
Attention: Wayne Heicklen, Esq.  
Fax No.: (212) 326-0806

Nyack II:

Nyack II  
c/o The Corporation Trust Company  
1209 Orange Street  
Wilmington, Delaware 19801

with copies to:

Legal Department  
Imax Corporation  
2525 Speakman Drive, Sheridan Park  
Mississauga, Ontario, Canada L5K 1B1

and to:

Pryor Cashman Sherman & Flynn LLP  
410 Park Avenue  
New York, New York 10022  
Attention: Wayne Heicklen, Esq.  
Fax No.: (212) 326-0806

All copies of notices to be sent to any party hereunder shall be sent in the same manner as required for notices. Either party may designate, by notice in writing to the other, a new or other address to which notices shall thereafter be given. Any notice given hereunder (other than a notice of a new address or additional address for notice purposes) shall be deemed given when received.

12.3 Complete Agreement. This Agreement fully sets forth all of the agreements and understandings of the parties with respect to the Company and supersedes any prior agreements of the parties. There are no representations, agreements, arrangements or understandings, oral or written, among the parties relating to the subject matter of this Agreement which are not expressly set forth herein.

12.4 Amendments. This Agreement may be amended only as provided in Section 5.2 hereof.

12.5 Severability. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, the applicable laws, ordinances, rules and regulations

of the jurisdictions in which the Company engages in business. If any provision of this Agreement, or the application thereof to any person or circumstance, shall, for any reason and to any extent, be held to be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected, but rather shall be enforced to the full extent permitted by law.

12.6 Ratification. Each person who becomes a Member in the Company after the execution and delivery of this Agreement shall, by becoming a Member, be deemed thereby to ratify and agree to all prior actions taken by the Company and the Manager.

12.7 Binding Upon Successors. This Agreement shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns, and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. This Agreement shall become effective upon its execution and delivery by the Members.

12.8 Rights of Third Parties. None of the provisions of this Agreement shall be construed as having been made for the benefit of any creditor of either the Company or any of the Members, nor shall any of such provisions be enforceable (except as otherwise required by law) by any person not a party hereto.

12.9 Governing Law. Irrespective of the place of execution or performance, the validity and construction of this Agreement shall be governed by the laws of New York.

12.10 Captions. The captions, headings and titles contained in this Agreement are solely for convenience of reference and shall not affect the interpretation of this Agreement or of any provision hereof.

12.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall together constitute one instrument.

12.12 Sense and Gender of Words. All terms and words used in this Agreement, regardless of the sense or gender in which they are used, shall be deemed to include each other sense and gender unless the context requires otherwise.

(remainder of page intentionally left blank)

IN WITNESS WHEREOF, the parties hereto have executed and acknowledged this Agreement as of the date first above written.

IMAX THEATRE HOLDING  
(NYACK I) CO.

By: /s/ John M. Davison

-----  
Name: John M. Davison  
Title: Vice President, Finance

By: /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

IMAX THEATRE HOLDING  
(NYACK II) CO.

By: /s/ John M. Davison

-----  
Name: John M. Davison  
Title: Vice President, Finance

By: /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

BY EXECUTION HEREOF, the undersigned hereby agrees to act as the Manager of the Company pursuant to the terms and conditions of this Agreement.

IMAX THEATRE HOLDING  
(NYACK I) CO.

By: /s/ John M. Davison

-----  
Name: John M. Davison  
Title: Vice President, Finance

By: /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

EXHIBIT A

Members' Capital Contributions and Capital Interests

Member -----	Required Capital Contribution -----	Capital Contributions Made To Date -----	Capital Interest -----
Nyack 1		\$3,343,038	99%
Nyack II		33,768	1%
TOTAL		----- \$3,376,806 =====	--- 100% ===

EXHIBIT A-1

Agreed Value of Assets Contributed by Members

Contributing Member -----	Assets -----	Value -----
Nyack I	IMAX(R) Projection System	\$ 2,275,000
	Liquid Crystal Glasses	180,900
	Batteries	1,715
	Other Assets	785,423
	Cash	100,000
	Total	----- \$ 3,343,038
Nyack II	Other Assets	\$ 33,768 -----
TOTAL		\$ 3,376,806 =====

EXHIBIT B

MEMBERS' PERCENTAGE INTERESTS

Member -----	Percentage Interest -----
Nyack I	99%
Nyack II	1%
TOTAL:	----- 100.00%



CERTIFICATE OF INCORPORATION  
OF  
PANDA PRODUCTIONS INC.

I, the undersigned, for the purposes of incorporating and organizing a corporation under the General Corporation Law of the State of Delaware, do execute this Certificate of Incorporation and do hereby certify as follows:

FIRST. The name of the corporation is Panda Productions Inc.

SECOND. The address of the corporation's registered office in the State of Delaware is One Rodney Square, 10th Floor, Tenth and King Streets, in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is RL&F Service Corp.

THIRD. The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH. The total number of shares of stock which the corporation shall have authority to issue is 100. All such shares are to be Common Stock, par value of \$.01 per share, and are to be of one class.

FIFTH. The incorporator of the corporation is Siobhan Cameron, whose mailing address is P.O Box 551, Wilmington DE 19899.

SIXTH. Unless and except to the extent that the by-laws of the corporation shall so require, the election of directors of the corporation need not be by written ballot.

SEVENTH. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors of the corporation is expressly authorized to make, alter and repeal the by-laws of the corporation, subject to the power of the stockholders of the corporation to alter or repeal any by-law whether adopted by them or otherwise.

EIGHTH. A director of the corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the corporation hereunder in respect

of any act or omission occurring prior to the time of such amendment, modification or repeal.

NINTH. The corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this article.

TENTH. The powers of the incorporator are to terminate upon the filing of this Certificate of Incorporation with the Secretary of State of the State of Delaware. The name and mailing address of the person who is to serve as the sole initial director of the corporation until the first annual meeting of stockholders of the corporation, or until her successor is duly elected and qualified, is:

G. Mary Ruby  
241 Inglewood Drive  
Toronto, Ontario M4T 1H8

The undersigned incorporator hereby acknowledges that the foregoing certificate of incorporation is her act and deed on this the 2nd day of November, 1999.

/s/ Siobhan Cameron

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Siobhan Cameron  
Incorporator

BY-LAWS  
OF  
PANDA PRODUCTIONS INC.

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ARTICLE I

Meetings of Stockholders

Section 1.1. Annual Meetings. An annual meeting of stockholders shall be held for the election of directors at such date, time and place, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting.

Section 1.2. Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by the Board of Directors, but such special meetings may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 1.3. Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given that shall state the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the certificate of incorporation or these by-laws, the written notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation.

Section 1.4. Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 1.5. Quorum. Except as otherwise provided by law, the certificate of incorporation or these by-laws, at each meeting of stockholders the presence in person or by proxy of the holders of a majority in voting power of the outstanding shares of stock

entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. In the absence of a quorum, the stockholders so present may, by a majority in voting power thereof, adjourn the meeting from time to time in the manner provided in Section 1.4 of these by-laws until a quorum shall attend. Shares of its own stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the corporation or any subsidiary of the corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 1.6. Organization. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in his absence by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 1.7. Voting; Proxies. Except as otherwise provided by or pursuant to the provisions of the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary of the corporation. Voting at meetings of stockholders need not be by written ballot. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect. All other elections and questions shall, unless otherwise provided by the certificate of incorporation, these by-laws, the rules or regulations of any stock exchange applicable to the corporation, as otherwise provided by law or pursuant to any regulation applicable to the corporation, be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock of the corporation which are present in person or by proxy and entitled to vote thereon.

Section 1.8. Fixing Date for Determination of Stockholders of Record. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other

distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (1) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting; (2) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten (10) days from the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (3) in the case of any other action, shall not be more than sixty (60) days prior to such other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action of the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation in accordance with applicable law, or, if prior action by the Board of Directors is required by law, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action; and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 1.9. List of Stockholders Entitled to Vote. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. Upon the willful neglect or refusal of the directors to produce such a list at any meeting for the election of directors, they shall be ineligible for election to any office at such meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 1.10. Action By Written Consent of Stockholders. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which minutes of proceedings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall, to the extent required by law, be given to those stockholders who have not consented in writing.

Section 1.11. Inspectors of Election. The corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

Section 1.12. Conduct of Meetings. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and

procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

## ARTICLE II

### Board of Directors

Section 2.1. Number; Qualifications. The Board of Directors shall consist of one or more members, the number thereof to be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

Section 2.2. Election; Resignation; Vacancies. The Board of Directors shall initially consist of the persons named as directors in the certificate of incorporation or elected by the incorporator of the corporation, and each director so elected shall hold office until the first annual meeting of stockholders or until his successor is duly elected and qualified. At the first annual meeting of stockholders and at each annual meeting thereafter, the stockholders shall elect directors each of whom shall hold office for a term of one year or until his successor is duly elected and qualified, subject to such director's earlier death, resignation, disqualification or removal. Any director may resign at any time upon written notice to the corporation. Unless otherwise provided by law or the certificate of incorporation, any newly created directorship or any vacancy occurring in the Board of Directors for any cause may be filled by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum, or by a plurality of the votes cast at a meeting of stockholders, and each director so elected shall hold office until the expiration of the term of office of the director whom he has replaced or until his successor is elected and qualified.

Section 2.3. Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine.

Section 2.4. Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the President, any Vice President, the Secretary, or by any member of the Board of Directors. Notice of a special meeting of the Board of Directors shall be given by the person or persons calling the meeting at least twenty-four hours before the special meeting.

Section 2.5. Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting thereof by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 2.6. Quorum; Vote Required for Action. At all meetings of the Board of Directors a majority of the whole Board of Directors shall constitute a quorum for the transaction of business. Except in cases in which the certificate of incorporation, these



by-laws or applicable law otherwise provides, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.7. Organization. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, if any, or in his absence by the Vice Chairman of the Board, if any, or in his absence by the President, or in their absence by a chairman chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8. Action by Written Consent of Directors. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or such committee.

### ARTICLE III

#### Committees

Section 3.1. Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it.

Section 3.2. Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these by-laws.

## ARTICLE IV

### Officers

Section 4.1. Executive Officers; Election; Qualifications; Term of Office; Resignation; Removal; Vacancies. The Board of Directors shall elect a President and Secretary, and it may, if it so determines, choose a Chairman of the Board and a Vice Chairman of the Board from among its members. The Board of Directors may also choose one or more Vice Presidents, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers. Each such officer shall hold office until the first meeting of the Board of Directors after the annual meeting of stockholders next succeeding his election, and until his successor is elected and qualified or until his earlier resignation or removal. Any officer may resign at any time upon written notice to the corporation. The Board of Directors may remove any officer with or without cause at any time, but such removal shall be without prejudice to the contractual rights of such officer, if any, with the corporation. Any number of offices may be held by the same person. Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

Section 4.2. Powers and Duties of Executive Officers. The officers of the corporation shall have such powers and duties in the management of the corporation as may be prescribed in a resolution by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors. The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his duties.

ARTICLE V

Stock

Section 5.1. Certificates. Every holder of stock shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the corporation certifying the number of shares owned by him in the corporation. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 5.2. Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

## ARTICLE VI

### Indemnification

Section 6.1. Right to Indemnification. The corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "Indemnitee") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he, or a person for whom he is the legal representative, is or was a director or officer of the corporation or, while a director or officer of the corporation, is or was serving at the written request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnitee. Notwithstanding the preceding sentence, except as otherwise provided in Section 6.3, the corporation shall be required to indemnify an Indemnitee in connection with a proceeding (or part thereof) commenced by such Indemnitee only if the commencement of such proceeding (or part thereof) by the Indemnitee was authorized by the Board of Directors.

Section 6.2. Prepayment of Expenses. The corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnitee in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Indemnitee to repay all amounts advanced if it should be ultimately determined that the Indemnitee is not entitled to be indemnified under this Article VI or otherwise.

Section 6.3. Claims. If a claim for indemnification or advancement of expenses under this Article VI is not paid in full within sixty (60) days after a written claim therefor by the Indemnitee has been received by the corporation, the Indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the corporation shall have the burden of proving that the Indemnitee is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 6.4. Nonexclusivity of Rights. The rights conferred on any Indemnitee by this Article VI shall not be exclusive of any other rights which such Indemnitee may have or hereafter acquire under any statute, provision of the certificate of incorporation, these by-laws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.5. Other Sources. The corporation's obligation, if any, to indemnify or to advance expenses to any Indemnitee who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Indemnitee may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

Section 6.6. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article VI shall not adversely affect any right or protection hereunder of any Indemnitee in respect of any act or omission occurring prior to the time of such repeal or modification.

Section 6.7. Other Indemnification and Prepayment of Expenses. This Article VI shall not limit the right of the corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Indemnitees when and as authorized by appropriate corporate action.

## ARTICLE VII

### Miscellaneous

Section 7.1. Fiscal Year. The fiscal year of the corporation shall be determined by resolution of the Board of Directors.

Section 7.2. Seal. The corporate seal shall have the name of the corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 7.3. Manner of Notice. Except as otherwise provided herein, notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the corporation. Notice to directors may be given by telegram, telecopier, telephone or other means of electronic transmission.

Section 7.4. Waiver of Notice of Meetings of Stockholders, Directors and Committees. Any written waiver of notice, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 7.5. Interested Directors; Quorum. No contract or transaction between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if: (1) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof, or the stockholders. Common or interested directors may

be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 7.6. Form of Records. Any records maintained by the corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs, or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time.

Section 7.7. Amendment of By-Laws. These by-laws may be altered, amended or repealed, and new by-laws made, by the Board of Directors, but the stockholders may make additional by-laws and may alter and repeal any by-laws whether adopted by them or otherwise.

Section 7.8 Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the corporation may be signed by:

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the corporation without any further authorization or formality. The Board of Directors shall have power from time to time to appoint any person or persons, on behalf of the corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any person or persons appointed as aforesaid by the Board of Directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

- (a) any two officers;



(b) any two directors; or

(c) any one officer together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the corporation and to sign and execute (under the seal of the corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of any officer or officers, or any director or directors of the corporation and/or of any other person or persons, appointed as aforesaid by the Board of Directors may, if specifically authorized by the Board of Directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation executed or issued by or on behalf of the corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization, by the Board of Directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the corporation.

CERTIFICATE FOR RESTORATION,  
RENEWAL AND REVIVAL OF CERTIFICATE OF INCORPORATION  
OF RIDEFILM CORPORATION

Pursuant to Section 312  
of the General Corporation Law  
of the State of Delaware

Ridefilm Corporation, a Delaware corporation (the "Corporation"), the certificate of incorporation of which was filed in the office of the Secretary of State on the 22nd day of December, 1993, recorded in the office of the Recorder of Deeds for New Castle County, and thereafter voided for non-payment of taxes, now desires to procure a restoration, renewal and revival of its certificate of incorporation, and hereby certifies as follows:

1. The name of the Corporation is Ridefilm Corporation.

2. The registered office of the Corporation in the State of Delaware is located in New Castle County at Corporation Trust Center, 1209 Orange Street, City of Wilmington, 19801. The name and address of the registered agent of the Corporation is The Corporation Trust Company.

3. The renewal and revival of the certificate of incorporation of the Corporation is to be perpetual.

4. The Corporation was duly organized and carried on the business authorized by its certificate of incorporation until the 1st day of March A.D. 1996, at which time its certificate of incorporation became inoperative and void for non-payment of taxes. This certificate for renewal and revival is filed by authority of the duly elected directors of the Corporation in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, Ridefilm Corporation, has caused this Certificate for Restoration, Renewal and Revival of the Certificate of Incorporation to be executed by G. Mary Ruby, its authorized officer, this 3rd day of April, 1996.

RIDEFILM CORPORATION

By: /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

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BY-LAWS  
of  
RIDEFILM CORPORATION  
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BY-LAWS  
OF  
RIDEFILM CORPORATION

ARTICLE I

OFFICES

SECTION 1.01. Registered Office. The registered office of Ridefilm Corporation (the "Corporation") in the State of Delaware shall be at the principal office of The Corporation Trust Company in the City of Wilmington, County of New Castle, and the registered agent in charge thereof shall be The Corporation Trust Company.

SECTION 1.02. Other Offices. The Corporation may also have an office or offices at any other place or places within or without the State of Delaware as the Board of Directors of the Corporation (the "Board") may from time to time determine or the business of the Corporation may from time to time require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

SECTION 2.01. Annual Meetings. The annual meeting of stockholders of the Corporation for the election of directors of the Corporation ("Directors"), and for the transaction of such other business as may properly come before such meeting, shall be held at such place, date and time as shall be fixed by the Board and designated in the notice or waiver of notice of such annual meeting; provided, however, that no annual meeting of stockholders need be held if all actions, including the election of Directors, required by the General Corporation Law of the State of Delaware (the "General Corporation Law") to be taken at such annual meeting are taken by written consent in lieu of meeting pursuant to Section 2.09 hereof.

SECTION 2.02. Special Meetings. Special meetings of stockholders for any purpose or purposes may be called by the Board, the Chief Operating Officer of the Corporation (the "Chief Operating Officer") or the Secretary of the Corporation (the "Secretary") or by the recordholders of at least a majority of the shares of common stock of the Corporation issued and outstanding ("Shares") and entitled to vote thereat, to be held at such place, date and time as shall be designated in the notice or waiver of notice thereof.

SECTION 2.03. Notice of Meetings. (a) Except as otherwise provided by law, written notice of each annual or special meeting of stockholders stating the place, date and time of such meeting and, in the case of a special meeting, the purpose or purposes for which such meeting is to be held, shall be given personally or by first-class mail (airmail in the case of international communications) to each recordholder of Shares (a "Stockholder") entitled to vote

thereat, not less than 10 nor more than 60 days before the date of such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the Stockholder at such Stockholder's address as it appears on the records of the Corporation. If, prior to the time of mailing, the Secretary shall have received from any Stockholder a written request that notices intended for such Stockholder are to be mailed to some address other than the address that appears on the records of the Corporation, notices intended for such Stockholder shall be mailed to the address designated in such request.

(b) Notice of a special meeting of Stockholders may be given by the person or persons calling the meeting, or, upon the written request of such person or persons, such notice shall be given by the Secretary on behalf of such person or persons. If the person or persons calling a special meeting of Stockholders give notice thereof, such person or persons shall deliver a copy of such notice to the Secretary. Each request to the Secretary for the giving of notice of a special meeting of Stockholders shall state the purpose or purposes of such meeting.

SECTION 2.04. Waiver of Notice. Notice of any annual or special meeting of Stockholders need not be given to any Stockholder who files a written waiver of notice with the Secretary, signed by the person entitled to notice, whether before or after such meeting. Neither the business to be transacted at, nor the purpose of, any meeting of Stockholders need be specified in any written waiver of notice thereof. Attendance of a Stockholder at a meeting, in person or by proxy, shall constitute a waiver of notice of such meeting, except when such Stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the grounds that the notice of such meeting was inadequate or improperly given.

SECTION 2.05. Adjournments. Whenever a meeting of Stockholders, annual or special, is adjourned to another date, time or place, notice need not be given of the adjourned meeting if the date, time and place thereof are announced at the meeting at which the adjournment is taken. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Stockholder entitled to vote thereat. At the adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

SECTION 2.06. Quorum. Except as otherwise provided by law or the Certificate of Incorporation of the Corporation (the "Certificate of Incorporation"), the recordholders of a majority of the Shares entitled to vote thereat, present in person or by proxy, shall constitute a quorum for the transaction of business at all meetings of Stockholders, whether annual or special. If, however, such quorum shall not be present in person or by proxy at any meeting of Stockholders, the Stockholders entitled to vote thereat may adjourn the meeting from time to time in accordance with Section 2.05 hereof until a quorum shall be present in person or by proxy.

SECTION 2.07. Voting. Each Stockholder shall be entitled to one vote for each Share held of record by such Stockholder. Except as otherwise provided by law or the Certificate of Incorporation, when a quorum is present at any meeting of Stockholders, the vote of the recordholders of a majority of the Shares constituting such quorum shall decide any question brought before such meeting.

SECTION 2.08. Proxies. Each Stockholder entitled to vote at a meeting of Stockholders or to express, in writing, consent to or dissent from any action of Stockholders without a meeting may authorize another person or persons to act for such Stockholder by proxy. Such proxy shall be filed with the Secretary before such meeting of Stockholders or such action of Stockholders without a meeting, at such time as the Board may require. No proxy shall be voted or acted upon more than three years from its date, unless the proxy provides for a longer period.

SECTION 2.09. Stockholders' Consent in Lieu of Meeting. Any action required by the General Corporation Law to be taken at any annual or special meeting of Stockholders, and any action which may be taken at any annual or special meeting of Stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the recordholders of Shares having not less than the minimum number of votes necessary to authorize or take such action at a meeting at which the recordholders of all Shares entitled to vote thereon were present and voted.

### ARTICLE III

#### BOARD OF DIRECTORS

SECTION 3.01. General Powers. The business and affairs of the Corporation shall be managed by the Board, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law, the Certificate of Incorporation or these By-laws directed or required to be exercised or done by Stockholders.

SECTION 3.02. Number and Term of Office. The number of Directors shall be one or such other number as shall be fixed from time to time by the Board. Directors need not be Stockholders. Directors shall be elected at the annual meeting of Stockholders or, if, in accordance with Section 2.01 hereof, no such annual meeting is held, by written consent in lieu of meeting pursuant to Section 2.09 hereof, and each Director shall hold office until his successor is elected and qualified, or until his earlier death or resignation or removal in the manner hereinafter provided.

SECTION 3.03. Resignation. Any Director may resign at any time by giving written notice to the Board, the Chief Operating Officer or the Secretary. Such resignation shall take effect at the time specified in such notice or, if the time be not specified, upon receipt thereof by the Board, the Chief Operating Officer or the Secretary, as the case may be. Unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective.

SECTION 3.04. Removal. Any or all of the Directors maybe removed, with or without cause, at any time by vote of the recordholders of a majority of the Shares then entitled to vote at an election of Directors, or by written consent of the recordholders of Shares pursuant to Section 2.09 hereof.



SECTION 3.05. Vacancies. Vacancies occurring on the Board as a result of the removal of Directors without cause may be filled only by vote of the recordholders of a majority of the Shares then entitled to vote at an election of Directors, or by written consent of such recordholders pursuant to Section 2.09 hereof. Vacancies occurring on the Board for any other reason, including, without limitation, vacancies occurring as a result of the creation of new directorships that increase the number of Directors, may be filled by such vote or written consent or by vote of the Board or by written consent of the Directors pursuant to Section 3.08 hereof. If the number of Directors then in office is less than a quorum, such other vacancies may be filled by vote of a majority of the Directors then in office or by written consent of all such Directors pursuant to Section 3.08 hereof. Unless earlier removed pursuant to Section 3.04 hereof, each Director chosen in accordance with this Section 3.05 shall hold office until the next annual election of Directors by the Stockholders and until his successor shall be elected and qualified.

SECTION 3.06. Meetings. (a) Annual Meetings. As soon as practicable after each annual election of Directors by the Stockholders, the Board shall meet for the purpose of organization and the transaction of other business, unless it shall have transacted all such business by written consent pursuant to Section 3.08 hereof.

(b) Other Meetings. Other meetings of the Board shall be held at such times as the Chief Operating Officer, the Secretary or a majority of the Board shall from time to time determine.

(c) Notice of Meetings. The Secretary shall give written notice to each Director of each meeting of the Board, which notice shall state the place, date, time and purpose of such meeting. Notice of each such meeting shall be given to each Director, if by mail, addressed to him at his residence or usual place of business, at least two days before the day on which such meeting is to be held, or shall be sent to him at such place by telecopy, telegraph, cable, or other form of recorded communication, or be delivered personally or by telephone not later than the day before the day on which such meeting is to be held. A written waiver of notice, signed by the Director entitled to notice, whether before or after the time of the meeting referred to in such waiver, shall be deemed equivalent to notice. Neither the business to be transacted at, nor the purpose of any meeting of the Board need be specified in any written waiver of notice thereof. Attendance of a Director at a meeting of the Board shall constitute a waiver of notice of such meeting, except as provided by law.

(d) Place of Meetings. The Board may hold its meetings at such place or places within or without the State of Delaware as the Board may from time to time determine, or as shall be designated in the respective notices or waivers of notice of such meetings.

(e) Quorum and Manner of Acting. One-third of the total number of Directors then in office (but in no event less than two if the total number of directorships, including vacancies, is greater than one and in no event a number less than one-third of the total number of directorships, including vacancies) shall be present in person at any meeting of the Board in order to constitute a quorum for the transaction of business at such meeting, and the vote of a majority of those Directors present at any such meeting at which a quorum is present shall be necessary for the passage of any resolution or act of the Board, except as otherwise expressly required by law, the Certificate of Incorporation or these By-laws. In the absence of a

quorum for any such meeting, a majority of the Directors present thereat may adjourn such meeting from time to time until a quorum shall be present.

(f) Organization. At each meeting of the Board, one of the following shall act as chairman of the meeting and preside, in the following order of precedence:

- (i) the Chief Operating Officer; or
- (ii) any Director chosen by a majority of the Directors present.

The Secretary or, in the case of his absence, any person (who shall be an Assistant Secretary, if an Assistant Secretary is present) whom the chairman of the meeting shall appoint shall act as secretary of such meeting and keep the minutes thereof.

SECTION 3.07. Committees of the Board. The Board may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more Directors. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another Director to act at the meeting in the place of any such absent or disqualified member. Any committee of the Board, to the extent provided in the resolution of the Board designating such committee, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; provided, however, that no such committee shall have such power or authority in reference to amending the Certificate of Incorporation (except that such a committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the Board as provided in Section 151(a) of the General Corporation Law, fix the designations and any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the Corporation or the conversion into, or the exchange of such shares for, shares of any other class or classes of stock of the Corporation or fix the number of shares of any series of stock or authorize the increase or decrease of the shares of any series), adopting an agreement of merger or consolidation under Section 251 or 252 of the General Corporation Law, recommending to the Stockholders the sale, lease or exchange of all or substantially all the Corporation's property and assets, recommending to the Stockholders a dissolution of the Corporation or the revocation of a dissolution, or amending these By-laws; provided further, however, that, unless expressly so provided in the resolution of the Board designating such committee, no such committee shall have the power or authority to declare a dividend, to authorize the issuance of stock, or to adopt a certificate of ownership and merger pursuant to Section 253 of the General Corporation Law. Each committee of the Board shall keep regular minutes of its proceedings and report the same to the Board when so requested by the Board.

SECTION 3.08. Directors' Consent in Lieu of Meeting. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth

the action so taken, shall be signed by all the members of the Board or such committee and such consent is filed with the minutes of the proceedings of the Board or such committee.

SECTION 3.09. Action by Means of Telephone or Similar Communications Equipment. Any one or more members of the Board, or of any committee thereof, may participate in a meeting of the Board or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

SECTION 3.10. Compensation. Unless otherwise restricted by the Certificate of Incorporation, the Board may determine the compensation of Directors. In addition, as determined by the Board, Directors may be reimbursed by the Corporation for their expenses, if any, in the performance of their duties as Directors. No such compensation or reimbursement shall preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

#### ARTICLE IV

##### OFFICERS

SECTION 4.01. Officers. The officers of the Corporation shall be the Chief Operating Officer, the Secretary and a Treasurer and may include one or more Vice Presidents and one or more Assistant Secretaries and one or more Assistant Treasurers. Any two or more offices may be held by the same person.

SECTION 4.02. Authority and Duties. All officers shall have such authority and perform such duties in the management of the Corporation as may be provided in these By-laws or, to the extent not so provided, by resolution of the Board.

SECTION 4.03. Term of Office Resignation and Removal. (a) Each officer shall be appointed by the Board and shall hold office for such term as may be determined by the Board. Each officer shall hold office until his successor has been appointed and qualified or his earlier death or resignation or removal in the manner hereinafter provided. The Board may require any officer to give security for the faithful performance of his duties.

(b) Any officer may resign at any time by giving written notice to the Board, the Chief Operating Officer or the Secretary. Such resignation shall take effect at the time specified in such notice or, if the time be not specified, upon receipt thereof by the Board, the Chief Operating Officer or the Secretary, as the case may be. Unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective.

(c) All officers and agents appointed by the Board shall be subject to removal, with or without cause, at any time by the Board or by the action of the recordholders of a majority of the Shares entitled to vote thereon.

SECTION 4.04. Vacancies. Any vacancy occurring in any office of the Corporation, for any reason, shall be filled by action of the Board. Unless earlier removed pursuant to Section 4.03 hereof, any officer appointed by the Board to fill any such vacancy shall serve only until such time as the unexpired term of his predecessor expires unless reappointed by the Board.

SECTION 4.05. The Chief Operating Officer. The Chief Operating Officer shall have the power to call special meetings of Stockholders, to call special meetings of the Board and, if present, to preside at all meetings of Stockholders and all meetings of the Board. The Chief Operating Officer shall, in addition, have general and active management and control of the business and affairs of the Corporation, subject to the control of the Board, and shall see that all orders and resolutions of the Board are carried into effect. The Chief Operating Officer shall perform all duties incident to the office of Chief Operating Officer and all such other duties as may from time to time be assigned to him by the Board or these By-laws.

SECTION 4.06. Vice Presidents. Vice Presidents, if any, in order of their seniority or in any other order determined by the Board, shall generally assist the Chief Operating Officer and perform such other duties as the Board or the Chief Operating Officer shall prescribe, and in the absence or disability of the Chief Operating Officer, shall perform the duties and exercise the powers of the Chief Operating Officer.

SECTION 4.07. The Secretary. The Secretary shall, to the extent practicable, attend all meetings of the Board and all meetings of Stockholders and shall record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform the same duties for any committee of the Board when so requested by such committee. He shall give or cause to be given notice of all meetings of Stockholders and of the Board, shall perform such other duties as may be prescribed by the Board or the Chief Operating Officer and shall act under the supervision of the Chief Operating Officer. He shall keep in safe custody the seal of the Corporation and affix the same to any instrument that requires that the seal be affixed to it and which shall have been duly authorized for signature in the name of the Corporation and, when so affixed, the seal shall be attested by his signature or by the signature of the Treasurer of the Corporation (the "Treasurer") or an Assistant Secretary or Assistant Treasurer of the Corporation. He shall keep in safe custody the certificate books and stockholder records and such other books and records of the Corporation as the Board or the Chief Operating Officer may direct and shall perform all other duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board or the Chief Operating Officer.

SECTION 4.08. Assistant Secretaries. Assistant Secretaries of the Corporation ("Assistant Secretaries"), if any, in order of their seniority or in any other order determined by the Board, shall generally assist the Secretary and perform such other duties as the Board or the Secretary shall prescribe, and, in the absence or disability of the Secretary, shall perform the duties and exercise the powers of the Secretary.

SECTION 4.09. The Treasurer. The Treasurer shall have the care and custody of all the funds of the Corporation and shall deposit such funds in such banks or other depositories as the Board, or any officer or officers, or any officer and agent jointly, duly authorized by the Board, shall, from time to time, direct or approve. He shall disburse the funds

of the Corporation under the direction of the Board and the Chief Operating Officer. He shall keep a full and accurate account of all moneys received and paid on account of the Corporation and shall render a statement of his accounts whenever the Board or the Chief Operating Officer shall so request. He shall perform all other necessary actions and duties in connection with the administration of the financial affairs of the Corporation and shall generally perform all the duties usually appertaining to the office of treasurer of a corporation. When required by the Board, he shall give bonds for the faithful discharge of his duties in such sums and with such sureties as the Board shall approve.

SECTION 4.10. Assistant Treasurers. Assistant Treasurers of the Corporation ("Assistant Treasurers"), if any, in order of their seniority or in any other order determined by the Board, shall generally assist the Treasurer and perform such other duties as the Board or the Treasurer shall prescribe, and, in the absence or disability of the Treasurer, shall perform the duties and exercise the powers of the Treasurer.

#### ARTICLE V

##### CHECKS, DRAFTS, NOTES, AND PROXIES

SECTION 5.01. Checks, Drafts and Notes. All checks, drafts and other orders for the payment of money, notes and other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall be determined, from time to time, by resolution of the Board.

SECTION 5.02. Execution of Proxies. The Chief Operating Officer, or, in his absence or disability, any Vice President, may authorize, from time to time, the execution and issuance of proxies to vote shares of stock or other securities of other corporations held of record by the Corporation and the execution of consents to action taken or to be taken by any such corporation. All such proxies and consents, unless otherwise authorized by the Board, shall be signed in the name of the Corporation by the Chief Operating Officer or any Vice President

#### ARTICLE VI

##### SHARES AND TRANSFERS OF SHARES

SECTION 6.01. Certificates Evidencing Shares. Shares shall be evidenced by certificates in such form or forms as shall be approved by the Board. Certificates shall be issued in consecutive order and shall be numbered in the order of their issue, and shall be signed by the Chief Operating Officer or any Vice President and by the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer. If such a certificate is manually signed by one such officer, any other signature on the certificate may be a facsimile. In the event any such officer who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to hold such office or to be employed by the Corporation before such certificate is issued, such certificate may be issued by the Corporation with the same effect as if such officer had held such office on the date of issue.

SECTION 6.02. Stock Ledger. A stock ledger in one or more counterparts shall be kept by the Secretary, in which shall be recorded the name and address of each person, firm or corporation owning the Shares evidenced by each certificate evidencing Shares issued by the Corporation, the number of Shares evidenced by each such certificate, the date of issuance thereof and, in the case of cancellation, the date of cancellation. Except as otherwise expressly required by law, the person in whose name Shares stand on the stock ledger of the Corporation shall be deemed the owner and recordholder thereof for all purposes.

SECTION 6.03. Transfers of Shares. Registration of transfers of Shares shall be made only in the stock ledger of the Corporation upon request of the registered holder of such shares, or of his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary, and upon the surrender of the certificate or certificates evidencing such Shares properly endorsed or accompanied by a stock power duly executed, together with such proof of the authenticity of signatures as the Corporation may reasonably require.

SECTION 6.04. Addresses of Stockholders. Each Stockholder shall designate to the Secretary an address at which notices of meetings and all other corporate notices may be served or mailed to such Stockholder, and, if any Stockholder shall fail to so designate such an address, corporate notices may be served upon such Stockholder by mail directed to the mailing address, if any, as the same appears in the stock ledger of the Corporation or at the last known mailing address of such Stockholder.

SECTION 6.05. Lost, Destroyed and Mutilated Certificates. Each recordholder of Shares shall promptly notify the Corporation of any loss, destruction or mutilation of any certificate or certificates evidencing any Share or Shares of which he is the recordholder. The Board may, in its discretion, cause the Corporation to issue a new certificate in place of any certificate theretofore issued by it and alleged to have been mutilated, lost, stolen or destroyed, upon the surrender of the mutilated certificate or, in the case of loss, theft or destruction of the certificate, upon satisfactory proof of such loss, theft or destruction, and the Board may, in its discretion, require the recordholder of the Shares evidenced by the lost, stolen or destroyed certificate or his legal representative to give the Corporation a bond sufficient to indemnify the Corporation against any claim made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

SECTION 6.06. Regulations. The Board may make such other rules and regulations as it may deem expedient, not inconsistent with these By-laws, concerning the issue, transfer and registration of certificates evidencing Shares.

SECTION 6.07. Fixing Date for Determination of Stockholders of Record. In order that the Corporation may determine the Stockholders entitled to notice of or to vote at any meeting of Stockholders or any adjournment thereof, or to express consent to, or to dissent from, corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board may fix, in advance, a record date, which shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other such action. A determination of the Stockholders entitled to notice of or to vote at a meeting of Stockholders shall apply to any

adjournment of such meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

#### ARTICLE VII

##### SEAL

SECTION 7.01. Seal. The Board may approve and adopt a corporate seal, which shall be in the form of a circle and shall bear the full name of the Corporation, the year of its incorporation and the words "Corporate Seal Delaware".

#### ARTICLE VIII

##### FISCAL YEAR

SECTION 8.01. Fiscal Year. The fiscal year of the Corporation shall end on the thirty-first day of December of each year unless changed by resolution of the Board.

#### ARTICLE IX

##### INDEMNIFICATION AND INSURANCE

SECTION 9.01. Indemnification. (a) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and

reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

(c) To the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 9.01(a) and (b) of these By-laws, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under Section 9.01(a) and (b) of these By-laws (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 9.01(a) and (b) of these By-laws. Such determination shall be made (i) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the stockholders of the Corporation.

(e) Expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation pursuant to this Article IX. Such expenses (including attorneys' fees) incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board deems appropriate.

(f) The indemnification and advancement of expenses provided by, or granted pursuant to, other Sections of this Article IX shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any law, by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office.

(g) For purposes of this Article IX, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as



a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article IX with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(h) For purposes of this Article IX, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves service by, such director, officer, employee or agent with respect to any employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article IX.

(i) The indemnification and advancement of expenses provided by, or granted pursuant to, this Article IX shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 9.02. Insurance for Indemnification. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of Section 145 of the General Corporation Law.

#### ARTICLE X

#### AMENDMENTS

SECTION 10.01. Amendments. Any By-law (including these By-laws) may be adopted, amended or repealed by the vote of the recordholders of a majority of the Shares then entitled to vote at an election of Directors or by written consent of Stockholders pursuant to Section 2.09 hereof, or by vote of the Board or by a written consent of Directors pursuant to Section 3.08 hereof.

RIDEFILM CORPORATION

Unanimous Written Consent of Directors  
Pursuant to Section 141(f) of the General Corporation Law of the  
State of Delaware

The undersigned, being all the directors of RIDEFILM CORPORATION, a Delaware corporation (the "Company"), pursuant to Section 141(f) of the General Corporation Law of the State of Delaware, DO HEREBY CONSENT to the adoption of, and DO HEREBY ADOPT, the following resolutions, and do hereby direct that this Consent to Action Without a Meeting be filed with the minutes of the proceedings of the Board of Directors of the Company:

RESOLVED, that the resignation of Douglas S. Trumbull from the positions of Chairman and Chief Executive Officer of the Company, President of the Company and Director of the Company, be, and it hereby is, accepted.

RESOLVED, that, pursuant to Section 3.02 of the By-laws of the Company, the number of Directors be, and it hereby is, decreased to two.

RESOLVED, that Christian Jorg be, and he hereby is, elected to serve in the office of Chief Operating Officer of the Company, to hold such office until his successor is duly elected and qualified or until his earlier resignation or removal.

RESOLVED, that the By-laws of the Company be, and they hereby are, amended to read in their entirety as set forth in Exhibit A attached hereto.

RESOLVED, that the officers of the Company be, and each of them hereby is, authorized, empowered and directed, for and on behalf of the Company, to take any and all actions, to negotiate for and enter into agreements and amendments to agreements, to perform all such acts and things, to execute, file, deliver or record in the name and on behalf of the Company, all such certificates, instruments, agreements or other documents, and to make all such payments as they, in their judgment, or in the judgment of any one or more of them, may deem necessary, advisable or appropriate in order to carry out the purpose and intent of, or consummate the transactions contemplated by, the foregoing resolutions and/or all of the transactions contemplated therein or thereby, the authorization therefor to be conclusively evidenced by the taking of such action or the execution and delivery of such certificates, instruments, agreements or documents.

This Consent may be executed in one or more counterparts.

The Secretary of the Company is hereby directed to file a signed copy of this Consent in the minute book of the Company.

DATED: As of March 1, 1997.

/s/ Bradley J. Wechsler

\_\_\_\_\_  
Bradley J. Wechsler

/s/ Richard L. Gelfond

\_\_\_\_\_  
Richard L. Gelfond

CONSENT OF THE DIRECTORS  
OF  
RIDEFILM CORPORATION

THE UNDERSIGNED, being all of the directors of Ridefilm Corporation, a Delaware corporation (the "Corporation"), do hereby consent to and adopt the following resolutions pursuant to Section 141(f) of the Delaware General Corporation Law:

WHEREAS, the Board of Directors desires to amend the Corporation's By-laws regarding the execution of instruments; and

WHEREAS, such amendment has been deemed to be advisable and in the best interests of the Corporation.

NOW, THEREFORE, BE IT RESOLVED, that a new Section 7.7 shall be added to the Corporation's By-laws to read in its entirety as follows:

"SECTION 5.03. Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by:

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The Board of Directors shall have power from time to time to appoint any person or persons, on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the Corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any person or persons appointed as aforesaid by the Board of Directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

- (a) any two officers;
- (b) any two directors; or
- (c) any one officer together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Corporation and to sign and execute (under the seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of any officer or officers, or any director or directors of the Corporation and/or of any other person or persons, appointed as aforesaid by the Board of Directors may, if specifically authorized by the Board of Directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization, by the Board of Directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such

officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation."

RESOLVED, FURTHER, that the officers of this Corporation be, and they hereby are, authorized and directed to take any such further action as may be deemed necessary or advisable in order to carry out the purpose and intent of the foregoing resolutions.

RESOLVED, FURTHER, that the Secretary of the Corporation shall file this Consent with the minutes of the proceedings of the Board of Directors.

IN WITNESS WHEREOF, the undersigned directors of this Corporation have executed this Consent on June 30, 1997.

/s/ Bradley J. Wechsler

\_\_\_\_\_  
Bradley J. Wechsler

/s/ Richard L. Gelfond

\_\_\_\_\_  
Richard L. Gelfond

Request ID: 004843364 Province of Ontario  
Demande no: Province de l'Ontario  
Transaction ID: 019919339 Ministry of Consumer and Commercial Relations  
Transaction no: Ministère de la Consommation et du Commerce  
Category ID: CT Companies Branch  
Categorie: Direction des compagnies

Date Report Produced:  
Document produit le:  
Time Report Produced: 14:27:21  
Imprime a:

CERTIFICATE OF INCORPORATION  
CERTIFICAT DE CONSTITUTION

This is to certify that Ceci certifie que

R P M P I C T U R E S L T D .

Ontario Corporation No. Numero matricule de la personne  
morale en Ontario

0 0 2 0 2 1 0 8 9

is a corporation incorporated, est une societe constituee aux termes  
under the laws of the Province des lois de la province de l'Ontario.  
of Ontario.

These articles of incorporation Les presents statuts constitutifs  
are effective on entrent en vigueur le

J A N U A R Y 13 J A N V I E R, 2 0 0 3

(Signature)

Director/Directrice  
Business Corporations Act/Loi sur les societes par actions

Request ID / Demande no

Ontario Corporation Number  
Numero de la compagnie en Ontario

4843364

2021089

FORM 1

FORMULE NUMERO 1

BUSINESS CORPORATIONS ACT

/

LOI SUR LES COMPAGNIES

ARTICLES OF INCORPORATION  
STATUTS CONSTITUTIFS

1. The name of the corporation is: Denomination sociale de la compagnie:  
RPM PICTURES LTD.
2. The address of the registered office is: Adresse du siege social:  
2525 SPEAKMAN DRIVE  
  
(Street & Number, or R.R. Number & if Multi-Office Building give Room No.)  
(Rue et numero, ou numero de la R.R. et, s'il s'agit edifice a bureau, numero du bureau)  
MISSISSAUGA CANADA ONTARIO L5K 1B1  
(Name of Municipality or Post Office) (Postal Code/Code postal)  
(Nom de la municipalite ou du bureau de poste)
3. Number (or minimum and maximum number) of directors is: Nombre (ou nombres minimal et maximal) d'administrateurs:  
Minimum 1 Maximum 10
4. The first director(s) is/are: Premier(s) administrateur(s):  
First name, initials and surname Resident Canadian State Yes or No  
Prenom, initiales et nom de famille Resident Canadien Oui/Non  
Address for service, giving Street & No. or R.R. No., Municipality and Postal Code Domicile élu, y compris la rue et le numero, le numero de la R.R., ou le nom de la municipalite et le code postal
- \* G. MARY YES  
RUBY  
241 INGLEWOOD DRIVE  
TORONTO ONTARIO  
CANADA M4T 1H8



Request ID / Demande no

Ontario Corporation Number  
Numero de la compagnie en Ontario

4843364

2021089

- 
5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.  
Limites, s'il y a lieu, imposees aux activites commerciales ou aux pouvoirs de la compagnie.

None

6. The classes and any maximum number of shares that the corporation is authorized to issue:  
Categories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisee a emettre:

The Corporation is authorized to issue an unlimited number of common shares.

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:

Droits, privileges, restrictions et conditions, s'il y a lieu, rattaches a chaque categorie d'actions et pouvoirs des administrateurs relatifs a chaque categorie d'actions que peut etre emise en serie:

The rights, privileges, restrictions and conditions attaching to the common shares are as follows:

(a) Payment of Dividends: The holders of the common shares shall be entitled to receive dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends in such amounts and payable in such manner as the board of directors may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to or concurrently with the holders of the common shares, the board of directors may in its sole discretion declare dividends on the common shares to the exclusion of any other class of shares of the Corporation.

(b) Participation upon Liquidation, Dissolution or Winding Up: In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the common shares shall, subject to the rights of the holders of any other class of shares of the Corporation entitled to receive assets of the Corporation upon such a distribution in priority to or concurrently with the holders of the common shares, be entitled to participate in the distribution. Such distribution shall be made in equal amounts per share on all the common shares at the time outstanding without preference or distinction.

(c) Voting Rights: The holders of the common shares shall be entitled to receive notice of and to attend all annual and special meetings of the shareholders of the Corporation and to one vote in respect of each common share held at all such meetings.

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8. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:  
L'emission, le transfert ou la propriete d'actions est/n'est pas restreinte. Les restrictions, s'il y a lieu, sont les suivantes:

No share in the capital of the Corporation shall be transferred without the consent of the directors expressed by the votes of a majority of the directors at a meeting of the directors or by an instrument or instruments in writing signed by a majority of the directors.

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9. Other provisions, (if any, are):  
Autres dispositions, s'il y a lieu:

(1) The number of shareholders of the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been formerly in the employment of the Corporation, were, while in that employment and have continued after the termination of that employment to be, shareholders of the Corporation, is limited to not more than fifty, two or more persons who are the joint registered owners of one or more shares being counted as one shareholder.

(2) Any invitation to the public to subscribe for securities of the Corporation is prohibited.

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4843364

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Numero de la compagnie en Ontario

2021089

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10. The names and addresses of the incorporators are  
Nom et adresse des fondateurs

First name, initials and last name or corporate name	Prenom, initiale et nom de famille ou denomination sociale
---------------------------------------------------------	---------------------------------------------------------------

Full address for service or address of registered office or of principal  
place of business giving street & No. or R.R. No., municipality and postal  
code

Domicile elu, adresse du siege social au adresse de l'etablissement  
principal, y compris la rue et le numero, le numero de la R.R., le nom de  
la municipalite et le code postal

\* LAURA S. UYENAKA

66 WELLINGTON STREET WEST      Suite 4700  
TORONTO-DOMINION BANK TOWER  
TORONTO ONTARIO  
CANADA M5K 1E6

BY-LAW NO. 1

A by-law relating generally to  
the transaction of the business  
and affairs of

RPM PICTURES LTD.  
(hereinafter referred to as the "Corporation")

DIRECTORS

1. Calling of and notice of meetings - Meetings of the board shall be held at such time and on such day as the Secretary or any one director may determine. Notice of meetings of the board shall be given to the director not less than 48 hours before the time when the meeting is to be held. Each newly elected board may without notice hold its first meeting for the purposes of organization and the appointment of officers immediately following the meeting of shareholders at which such board was elected.
2. Place of meetings - Meetings of the board may be held at any place within or outside Ontario and in any financial year of the Corporation it shall not be necessary for a majority of the meetings of the board to be held at a place within Canada.
3. Votes to govern - At all meetings of the board every question shall be decided by a majority of the votes cast on the question; and in case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote.
4. Interest of directors and officers generally in contracts - No director or officer shall be disqualified by his office from contracting with the Corporation nor shall any contract or arrangement entered into by or on behalf of the Corporation with any director or officer or in which any director or officer is in any way interested be liable to be voided nor shall any director or officer so contracting or being so interested be liable to account to the Corporation for any profit realized by any such contract or arrangement by reason of such director or officer holding that office or of the fiduciary relationship thereby established; provided that the director or officer shall have complied with the provisions of the Business Corporations Act.

SHAREHOLDERS' MEETINGS

5. Quorum - At any meeting of shareholders, a quorum shall be one person present in person and entitled to vote thereat.
6. Casting Vote - In the case of an equality of votes at any meeting of shareholders the chairman of the meeting shall not be entitled to a second or casting vote.

## INDEMNIFICATION

7. Indemnification of directors and officers - The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives to the extent permitted by the Business Corporations Act.
8. Indemnity of others - Except as otherwise required by the Business Corporations Act and subject to paragraph 7, the Corporation may from time to time indemnify and save harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, agent of or participant in another body corporate, partnership, joint venture, trust or other enterprise, against expenses (including legal fees), judgments, fines and any amount actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted honestly and in good faith with a view to the best interests of the Corporation and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his conduct was lawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction shall not, of itself, create a presumption that the person did not act honestly and in good faith with a view to the best interests of the Corporation and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had no reasonable grounds for believing that his conduct was lawful.
9. Right of indemnity not exclusive - The provisions for indemnification contained in the by-laws of the Corporation shall not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors or otherwise, both as to action in his official capacity and as to action in another capacity, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and legal representatives of such a person.
10. No liability of directors or officers for certain matters - To the extent permitted by law, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or body corporate with whom or which any moneys, securities or other assets belonging to the Corporation shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets

belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to act honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Corporation, the fact of his being a director or officer of the Corporation shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

#### BANKING ARRANGEMENTS, CONTRACTS, ETC.

11. Banking arrangements - The banking business of the Corporation, or any part thereof, shall be transacted with such banks, trust companies or other financial institutions as the board may designate, appoint or authorize from time to time by resolution and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers and/or other persons as the board may designate, direct or authorize from time to time by resolution and to the extent therein provided.
12. Execution of instruments - Contracts, documents or instruments in writing requiring execution by the Corporation shall be signed by: (i) any two directors; or (ii) any two officers; or (iii) two persons, each of whom is an officer or a director, and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board is authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation to sign and deliver either contracts, documents or instruments in writing generally or to sign either manually or by facsimile signature and deliver specific contracts, documents or instruments in writing. The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, charges, conveyances, powers of attorney, transfers and assignments of property of all kinds (including specifically but without limitation transfers and assignments of shares, warrants, bonds, debentures or other securities), proxies for shares and other securities and all paper writings.

#### MISCELLANEOUS

13. Invalidity of any provisions of this by-law - The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.
14. Omissions and errors - The accidental omission to give any notice to any shareholder, director, officer or auditor or the non-receipt of any notice by any shareholder, director, officer or auditor or any error in any notice not affecting the substance thereof shall not



invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

INTERPRETATION

15. Interpretation - In this by-law and all other by-laws of the Corporation words importing the singular number only shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders; words importing persons shall include an individual, partnership, association, body corporate, executor, administrator or legal representative and any number or aggregate of persons; "articles" include the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement and articles of revival; "board" shall mean the board of directors of the Corporation; "Business Corporations Act" shall mean the Business Corporations Act, R.S.O. 1990, c. B.16 as amended from time to time or any Act that may hereafter be substituted therefor; and "meeting of shareholders" shall mean and include an annual meeting of shareholders and a special meeting of shareholders.

RESOLVED that the foregoing By-law No. 1 is made a by-law of the Corporation.

The undersigned, being the sole director of RPM PICTURES LTD., signs the foregoing resolution.

DATED as of January 13, 2003.

/s/ G. Mary Ruby  
-----  
G. Mary Ruby

RESOLVED that the foregoing By-law No. 1 of the by-laws of the Corporation is confirmed.

The undersigned, being the sole shareholder of RPM PICTURES LTD., signs the foregoing resolution.

DATED as of January 13, 2003.

IMAX CORPORATION

Per: /s/ G. Mary Ruby  
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Per: Signed  
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CERTIFICATE OF FORMATION  
OF  
SACRAMENTO THEATRE LLC

ARTICLE I

NAME

The name of the limited liability company is SACRAMENTO THEATRE LLC (the "Company").

ARTICLE II

INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the Company is 1209 Orange Street, Wilmington, Delaware 19801 and the name of the initial registered agent of this Company at that address is The Corporation Trust Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation on this 12th day of May 1999.

By: /s/ John A. Mackie

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Print Name: John A. Mackie

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Print Title: Assistant General Counsel

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Authorized Person

LIMITED LIABILITY COMPANY AGREEMENT  
OF  
SACRAMENTO THEATRE LLC

THIS LIMITED LIABILITY COMPANY AGREEMENT is made and entered into as of the 12th day of May, 1999, by and between IMAX THEATRE HOLDING (CALIFORNIA I) Co. a Delaware corporation ("California I") and IMAX THEATRE HOLDING (CALIFORNIA II), Co. a Delaware corporation ("California II").

W I T N E S S E T H :

WHEREAS, on May 12th, 1999, an executed Certificate of Formation forming a limited liability company known as "SACRAMENTO THEATRE LLC" (the "Company"), under the Delaware Limited Liability Company Act (the "Act") as in effect at that time in the State of Delaware, which Certificate of Formation was filed with the Delaware Secretary of State on May 12th, 1999; and

WHEREAS, the parties desire to enter into a limited liability company with the terms and conditions set forth below; and

WHEREAS, this Limited Liability Company Agreement, dated as of May 12th 1999, is made and entered into by and between California I and California II for the purpose of setting forth the rights, obligations, and duties of California I and California II .

NOW, THEREFORE, the parties hereto hereby agree that the Company shall be governed and operated pursuant to the terms of this Limited Liability Company Agreement as hereinafter set forth.

ARTICLE I

NAME, TERM, PRINCIPAL ADDRESS AND REGISTERED AGENT

1.1 Name. The name of the limited liability company is SACRAMENTO THEATRE LLC.

1.2 Term. The term of the Company will continue in full force and effect until December 31, 2096, unless sooner terminated in accordance with the Act (as such term is defined herein) or provisions of this Limited Liability Company Agreement.

1.3 Principal Place of Business. The office and principal place of business of the Company shall be maintained at 1211 K Street, Sacramento, California 95814, may from time to time change such office and principal place of business and in such event shall notify the Company in writing, at least ten (10) days prior to the effective date of any such change. California I - may establish additional places of business of the Company when and where required by the Company's business.

1.4 Addresses. The mailing address of each Member is as follows:

Imax Theatre Holding (California I) Co.  
2525 Speakman Drive  
Mississauga, Ontario  
Canada  
L5K 1B1

Imax Theatre Holding (California II) Co.  
2525 Speakman Drive  
Mississauga, Ontario  
Canada  
L5K 1B1

A Member may change its address by written notice to the Company and each of the other Members.

1.5 Registered Office and Registered Agent. The location of the Registered Office of the Company shall be 1209 Orange Street, Wilmington, Delaware 19801 and the name of the Registered Agent of the Company at such office shall be The Corporation Trust Company. Said Registered Agent shall keep and maintain at such address the records of the Company required to be kept and maintained at such address by the Act.

## ARTICLE II

### BUSINESS OF THE COMPANY

2.1 Purposes and Powers. The Company shall have the authority to engage in any lawful business purpose or activity permitted by the Act and shall possess and may exercise all of the powers and privileges granted by the Act.

## ARTICLE III

### CERTAIN DEFINITIONS

3.1 Act. The Delaware Limited Liability Company Act, as from time to time amended.

3.2 Adjusted Capital Contribution. The amount contributed to the capital of the Company by a Member as provided in Article IV.

3.3 Affiliate. Any person or entity that directly or indirectly controls, is controlled by or is under common control with any other person or entity. For this purpose, the term "control" shall mean the direct or indirect ownership of twenty-five (25%) or more of the beneficial interests or voting power of any entity or the spouse, lineal ascendants, lineal descendants and the brothers and sisters of a Person, as applicable.

3.4 Available Cash. All cash of the Company resulting from normal business operations (as distinguished from Extraordinary Events or the sale of all or substantially all of the Company's property and/or the dissolution of the Company), including, without limitation,

dividend income, rental income, and any other income derived from the Company property which California I, in its sole and absolute discretion, determines is available for distribution to the Members after payment of all Company cash expenditures, including but not limited to, real and personal property taxes, use taxes, principal and interest payments then due on all loans, (including any mortgages encumbering the Company's property), expenses incident to the construction and rental of the Company property, insurance, present maintenance, including, but not limited to management fees, brokerage fees, or other fees incurred by the Company, capital improvements, accounting and legal fees, and other costs and expenses of the Company, and the setting aside of any amounts which California I may determine, in its discretion, to be necessary as a reserve for operating expenses, capital improvements and contingencies.

3.5 Capital Account. The account established and maintained by the Company for each Member, as set forth in Section 4.6 hereof.

3.6 Capital Contribution. The amount of money and the initial fair market value of any property (other than money) contributed to the Company by a Member with respect to the Company Interest held by such Member.

3.7 Code. The Internal Revenue Code of 1986, as same may be amended from time to time.

3.8 Extraordinary Event. Any financing, refinancing, insurance award (other than for substantially complete destruction of all or substantially all of the Company's property) and sale of Company assets (but less than all or substantially all of such assets), which in accordance with generally accepted accounting principles are attributable to capital but which do not result in a dissolution of the Company.

3.9 Original Capital Contribution. The amount contributed to the capital of the Company by a Member as provided in Article IV.

3.10 Members. Collectively, California I and California II.

3.11 Company. SACRAMENTO THEATRE LLC, a Delaware limited liability company.

3.12 Company Interest. The entire ownership interest of a Member in the Company at the relevant time, including the right of such Member to any and all benefits to which a Member may be entitled as provided in this Limited Liability Company Agreement, together with the obligations of such Member to comply with all the terms and provisions of this Limited Liability Company Agreement. A Company Interest does not include any rights or obligations that a Member may have for providing services or goods for which it is separately compensated as a Person who is not a Member.

3.13 Person. Any individual, corporation, trust, partnership or other form of association.

3.14 Profits and Losses. The Company's income or loss, as the case may be, for each fiscal year of the Company determined in accordance with Code Section 703(a) (including all

items of income, gain, deduction or loss that are required to be separately stated). The Company's Profits and Losses shall also include: (i) income of the Company which is exempt from tax; and (ii) the excess of the deductions for depletion over the basis of the property subject to depletion. Similarly, the Company's Losses shall include expenditures for the Company which are not deductible in computing its taxable income and are not properly chargeable to a capital account. Notwithstanding anything to the contrary in this Limited Liability Company Agreement, Profits and Losses shall not include allocations under Code Section 704(c) (which are set forth at Section 4.9 hereof) or Regulatory Allocations.

3.15 Regulatory Allocations. The allocations set forth at Sections 4.10, 4.11, 4.12, 4.13 and 4.15.

3.16 Service. Internal Revenue Service.

3.17 Shares. Units representing each Member's Company Interest. At the Members' mutual consent, the Shares issued to each Member may be represented by a certificate.

3.18 Share Interest. For each Member, the percentage of the total issued and outstanding Shares that are owned by each member. Where the number or Shares held by a Member varies over a given period, the Share Interest of each Member shall be determined pursuant to any reasonable method that is selected by California I.

ARTICLE IV

CONTRIBUTIONS TO CAPITAL; DISTRIBUTIONS; ALLOCATIONS

4.1 Capital Contributions of the Members. By the mutual agreement of the two Members, each Member will contribute to the Company cash and/or assets in exchange for Shares in the Company. The Members will initially contribute as detailed below:

MEMBER	PROPERTY	FAIR MARKET VALUE	SHARES
California I	IMAX(R)Projection System	US\$2,557,615.00	
	Start-up Costs & Expenditures	US\$ 491,339.00	
	FF&E and Leaseholds	US\$3,132,285.20	
	TOTAL	US\$6,181,239.20	99%
California II	Furniture, Fixtures and Equipment	US\$62,436.80	
	TOTAL	US\$62,436.80	1%

4.2 Withdrawal and Return of Capital. Except upon the dissolution and liquidation of the Company, a Member shall have no right to withdraw any of its Capital Contributions without the consent of the other Member(s). Under circumstances requiring a return of a Member's Capital Contributions, no Member shall have the right to receive property other than cash except as may be specifically provided herein.

4.3 Additional Capital Contributions. The Company may accept additional Capital Contributions to the extent that such contributions are consented to by both Members and are in

accordance with the requirements of Section 5.3 hereof. With the mutual consent of the Members, the Company may issue additional Shares to the contributing Member.

4.4 Loans to the Company. The Members may make loans to the Company from time to time, as authorized by California I (subject to the requirements of Section 5.3 hereof), in excess of their contributions to the capital of the Company, and any such loans shall not be treated as a contribution to the capital of the Company for any purposes hereunder, nor shall any such loans entitle such Member to any increase in its share of the profits, losses or distributions of the Company. The amount of any such loan shall be an obligation of the Company to such Member and shall bear interest at a rate agreed to by California I. Any such loan shall be repaid prior to any distributions being made to the Members pursuant to Sections 4.8.2 and 9.3 hereof.

4.5 Capital Accounts. A separate Capital Account shall be determined and maintained for each Member in accordance with the rules of Treas. Reg. Section 1.704-1(b)(2)(iv). Except as otherwise provided in Treas. Reg. Section 1.704-1(b)(2)(iv), each Member's Capital Account shall initially consist of such Member's Capital Contribution and shall be further credited with each Member's additional Capital Contributions and allocable share of the Company's Profits, as determined in Section 4.6 below and items that are specially allocated in Sections 4.10, 4.11, 4.12, 4.15 and 4.16, and shall be debited by all distributions made by the Company to a Member together with each such Member's allocable share of the Company's losses, as determined in Section 4.6 below and items that are specially allocated in Sections 4.10, 4.11, 4.12, 4.15 and 4.16. In the event that the Company, in conformity with the above Treasury Regulations, has property on its books at a value ("book value") greater than or less than its adjusted tax basis, the Members' Capital Accounts shall be adjusted to reflect only allocations to them of depreciation, amortization and gain or loss as computed for book purposes (and not for tax purposes) with respect to such property. In such event, items of book depreciation, amortization and gain or loss shall be calculated in conformity with the rules of Treas. Reg. Section 1.704-1(b)(2)(iv)(g). For purposes of calculating a Member's Capital Account, the following adjustments shall be included as Profits and Losses:

(a) any and all adjustments made to Capital Accounts pursuant to Treas. Reg. Section 1.704-1(b)(2)(iv)(f) (optional revaluation of Capital Accounts), as it may be amended or supplemented from time to time;

(b) any and all adjustments made to Capital Accounts pursuant to Treas. Reg. Section 1.704-1(b)(2)(iv)(e) (adjustment resulting from property distribution), as it may be amended or supplemented from time to time; and

(c) any and all adjustments made to Capital Accounts pursuant to Treas. Reg. Section 1.704-1(b)(2)(iv)(m)(4) (as it may be amended or supplemented from time to time), as it relates to distributions other than in liquidation of a Member's Interest in the Company.

4.6 Allocation of Income and Losses.

All items of Profits and losses incurred by the Company shall be allocated to the Members in accordance with their relative Share Interests.

4.7 Principles of Allocation. It is the intention of the Members that the allocations of Profits and Losses hereunder have substantial economic effect in accordance with the tests therefor set forth in the Treasury Regulations under Section 704(b) of the Internal Revenue Code. Accordingly, allocations not specifically provided for in this Limited Liability Company Agreement shall be made in such a manner as shall conform to the allocation rules and principles as set forth in such Treasury Regulations as in effect from time to time, and the Capital Accounts of the Members shall be maintained in accordance with the provisions hereof construed and interpreted in the light of such Treasury Regulations.

4.8 Distributions.

4.8.1 Available Cash shall be distributed periodically, as determined by California I in its sole discretion, to the Members in accordance with their relative Share Interests.

4.8.2 Net Proceeds from an Extraordinary Event which are not reinvested in other real property shall, to the extent determined by California I as being available for, distribution, be distributed as expeditiously as possible, in the following order of priority:

(a) first, to the payment of any unpaid principal and interest on any third-party financing then due;

(b) next, to the prepayment of any unpaid principal and interest on any third-party financing, if and to the extent determined by California I;

(c) next, to the repayment of any loans made by the Members to the Company pursuant to Section 4.4 hereof, in proportion to the total amount of principal and interest payable to each such Member, such distributions being treated first as in payment of accrued interest on such loans and next as in payment of principal of such loans;

(d) next, to the Members in proportion to their positive capital account balances until such Capital Account balances have been reduced to zero; and

(e) the balance, if any, in accordance with the Members' relative Share Interests.

4.8.3 Distributions in connection with the sale of all or substantially all of the Company's property and/or the dissolution and winding up of the Company shall be made in accordance with Section 9.3 of this Limited Liability Company Agreement

4.9 Allocations of Certain Tax Items. If the fair market value of any Company property differs from its adjusted basis as of the day it is contributed to the Company, then items of income, gain, loss, deductions and credit related to such property for tax purposes shall be allocated between the Members so as to take into account the variation between the adjusted basis of the property for tax purposes and its fair market value in the manner provided for under Code Section 704(c). Except as may be otherwise required by Code Section 704(c), depreciation, amortization and gain or loss, as computed for tax purposes with respect to Company property which has a book value greater or less than its adjusted tax basis, shall be allocated among the



Members in a manner that takes into account the variation between the adjusted tax basis and the book value of such property, in the same manner as variations between the adjusted tax basis and fair market value of property contributed to the Company are taken into account in determining the Members' share of tax items under Code Section 704(c), as required by Treas. Reg. Section 1.704-1(b)(2)(iv)(f)(4) and Treas. Reg. Section 1.704-1(b)(4)(i). In complying with the requirements of Code Section 704(c), California I is authorized to utilize any method permitted by the Treasury Regulations under Code Section 704(c). Allocations pursuant to this Section 4.9 are solely for purposes of complying with federal, state and local tax requirements, and shall not affect, or in any way be taken into account, in computing any Member's share of income, gain, loss, deduction or credit.

4.10 Minimum Gain Chargeback. Nonrecourse deductions shall be allocated to Members in accordance with their relative Share Interests. Notwithstanding any other provision of this Article IV, if there is a net decrease in partnership minimum gain (as such term is defined in Treas. Reg. Section 1.704-2(f)) during any Company fiscal year, a Member shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to its share of the net decrease in the minimum gain. The items to be so allocated shall be determined in accordance with Section 1.704-2(f) of the Treasury Regulations. This Section 4.10 is intended to comply with the minimum gain chargeback requirement in such Section of the Treasury Regulations and shall be interpreted consistently therewith.

4.11 Partner Nonrecourse Deductions. Any partner nonrecourse deductions for any fiscal year or other period shall be allocated to the Member who bears the risk of loss with respect to the loan to which such partner nonrecourse deduction is attributable in accordance with Regulations Section 1.704-2(i), if such sections of the Regulations become applicable to the Company. Partner nonrecourse debt minimum gain shall be charged back to the Members in accordance with Regulations Section 1.704-2(i)(4).

4.12 Qualified Income Offset. In the event a Member unexpectedly receives any adjustments, allocations, or distributions described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6) of the Treasury Regulations, items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the adjusted capital account deficit (as such term is used in Section 1.704-2(f) of the Treasury Regulations) of the Member as quickly as possible, provided that an allocation pursuant to this Section 4.12 shall be made only if and to the extent that the Member would have an adjusted capital account deficit after all other allocations provided for in this Article IV have been tentatively made as if this Section 4.12 were not in this Limited Liability Company Agreement. This Section 4.12 is intended to constitute a "qualified income offset" within the meaning of Section 1.704-1(b)(2)(ii)(d)(3) of the Treasury Regulations, and is to be interpreted, to the extent possible, to comply with the requirements of such Treasury Regulation as it may be amended or supplemented from time to time.

4.13 Loss Limitation. The Losses allocated to the Members pursuant to Section 4.7 hereof shall not exceed the maximum amount of Losses that can be so allocated without causing the Member to have a deficit Capital Account at the end of any Fiscal Year after: (a) increasing a Member's Capital Account by amounts that it is obligated to restore pursuant to this Limited Liability Company Agreement or is deemed obligated to restore pursuant to the penultimate

sentences of Treas. Reg. Sections 1.704-2(g)(1) and 1.704-2(i)(5), as they may be amended or supplemented from time to time; and (b) decreasing the Member's Capital Account by the items described in Treas. Reg. Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(d)(5) and 1.704-1(b)(2)(d)(6), as it may be amended or supplemented from time to time (an "Adjusted Deficit Capital Account"). All losses in excess of the limitations set forth in this Section 4.13 shall be allocated to the Members in accordance with their relative Share Interests.

4.14 Future Amendments: Revaluation of Company Property. The Members, by a majority vote of the issued and outstanding Shares, will have complete discretion to amend the provisions of this Limited Liability Company Agreement if such amendment would not have a material adverse effect on the Members and if, in the opinion of counsel for the Company, such amendment is advisable for purposes of complying with Section 1.704-1 and 1.704-2 of the Treasury Regulations (as it may be amended or supplemented from time to time). The Members, by a majority vote of the issued and outstanding Shares, may revise the Members' Capital Accounts to reflect a revaluation of the Company property, provided that the revaluation adheres to the requirements of Section 1.704-1(b)(2)(iv)(f) of the Treasury Regulations.

4.15 Gross Income Allocation. In the event a Member has a deficit Capital Account at the end of any Company fiscal year which is in excess of the sum of (i) the amount the Member is obligated to restore pursuant to any provision of this Limited Liability Company Agreement, and (ii) the amount the Member is deemed to be obligated to restore pursuant to the penultimate sentences of Treas. Reg. Sections 1.704-2(8)(1) and 1.704-2(i)(5), the Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 4.15 shall be made only if and to the extent that the Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article IV have been made, as if Article 4.12 hereof and this Section 4.15 were not in this Limited Liability Company Agreement.

4.16 Curative Allocations. In the event that income, loss or items thereof are allocated to one or more Members pursuant to Sections 4.10, 4.11, 4.12, 4.13, and 4.15, above, subsequent income and loss first will be allocated (subject to the provisions of Sections 4.10, 4.11, 4.12, 4.13, and 4.15) to the Members in a manner designed to result in each Member having a Capital Account balance equal to what it would have been if the original allocation of income or loss pursuant to Sections 4.10, 4.11, 4.12, 4.13, and 4.15 had not occurred.

#### ARTICLE V

##### MANAGEMENT OF THE COMPANY

5.1 Rights and Duties of the Members. Except as otherwise provided herein, Members shall have full, exclusive and complete authority and discretion in the management and control of the business of the Company and shall make all decisions affecting the business of the Company. Further, the Members shall have all of the rights and powers of a member as provided in the Act and as otherwise provided by law or this Limited Liability Company Agreement, and any action taken by a Member shall constitute the act of and serve to bind the Company. Each member shall manage and control the affairs of the Company to the best of its ability and shall use its best efforts to carry out the business of the Company as set forth in Article II.

5.2 Indemnification of the Members. The Members and all Affiliates of the Members and their respective shareholders, partners, officers, directors and employees (hereinafter referred to individually as an "Indemnatee") shall not be liable to the Company or any other Member for any loss incurred in connection with any action or inaction of an Indemnatee, if such Indemnatee, in good faith, determined that such course of conduct was in the best interest of the Company and did not constitute gross negligence of such Indemnatee. An Indemnatee shall be indemnified and held harmless by the Company against any and all losses, judgments, liabilities, expenses, costs (including attorney's fees) actually and necessarily incurred by said Indemnatee in connection with the defense of any suit or action (including, without limitation, all costs of appeal) to which the Indemnatee is made a party by reason of its position herein, to the fullest extent permitted under the provisions of the Act or any other applicable statute. Nothing herein shall make any Affiliate of a Member liable in any way for the acts, omissions, obligations or liabilities of a Member.

5.3 Tax Matters Partner. If the Company is required by the Code or the Treasury Regulations to have a Tax Matters Partner ("TMP"), California I shall serve as the TMP for the Company. The TMP agrees to act as a liaison between the Company and the Service in connection with all administrative and judicial proceedings involving tax controversies of the Company, and agrees to assume all the rights and duties of a TMP as set forth in the Code and the Regulations promulgated thereunder. These rights and duties include, but are not limited to:

- (a) the duty to notify and keep all other Members informed of all administrative and judicial proceedings, as required by Section 6223(g) of the Code, and to furnish to each Member, who so requests in writing, a copy of each notice or other communication received by the TMP from the Service;
- (b) the right to settle any claims by the Service against the Company;
- (c) the right to initiate judicial proceedings contesting adverse determinations by the Service against the Company;
- (d) the right to enter into an agreement to extend the statute of limitations;
- (e) the right to employ experienced tax counsel to represent the Company in connection with any audit or investigation of the Company by the Service, and in connection with all subsequent administrative and judicial proceedings arising out of such audit. The fees and expenses of such counsel shall be a Company expense and shall be paid by the Company. Such counsel shall be responsible for representing the Company; it shall be the responsibility of California I and of California II, at their expense, to employ tax counsel to represent their respective separate interests; and
- (f) arrange for the preparation and delivery of Company information returns and Schedule K's to the Members.

The TMP shall be entitled to be reimbursed for all expenses incurred when acting in its capacity as TMP.

5.4 Company Basis Election. In the event of a distribution of property by the Company within the meaning of Section 734 of the Code, or the transfer of any interest in the Company within the meaning of Section 743 of the Code, California I, in its sole and absolute discretion, may cause the Company to elect to adjust the basis of its assets pursuant to Section 754 of the Code. The Members affected by this election, if made, shall supply to the Company any information that may be required to make such election.

#### ARTICLE VI

##### LIABILITY OF MEMBERS AND TRANSFERABILITY OF INTERESTS

6.1 Limited Liability of the Members. Except as otherwise provided in the Act or any other applicable law, the Members are not personally liable for the expenses, liabilities or obligations of the Company beyond the amount of its Capital Contribution.

6.2 Transfer of a Member's Company Interest. A Member shall not transfer, sell, encumber, assign or otherwise dispose (a "Transfer") of part or all of the Shares representing its Company Interest without the permission of the other Member. Any certificate evidencing ownership of the Shares shall contain the foregoing restriction.

#### ARTICLE VII

##### ADMISSION AND WITHDRAWAL OF MEMBERS

7.1 Admission. The Members may jointly select and admit additional members.

7.2 Withdrawal. A Member may not resign or withdraw from the Company without the written consent of the remaining Member(s).

#### ARTICLE VIII

##### TERMINATION OF THE COMPANY

8.1 Dissolution. The Company shall be dissolved upon the happening of any of the following events:

- (a) The bankruptcy, death, retirement, resignation, expulsion or dissolution, of a Member, unless within ninety (90) days after such event, the sole remaining Member or a majority in interest of the remaining Members, as the case may be: (i) elects to continue the business of the Company; and (ii) if necessary for the Company to have two Members, elects a substitute Member who agrees in writing to accept such election;
- (b) The sale or other disposition, not including an exchange, of all or substantially all of the Company's property; or
- (c) The unanimous written consent of the Members.

8.2 Effectiveness. Dissolution of the Company shall be effective on December 31, 2096, or the day on which the event occurs giving rise to the dissolution, but the Company shall not terminate until the Certificate of Formation shall have been canceled and the assets of the Company shall have been distributed as provided in Section 8.3 below. Notwithstanding the dissolution of the Company, prior to the termination of the Company, as aforesaid, the business of this Company and the affairs of the Members, as such, shall continue to be governed by this Limited Liability Company Agreement.

8.3 Liquidation. Upon dissolution of the Company, California I shall wind up the affairs of the Company, apply and distribute its assets or the proceeds thereof as contemplated by this Limited Liability Company Agreement and cause the cancellation of the Certificate of Formation. As soon as possible after the dissolution of the Company, a full account of the assets and liabilities of the Company shall be taken, and a statement shall be prepared by a certified public accountant to be selected by California I, setting forth the assets and liabilities of the Company. A copy of such statement shall be furnished to each of the Members within thirty (30) days after such dissolution. Thereafter, California I shall, in its sole and absolute discretion, either liquidate the assets as promptly as is consistent with obtaining in so far as possible the fair value thereof or determine to distribute all or part of the assets in kind. Any proceeds from liquidation, together with any assets which California I determines to distribute in kind shall be applied to the following order:

(a) first, to the payment of debts and liabilities of the Company other than to Members, to the expenses of liquidation, and to the setting up of such reserves as may be deemed reasonably necessary for any known contingent or unforeseen liabilities or obligations of the Company arising out of or in connection with the Company or its liquidation. Such reserves shall be held for the purpose of disbursement in payment of any of the aforementioned contingencies, and at the expiration of such period as California I shall deem advisable, the Company shall distribute the balance remaining in the manner provided for herein;

(b) next, to the repayment of any debts and liabilities of the Company to Members not in respect of their Company Interests, including, without limitation, unpaid expense accounts or advances made to or for the benefit of the Company;

(c) next, to the Members in proportion to their then Capital Account balances until such Capital Account balances have been reduced to zero; and

(d) the balance, if any, in accordance with the Members' relative Share Interests.

8.4 Gain or Loss From Dissolution. The net gain or loss, if any, resulting from such dissolution and termination shall be allocable to the Members as provided in Section 4.6 hereof.

ARTICLE IX

BOOKS AND RECORDS; REPORTS

9.1 Books and Records. California I shall keep adequate books and records at one or more of its places of business, setting forth a true and accurate account of all business transactions arising out of and in connection with the conduct of the Company. Members or their designated representatives shall have the right, at any reasonable time, to have access to and inspect and copy the contents of said books or records.

9.2 Annual Reports. The Members shall be furnished annually by the Company with an unaudited financial statement for the year then ended. Upon request by any Member, the Company shall furnish an audited financial statements, with such costs being borne by the Company.

ARTICLE X

GENERAL PROVISIONS

10.1 Notices. Any notice, payment, demand or communication required or permitted as to be given by any provision of this Limited Liability Company Agreement shall be in writing and delivered personally, sent by overnight courier or sent by registered or certified mail, return receipt requested, to a party at the address specified in Section 1.4 hereof. Any such notice shall be deemed to be given as of the date of receipt or refusal of receipt to the party at its address. Any Member may from time to time specify a different address by notice to the Company.

10.2 Jurisdiction and Applicable Law. Each party hereto and with regard solely to matters arising out of, or in connection with, this Limited Liability Company Agreement hereby designates the laws of the State of Delaware, both substantive and procedural, without reference to the conflicts of the law provisions thereof, as the law applicable hereto.

10.3 Survival of Rights. Except as otherwise provided, this Limited Liability Company Agreement shall be binding upon and inure to the benefit of the Members, their personal representatives, successors and permitted assigns.

10.4 Validity. In the event that any provision of this Limited Liability Company Agreement shall be held to be invalid, the same shall not affect in any respect whatsoever the validity of this Limited Liability Company Agreement

10.5 Agreement in Counterparts. This Limited Liability Company Agreement may be executed in several counterparts, and as executed shall constitute one agreement, binding on all the parties hereto, notwithstanding that all the parties are not signatory to the original or to the same counterpart.

10.6 Waiver of Partition. The Members hereby waive any right of partition as to the Company's property or any right to take any other action which otherwise might be available to them for the purpose of severing their relationship in connection with Company property.

10.7 Headings. The headings, titles and subtitles used in this Limited Liability Company Agreement are for ease of reference only and shall not control or affect the meaning or construction of any provision hereof.

10.8 Amendments. This Limited Liability Company Agreement may be amended by California I as permitted by Section 4.14 hereof. All other amendments of this Limited Liability Company Agreement must be jointly consented to by the Members.

10.9 Entire Agreement. This Limited Liability Company Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof. This Limited Liability Company Agreement replaces and supersedes all previous agreements and amendments entered into by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Limited Liability Company Agreement as of the 12th day of May, 1999.

IMAX THEATRE HOLDING (CALIFORNIA I) CO., A DELAWARE CORPORATION

Attest:

- -----

By: /s/ Richard L. Gelfond

-----  
Print Name: Richard L. Gelfond

-----  
Title: President

By: /s/ G. Mary Ruby

-----  
Print Name: G. Mary Ruby

-----  
Title: Secretary

IMAX THEATRE HOLDING (CALIFORNIA II) CO., A DELAWARE CORPORATION

Attest:

- -----

By: /s/ Richard L. Gelfond

-----  
Print Name: Richard L. Gelfond

-----  
Title: President

By: /s/ G. Mary Ruby

-----  
Print Name: G. Mary Ruby

-----  
Title: Secretary

THIS INSTRUMENT WAS PREPARED  
BY /S/ STANFORD J. SKINNE  
1407-14 CITY FEDERAL BUILDING  
BIRMINGHAM, ALABAMA 35203

CERTIFICATE OF INCORPORATION

OF  
SONICS ASSOCIATES, INC.,

A BODY CORPORATE

TO THE HONORABLE JUDGE OF PROBATE  
OF JEFFERSON COUNTY, ALABAMA:

The undersigned Lynn A. McCroskey, James Cawthon, Jr. and James Cawthon, Sr. each of whom is over the age of twenty-one years, desiring to organize a body corporate under the laws of the State of Alabama, and being all of the subscribers to the capital stock of the corporation hereby organized, do make, sign and file this Certificate of Incorporation as follows:

1. The name of the corporation shall be SONICS ASSOCIATES, INC. , and the corporation shall be authorized to trade in said name or to use any other trade name not now being used by any other person, firm or corporation.

2. The objects for which the corporation is formed are:

(a) To carry on the business of audio systems design, construction, installation, and maintenance; to deal in electronics parts, audio systems and repairs; to set up towers, electronic transmission lines and related private or public systems.

(b) To purchase, acquire, hold, improve, sell, convey, assign, exchange, release, mortgage, encumber, lease, hire and deal in real and personal property of every kind and character.

(c) To manufacture, purchase or otherwise acquire, own, pledge, sell, assign and transfer or otherwise dispose of, and invest, trade and deal in and with goods, wares and merchandise of every class and description, whether or not the same specifically pertain to the classes of business above specified.

(d) To acquire bonds or stocks of this corporation or otherwise, the good will, rights, assets and property, and to undertake or assume the whole or any part of the obligations or liabilities of any person, firm, association or corporation.

(e) To acquire, hold, use, sell, assign, lease, grant licenses in respect of, mortgage or otherwise dispose of letters patent of the United States of America or any foreign country, patent rights, licenses and privileges, inventions, improvements and processes,



copyrights, trademarks and trade names, relating to or useful in connection with any business of this corporation.

(f) To acquire, by purchase, subscription or otherwise, and to own, hold, sell and dispose of, exchange, deal in and deal with stocks, bonds, debentures, obligations, evidences of indebtedness, promissory notes, mortgages and securities executed by any individual or by any corporation, whether public or private, government or municipality or otherwise, and to issue and exchange for all such stocks, bonds, debentures, obligations, evidences of indebtedness, promissory notes, mortgages or securities, the stocks, bonds, debentures or other evidence of indebtedness of this corporation, and this corporation shall have express power to hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of the shares of capital stocks, bonds, debentures, promissory notes, mortgages and securities so acquired by it and to exercise all the powers of a stockholder in any corporation in which it may so acquire shares of capital stock.

(g) To borrow and lend money and to give or take security therefor by way of mortgage, pledge, transfer or assignment of real or personal property, of every nature and description.

(h) To enter into, make and perform contracts of every kind and description with any person, firm, association, corporation, municipality, county, state, body politic or government or colony or dependency thereof.

(i) To issue bonds, debentures or obligations of this corporation from time to time, for any of the objects or purposes of the corporation, and to secure the same by mortgage, pledge, deed of trust or otherwise.

(j) To have one or more offices to carry on all or any of its operations and business and, without restriction or limit as to amount, to purchase or otherwise acquire, hold, own, mortgage, pledge, sell, assign and transfer, convey or otherwise dispose of, invest, trade, deal in and deal with goods, wares and merchandise and real and personal property of every class and description in any of the States, Districts, Territories or Colonies of the United States, and in any and all foreign countries, subject to the laws of such State, District, Territory, Colony and Country.

(k) To purchase or otherwise acquire its own shares of stock (so far as may be permitted by law) and its bonds, debentures, notes, scrip or other securities, or evidence of indebtedness, and to hold, sell, transfer, or re-issue the same.

(l) To do all and everything necessary and proper for the accomplishment of the objects herein enumerated or necessary or incidental to the protection and benefit of the corporation, and in general to carry on any lawful business necessary or incidental to the attainment of the purposes of the corporation, whether such business is similar in nature to the objects and powers hereinabove set forth or otherwise; but nothing herein contained is to be construed as authorizing this corporation to carry on the business of banking or that of a trust company or that of the business of insurance in any of its branches.

The foregoing clauses shall be construed as objects and purposes of the corporation, in addition to those powers specifically conferred upon the corporation by law, and it is hereby provided that the foregoing specific enumeration of powers shall not be held to limit or restrict in any manner the powers of the corporation otherwise granted by law.

3. The location of the principal office of the corporation shall be in the City of Birmingham, County of Jefferson, State of Alabama.

4. The amount of the total authorized capital stock of the corporation shall be Two Thousand and 00/100-----(\$2,000.00) Dollars, divided into Two Hundred (200) shares of common capital stock having a par value of Ten and 00/100-----(\$10.00) Dollars per share. The amount of paid-in capital stock with which the corporation shall begin business shall be One Thousand and 00/100-----(\$1,000.00 ) Dollars, divided into One Hundred (100) shares of common capital stock having a par value of Ten and 00/100-----(\$10.00 ) Dollars per share.

5. The name and post office address of the officer or agent of the corporation designated to receive subscriptions to the capital stock of the corporation by the incorporators is Lynn A. McCroskey, President, 3126 12th Avenue North, Birmingham, Alabama 35234.

6. The names and post office addresses of the incorporators, and the number of shares subscribed by each, are as follows:

NAME - - - - -	POST OFFICE ADDRESS -----	NUMBER OF SHARES -----
Lynn A. McCroskey,	3126 12th Avenue North, Birmingham, Alabama 35234	50
James Cawthon, Jr.,	3126 12th Avenue North, Birmingham, Alabama 35234	49
James Cawthon, Sr.,	100 Lucerne Boulevard, Homewood, Alabama 35209	1

The names and post office addresses of the directors are as follows:

NAME - - - - -	POST OFFICE ADDRESS -----
Lynn A. McCroskey,	3126 12th Avenue North, Birmingham, Alabama 35234
James Cawthon, Jr.,	3126 12th Avenue North, Birmingham, Alabama 35234
James Cawthon, Sr.,	100 Lucerne Boulevard, Homewood, Alabama 35209

The names and post office addresses of the officers chosen for the first year are as follows:

NAME -----	POST OFFICE ADDRESS -----	OFFICE -----
Lynn A. McCroskey,	3126 12th Avenue North, Birmingham, Alabama 35234	President
James Cawthon, Jr.,	3126 12th Avenue North, Birmingham, Alabama 35234	Vice-President
James Cawthon, Sr.,	100 Lucerne Boulevard, Homewood, Alabama 35209	Secretary-Treasurer

7. The period for the duration of the corporation shall be perpetual.

8. The corporate powers shall be exercised by the Board of Directors, except as otherwise provided by statute or by this Certificate of Incorporation, or by By-Laws adopted in amendment thereto.

IN FURTHERANCE AND NOT IN LIMITATION of the powers conferred by statute, the Board of Directors is expressly authorized:

(a) To make and alter the By-Laws of this corporation, but By-Laws made by the directors may be altered or repealed by the directors or stockholders;

(b) To fix and determine and to vary the amount of working capital of the corporation; to determine whether any and, if any, what part of any accumulated profits shall be declared and paid as dividends; to determine the date or dates for the declaration and payment of dividends; to direct and determine the use and disposition of any surplus or net profits over and above the capital stock paid in;

(c) To make, from time to time (so far as may be permitted by law) temporary secured or unsecured loans when, in the judgment of the Board of Directors, the money so loaned is not at the time required in the conduct of the business of the corporation.

The corporation may, in its By-Laws, confer powers upon its Board of Directors in addition to the foregoing and in addition to the powers and authorities expressly conferred upon it by statute.

9. The corporation shall have no right, power or authority to manufacture, sell, keep for sale, or otherwise dispose of, or store, warehouse, deliver or transport any prohibited liquors or beverages, or be in any way concerned with the traffic thereof, contrary to any valid statute of the State of Alabama, and if the corporation shall handle or deal in prohibited

liquors or beverages in violation of any valid statute of said State, this charter shall be subject to forfeit as provided by the laws of the State of Alabama.

10. Attached hereto, marked Exhibit "A" and made a part hereof, is a statement under oath made by the said Lynn A. McCroskey, the officer or agent designated by the incorporators to receive subscriptions to the capital stock of said corporation, showing the amount of capital stock of said corporation which has been paid, and there is also attached hereto, marked Exhibit "B" and made a part hereof, subscription list of said corporation showing the amount of capital stock subscribed for by each of said incorporators and the manner in which such subscriptions shall be discharged.

IN WITNESS WHEREOF, the undersigned incorporators have hereunto subscribed their names to this Certificate of Incorporation this the 28 day of January, 1972.

WITNESSES

----- signed -----	/s/ Lynn A. McCroskey ----- President
----- signed -----	/s/ James B. Cawthon, Jr. ----- Vice-President
----- signed -----	/s/ James B. Cawthon, Sr. ----- Secretary-Treasurer

EXHIBIT "A"

STATE OF ALABAMA,  
JEFFERSON COUNTY.

Before me, the undersigned authority, a Notary Public in and for said County, in said State, personally appeared Lynn A. McCroskey, who is known to me and who, being by me first duly sworn, deposes and says that he is the officer and agent designated and authorized by the incorporators of Sonics Associates, Inc., a body corporate, organized under the laws of the State of Alabama, to receive subscriptions to capital stock of said corporation; that the number of shares of capital stock subscribed for is One Hundred (100) shares of common stock having a par value of Ten and 00/100 -----(\$10.00) Dollars per share; that a copy of the subscription list to the capital stock of said corporation is attached hereto, marked Exhibit "B" and made a part hereof; that each of said incorporators and subscribers to the said capital stock has paid the full amount of his or her subscription in the following manner:

Lynn A. McCroskey,	50 shares	Cash
James Cawthon, Jr.,	49 shares	Cash
James Cawthon, Sr.,	1 share	Cash

/s/ Lynn A. McCroskey  
-----  
LYNN A. McCROSKEY

Sworn to and subscribed before  
me this 28 day of January 1972

signed  
-----  
Notary Public

EXHIBIT "B"

SUBSCRIPTION LIST TO THE CAPITAL STOCK

OF

SONIC ASSOCIATES, INC.

A BODY CORPORATE

We, the undersigned, do respectively subscribe for and agree to pay the number of shares of common capital stock of SONIC ASSOCIATES, INC., a body corporate, proposed to be organized under the laws of the State of Alabama, as set opposite our respective signatures hereunder, and to pay therefor upon the organization of said corporation in the following manner:

NUMBER OF SHARES	METHOD OF PAYMENT	
50	Cash	/s/ Lynn A. McCroskey ----- LYNN A. MCCROSKEY
49	Cash	/s/ James B. Cawthon, Jr. ----- JAMES CAWTHON, JR.
1	Cash	/s/ James B. Cawthon, Sr. ----- JAMES CAWTHON, SR.

BY LAWS

ARTICLE I

NAME AND PLACE OF BUSINESS

A. NAME. The name of the corporation is  
SONICS ASSOCIATES, INC.

B. PRINCIPAL OFFICE. The principal office shall be  
located in Birmingham, Alabama.

C. OTHER OFFICES. Other offices for the transaction of  
business shall be located at such places as the business of the corporation may  
require.

ARTICLE II

CAPITAL STOCK

A. CERTIFICATES. Every stockholder shall be entitled to  
a certificate or certificates of stock of the corporation, duly numbered,  
bearing the corporate seal, setting forth the number and kind of shares, and  
signed by the President or Vice President and by the Treasurer or Secretary.

B. TRANSFER OF SHARES. Shares of stock of the  
corporation shall be transferable on the stock transfer book of the corporation  
only upon surrender and cancellation of the certificates thereof, properly  
endorsed or accompanied by written assignment or power of attorney as provided  
by law, and bearing all necessary transfer tax stamps properly affixed and  
cancelled, whereupon new certificates for a like number of shares will be  
issued. The person registered on the stock transfer book of the corporation as  
the owner of any shares of stock may be treated by the corporation as entitled  
to all rights of ownership with respect to such shares.

C. STOCK TRANSFER BOOK. The stock transfer book of the  
corporation shall be closed against transfers for ten days before the date of  
payment of a dividend and for ten days before the date of the annual meeting of  
stockholders. It shall be the duty of every stockholder to notify the  
corporation of his correct post office address.

D. TREASURY STOCK. Treasury stock held by the  
corporation shall be subject to disposal by the Board of Directors and shall be  
entitled to neither vote nor to participate in dividends.

E. LOST CERTIFICATES. No new certificates shall be  
issued in lieu of a lost or destroyed certificate except upon satisfactory proof  
of such loss or destruction and upon the giving of satisfactory security against  
loss to the corporation. Any such new certificate shall be plainly marked  
"Duplicate" upon its face.

F. CORPORATE LIEN. If any stockholder be indebted to the  
corporation, the corporation shall have a first lien upon all dividends declared  
on shares of its stock owned by

such stockholder; and shall also have a first lien on such shares of its stock owned by such stockholder as the certificates representative thereof state the existence of such lien.

### ARTICLE III

#### SEAL

The seal of the corporation shall be in the form impressed hereon.

### ARTICLE IV

#### DIVIDENDS AND FINANCE

A. DIVIDENDS. The Board of Directors shall determine from time to time the amount of the profits of the corporation to be reserved as working capital or for any other lawful purpose and shall determine what part, if any, of the annual net profits of the corporation or of its net assets in excess of its capital shall be declared in dividends; provided, however, that no dividend shall be paid that will impair the capital of the corporation.

B. FINANCE. The funds of the corporation shall be deposited in such banks and trust companies as the Board of Directors shall designate. All orders for the payment of money, notes, and other evidences of indebtedness issued in the name of the corporation shall be signed by such officers or agents as the Board of Directors shall designate.

### ARTICLE V

#### STOCKHOLDERS' MEETINGS

A. PLACE. All meetings of stockholders of the corporation shall be held at the principal office of the corporation or at such other places as may be legally designated by the Board of Directors.

B. ANNUAL MEETING. The annual meeting of the stockholders of the corporation shall be held at 3:00 P.M. on the first Friday of each year unless such day be a legal holiday, in which case the meeting shall be held at the same time on the next succeeding day not a legal holiday.

C. SPECIAL MEETINGS. A special meeting of the stockholders of the corporation may be called at any time by the Board of Directors, the President, or Vice President. It shall be the duty of the President or, in the President's absence, a Vice President to call a special meeting of the stockholders whenever so requested by stockholders holding 25% or more in interest of the outstanding stock of the corporation.

D. NOTICE. Notice of the time, place, and purpose of all meetings of the stockholders, regular and special, shall be mailed at least five days prior to the date of the meeting by the Secretary to each stockholder of record at his address as it appears on the stock transfer book. Notwithstanding the failure to give notice as hereinbefore provided, any meeting



shall be a legal meeting for the transaction of all business if each stockholder is either present, in person or by proxy, or has in writing waived such notice.

E. QUORUM. Except as may otherwise be provided by law, a majority in interest of all the voting stock issued and outstanding, represented in person or by proxy by stockholders of record, shall constitute a quorum at any meeting of stockholders; but the stockholders present at any such meeting, in person or by proxy, though less than a quorum, may adjourn the meeting to a future time, and the adjourned meeting may be held at such time without further notice.

F. VOTING AND PROXIES. Each stockholder shall be entitled to one vote for each share of voting stock held by him, which vote may be cast either in person or by written proxy filed with the Secretary of the meeting prior to being voted. Such proxy shall entitle the holder thereof to vote at any adjournment of such meeting, but shall not be valid after the final adjournment thereof unless provided to the contrary therein.

#### ARTICLE VI

##### BOARD OF DIRECTORS

A. ELECTION. The stockholders at the annual meeting of the stockholders shall elect not less than three nor more than seven Directors, who shall hold office until the succeeding annual meeting of stockholders or until their successors are duly elected and qualified. Each Director shall be a stockholder, and a transfer by a Director of all of his stock in the corporation shall operate as a resignation of his office.

B. POWERS. The Board of Directors shall have the entire management of the business and property of the corporation, and shall have all powers possessed by the corporation itself so far as not inconsistent with the laws of the state of incorporation, with the Certificate of Incorporation, or with these By-Laws.

C. REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held immediately after adjournment of each annual stockholders' meeting and at such other times and places as the Board of Directors by vote may determine; and no notice of regular meetings of the Board of Directors need be given.

D. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called at any time by the President, Vice President, or a majority of the Directors. Notice of the time and place of all special meetings shall be given to each Director by the person or persons calling such meeting by mailing same at least five days before such meeting or by delivering, in person or by telephone or telegram, same at least twenty-four hours before such meeting. Notwithstanding the failure to give notice as hereinbefore provided, any meeting shall be a legal meeting for the transaction of all business if each Director is either present or has at any time in writing waived such notice.

E. QUORUM. A majority of the members of the Board of Directors, as constituted at such time, shall constitute a quorum at any meeting of the Board of Directors; but

the Directors present, though less than a quorum, may adjourn the meeting to a future time, and the adjourned meeting may be held at such time without further notice.

F. REMOVAL. At any meeting of the stockholders a majority in interest of all the voting stock issued and outstanding, represented in person or by proxy by stockholders of record, may remove from office any Director.

G. VACANCY. Vacancies on the Board of Directors may be filled for the unexpired term by the remaining Directors.

## ARTICLE VII

### OFFICERS

A. NUMBER AND TERMS. The officers of the corporation shall be a President, a Vice President, a Secretary and a Treasurer. Any two of such offices may be held by any one person. The Board of Directors may also select such additional officers and agents as it may deem advisable, and prescribe the duties and powers thereof. Each officer shall be elected to serve until the next regular meeting of the Board of Directors held immediately after adjournment of the next annual stockholders' meeting, or until his successor is duly selected and qualified.

B. PRESIDENT. The President shall be the chief executive officer of the corporation and, when present, shall preside at all meetings of stockholders and at all meetings of the Board of Directors. The President shall have general supervision over the affairs of the corporation, and such powers and duties commonly incident to such office or as may be designated by the Board of Directors.

C. VICE PRESIDENT. The Vice President shall perform the duties and have the powers of the President during the absence or disability of the President and shall have the powers and duties commonly incident to such office, or as may be designated by the Board of Directors.

D. SECRETARY. The Secretary shall keep accurate minutes of all meetings of stockholders and of all meetings of the Board of Directors, and shall have such powers and duties commonly incident to such office, or as may be designated by the Board of Directors.

E. TREASURER. The Treasurer shall have the care and custody of the money, funds, valuable papers and documents of the corporation, other than his own bond, if any, which shall be in the custody of the President. The Treasurer shall have such powers and duties commonly incident to such office, or as may be designated by the Board of Directors.

F. REMOVAL. Any officer may be removed from office at any time by vote of two-thirds of the members of the Board of Directors as constituted at such time.

ARTICLE VIII

AMENDMENT

These By Laws may be amended at a stockholders' meeting by vote of a majority in interest of all voting stock issued and outstanding.

[CANADIAN FLAG] Consumer and  
Corporate Affairs Canada

Consommation  
et Corporations Canada

CERTIFICATE OF INCORPORATION

CERTIFICAT DE CONSTITUTION

CANADA BUSINESS  
CORPORATIONS ACT

LOI SUR LES SOCIETES  
COMMERCIALES CANADIENNES

HAIDA THEATRE OPERATIONS LTD.

213538-8

-----  
Name of corporation - Denomination de la societe

-----  
Number-Numero

I hereby certify that the above-mentioned  
Corporation, the articles of incorporation of  
which are attached, was incorporated under the  
Canada Business Corporations Act.

Je certifie par les presentes que la societe mentionnee ci-haut,  
dont les statuts constitutifs sont joints, a ete constituee en  
societe en vertu de la Loi sur les societes commerciales  
canadiennes.

Le Directeur

Director

DECEMBER 19, 1986

LE 19 DECEMBRE 1986

Date of Incorporation - Date de constitution

[CANADA LOGO]

ARTICLES OF INCORPORATION  
(SECTION 6)

STATUTS D'INCORPORATION  
(ARTICLE 6)

- 
- 1 - Name of corporation Nom de la corporation  
 HAIDA THEATRE OPERATIONS LTD.
- 
- 2 - The place in Canada where the registered office is to be situated Lieu au Canada ou doit etre situe le siege social  
 MUNICIPALITY OF METROPOLITAN TORONTO IN THE PROVINCE OF ONTARIO
- 
- 3 - The classes and any maximum number of claims that the corporation is authorized to issue Categories et tout nombre maximal d'actions que la corporation est autorisee a emettre  
 THE CORPORATION IS AUTHORIZED TO ISSUE AN UNLIMITED NUMBER OF SHARES OF ONE CLASS, TO BE DESIGNATED AS COMMON SHARES
- 
- 4 - Restrictions, if any, on share transfers Restrictions sur le transfert des actions, s'il y a lieu  
 THE ANNEXED SCHEDULE A IS INCORPORATED IN THIS FORM
- 
- 5 - Number (or minimum and maximum number) of directors Nombre (ou nombre minimal et maximum) d'administrateurs  
 NOT LESS THAN 1 DIRECTOR AND NOT MORE THAN 5 DIRECTORS
- 
- 6 - Restrictions, if any, on business the corporation may carry on Restrictions imposees quant aux entreprises que la corporation peut exploiter, s'il y a lieu  
 NOT APPLICABLE
- 
- 7 - Other provisions, if any Autres dispositions, s'il y a lieu  
 THE ANNEXED SCHEDULE B IS INCORPORATED IN THIS FORM
- 

8 - Incorporators		Fondateurs
Name(s) - Nom(s)	Address (include postal code) (Adresse (inclure le code postal))	Signature
WILLIAM M. O'REILLY	9 FAIRCROFT BOULEVARD SCARBOROUGH, ONTARIO M1M 2W9	/s/ WILLIAM M. O'REILLY

-----

FOR DEPARTMENTAL USE ONLY

A L'USAGE DU MINISTERE SEULEMENT

Corporation No. - No de la Corporation 213538-8

Filed - Deposee  
DEC 23 1986

This is Schedule A referred to in the foregoing articles of incorporation.

The right to transfer shares of the Corporation shall be restricted in that no shareholder shall be entitled to transfer any share or shares in the capital of the Corporation without either (a) the previous express sanction of the holders of more than 50% of the common shares of the Corporation for the time being outstanding expressed by a resolution passed at a meeting of the shareholders or by an instrument or instruments in writing signed by the holders of more than 50% of such shares, or (b) the previous express sanction of the directors of the Corporation expressed by a resolution passed by the votes of a majority of the directors of the Corporation at a meeting of the board of directors or by an instrument or instruments in writing signed by a majority of the directors.

This is Schedule B referred to in the foregoing articles of incorporation.

1. The number of shareholders of the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been formerly in the employment of the Corporation were, while in that employment, and have continued after the termination of that employment to be, shareholders of the Corporation, is limited to not more than 50, 2 or more persons who are the joint registered owners of 1 or more shares being counted as 1 shareholder.
2. Any invitation to the public to subscribe for securities of the Corporation is prohibited.
3. The board of directors may, without authorization of the shareholders, from time to time, in such amounts and on such terms as it deems expedient:
  - (a) borrow money on the credit of the Corporation;
  - (b) issue, reissue, sell or pledge debt obligations of the Corporation; or
  - (c) charge, mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable property of the Corporation, including book debts, rights, powers, franchises and undertaking, to secure any debt obligation or any money borrowed or other debt or liability of the Corporation.

For greater certainty the foregoing powers conferred on the directors shall be deemed to include the powers conferred on a company by Division VII of the Special Corporate Powers Act, being Chapter P-16 of the Revised Statutes of Quebec, 1977 and every statutory provision that may be substituted therefor or for any provision therein.

4. The board of directors may from time to time delegate to such one or more of the directors and officers of the Corporation as may be designated by the board all or any of the powers conferred on the board by the provisions of paragraph 3 hereof to such extent and in such manner as the board shall determine at the time of each such delegation.

FORM 4

[CANADA FLAG]

FORMULE 4

ARTICLES OF AMENDMENT  
(SECTION 27 OR 171)

CLAUSES MODIFICATRICES  
(ARTICLE 27 OU 171)

1 - Name of Corporation - Denomination de la Societe

2 - Corporation No. - No de la societe

HAIDA THEATRE OPERATIONS LTD.

213538-8

2 - The articles of the above-named corporation are amended as follows:

Les statuts de la societe ci-haut mentionnee sont modifies de la facon suivante:

Paragraph 1 of the articles of the Corporation are hereby amended to change the name of the Corporation to:

STARBOARD THEATRES LTD.

March 2/87

Signature  
signed

Description of Office - Description du poste  
Secretary

FOR DEPARTMENTAL USE ONLY

A L'USAGE DU MINISTERE SEULEMENT

Filed - Deposee  
Mar 9 1987



CERTIFICATE  
OF AMENDMENT

CERTIFICAT  
DE MODIFICATION

CANADA BUSINESS CORPORATIONS  
ACT

LOI CANADIENNE SUR  
LES SOCIETES PAR ACTIONS

STARBOARD THEATRES LTD.

213538-8

-----  
Name of corporation - Denomination de la societe

-----  
Corporation number - Numero de la societe

I hereby certify that the articles of the above-mentioned Corporation were amended

Je certifie que les statuts de la societe susmentionnee ont ete modifies:

(a) under section 13 of the Canada Business Corporations Act in accordance with the attached notice;      [ ]

a) an vertu de l'article 13 de la Loi canadienne sur les societes par actions, conformement a l'avis ci-joint;

(b) under section 27 of the Canada Business Corporations Act as set out in the attached articles of amendment designating a series of shares;      [ ]

b) en vertu de l'article 27 de la Loi canadienne sur les societes par actions, tel qu'il est indique dans les clauses modificatrices ci-jointes designant une serie d'actions;

(c) under section 179 of the Canada Business Corporations Act as set out in the attached articles of amendment;      [X]

c) en vertu de l'article 179 de la Loi canadienne sur les societes par actions, tel qu'il est indique dans les clauses modificatrices ci-jointes;

(d) under Section 191 of the Canada Business Corporations Act as set out in the attached articles of reorganization.      [ ]

d) en vertu de l'article 191 de la Loi canadienne sur les societes par actions, tel qu'il est indique dans les clauses de reorganisation ci-jointes.

DIRECTOR - DIRECTEUR

JUNE 10, 1997/LE 10 JUIN 1997  
DATE OF AMENDMENT - DATE DE MODIFICATION

[CANADA LOGO]

CERTIFICATE OF AMENDMENT

CERTIFICAT DE MODIFICATION

CANADA BUSINESS  
CORPORATIONS ACT

LOI SUR LES SOCIETES  
COMMERCIALES CANADIENNES

STARBOARD THEATRES LTD.

213538-8

-----  
NAME OF CORPORATION - DENOMINATION DE LA SOCIETE

-----  
NUMBER - NUMERO

I hereby certify that the Articles of the  
above-mentioned Corporation were amended

Je certifie par les presentes que les status de la  
societe mentionnee ci-haut ont ete modifies

(a) under section 13 of the Canada Business  
Corporations Act in accordance with the  
attached notice;

[ ]

(a) en vertu de l'article 13 de la Loi sur les  
societes commerciales canadiennes  
conformement a l'avis ci-joint;

(b) under Section 27 of the Canada Business  
Corporations Act as set out in the attached  
Articles of Amendment designating a series of  
shares;

[ ]

(b) en vertu de l'article 27 de la Loi sur les  
societes commerciales canadiennes tel  
qu'indique dans les clauses modificatrices  
ci-jointes designant une serie d'actions;

(c) under Section 171 of the Canada Business  
Corporations Act as set out in the attached  
Articles of Amendment;

[X]

(c) en vertu de l'article 171 de la Loi sur les  
societes commerciales canadiennes tel  
qu'indique dans les clauses modificatrices  
ci-jointes;

(d) under Section 185 of the Canada Business  
Corporations Act as set out in the attached  
Articles of Reorganization;

[ ]

(d) en vertu de l'article 185 de la Loi sur les  
societes commerciales canadiennes tel  
qu'indique dans les clauses de reorganisation  
ci-jointes;

(e) under Section 185.1 of the Canada  
Business Corporations Act as set out in the  
attached Articles of Arrangement.

[ ]

(e) en vertu de l'article 185.1 de la Loi sur  
les societes commerciales canadiennes tel  
qu'indique dans les clauses d'arrangement  
ci-jointes.

LE DIRECTEUR

March 9, 1987  
le 9 mars 1987

DIRECTOR

DATE OF AMENDMENT - DATE DE LA MODIFICATION

[CANADA FLAG]

INDUSTRY CANADA  
CANADA BUSINESS  
CORPORATIONS ACT

INDUSTRIE CANADA  
LOI CANADIENNE SUR  
LES SOCIETES PAR ACTIONS

FORM 4  
ARTICLES OF AMENDMENT  
(SECTION 27 OR 177)

FORMULE 4  
CLAUSES MODIFICATRICES  
(ARTICLES 27 OU 177)

1 - NAME OF CORPORATION - DENOMINATION DE LA SOCIETE

STARBOARD THEATRES LTD.

2 - CORPORATION NO. - NO DE LA SOCIETE

213538-8-R

3 - THE ARTICLES OF THE ABOVE-NAMED CORPORATION ARE AMENDED AS  
FOLLOWS:

LES STATUS DE LA SOCIETE MENTIONNEE CI-DESSUS SONT MODIFES DE  
LA FACON SUIVANTE:

To change the place in Canada where the registered office is situated to the Regional Municipality of Peel, Province of Ontario.

DATE  
April 22, 1997

SIGNATURE

TITLE - TITRE  
Secretary

FOR DEPARTMENTAL USE ONLY - A L'USAGE DU MINISTERE SEULEMENT

FILED - DEPOSEE

JUN 10 1997

[CANADA LOGO]

IC 3069 (2/96)

1 - NAME OF CORPORATION - DENOMINATION DE LA SOCIETE  
STARBOARD THEATRES LTD.

2 - CORPORATION NO. - NO DE LA SOCIETE  
213538-8-R

3 - PLACE IN CANADA WHERE THE REGISTERED OFFICE IS SITUATED  
Regional Municipality of Peel

LIEU AU CANADA OU EST SITUE LE SIEGE SOCIAL

4 - ADDRESS OF REGISTERED OFFICE  
2525 Speakman Drive  
Sheridan Science and Technology Park  
Mississauga, Ontario  
L5K 1B1  
CANADA

ADRESSE DU SIEGE SOCIAL

CAUTION: ADDRESS OF REGISTERED OFFICE MUST BE WITHIN THE PLACE THAT IS SPECIFIED IN ARTICLES; OTHERWISE AN AMENDMENT IS REQUIRED (FORM 4) IN ADDITION TO THIS FORM

AVIS: L'ADRESSE DUE SIEGE SOCIAL DOIT SE SITUER A L'INTERIEUR DES LIMITES DU LIEU INDIQUE DANS LES STATUTS. SINON, UNE MODIFICATION EST REQUISE (FORMULE 4)

5 - EFFECTIVE DATE OF CHANGE  
March 10, 1997

DATE D'ENTREE EN VIGUEUR DU CHANGEMENT

6 - PREVIOUS ADDRESS OF REGISTERED OFFICE  
38 Isabella Street  
Toronto, Ontario  
Canada  
M4Y 1N1

ADRESSE PRECEDENTE DU SIEGE SOCIAL  
RECU  
RECEIVED  
LSAF/CBCA

DATE  
April 22, 1997

SIGNATURE

TITLE - TITRE  
Secretary

FILED - DEPOSEE

JUN 10 1997

[CANADA FLAG]

INDUSTRY CANADA  
CANADA BUSINESS  
CORPORATIONS ACT

INDUSTRIE CANADA  
LOI CANADIENNE SUR  
LES SOCIETES PAR ACTIONS

FORM 4  
ARTICLES OF AMENDMENT  
(SECTION 27 OR 177)

FORMULE 4  
CLAUSES MODIFICATRICES  
(ARTICLES 27 OU 177)

1 - NAME OF CORPORATION - DENOMINATION DE LA SOCIETE

STARBOARD THEATRES LTD.

2 - CORPORATION NO. - NO DE LA SOCIETE

213538-8-R

3 - THE ARTICLES OF THE ABOVE-NAMED CORPORATION ARE AMENDED AS  
FOLLOWS:

LES STATUS DE LA SOCIETE MENTIONNEE CI-DESSUS SONT MODIFES DE  
LA FACON SUIVANTE:

To change the place in Canada where the registered office is situated to the Regional Municipality of Peel, Province of Ontario.

DATE  
April 22, 1997

SIGNATURE

TITLE - TITRE  
Secretary

FOR DEPARTMENTAL USE ONLY - A L'USAGE DU MINISTERE SEULEMENT  
FILED - DEPOSEE

[CANADA LOGO]

IC 3069 (2/96)

CERTIFICATE  
OF AMENDMENT

CERTIFICAT  
DE MODIFICATION

CANADA BUSINESS  
CORPORATIONS ACT

LOI SUR LES SOCIETES  
PAR ACTIONS

STARBOARD THEATRES LTD.

213538-8

-----  
NAME OF CORPORATION - DENOMINATION DE LA  
SOCIETE

-----  
CORPORATION NUMBER - NUMERO DE LA SOCIETE

I hereby certify that the articles of the  
above-named corporation were amended:

Je certifie que les statuts de la societe  
susmentionnee ont ete modifies:

- a) under section 13 of the Canada Business  
Corporations Act in accordance with the  
attached notice;
- b) under section 27 of the Canada Business  
Corporations Act as set out in the attached  
articles of amendment designating a series  
of shares;
- c) under section 179 of the Canada Business  
Corporations Act as set out in the attached  
articles of amendment;
- d) under Section 191 of the Canada Business  
Corporations Act as set out in the attached  
articles of reorganization;

[ ]

[ ]

[X]

[ ]

- a) en vertu de l'article 13 de la Loi canadienne  
sur les societes par actions, conformement  
a l'avis ci-joint;
- b) en vertu de l'article 27 de la Loi canadienne  
sur les societes par actions, tel qu'il est  
indique dans les clauses modificatrices  
ci-jointes designant une serie d'actions;
- c) en vertu de l'article 179 de la Loi  
canadienne sur les societes par actions, tel  
qu'il indique dans les clauses  
modificatrices ci-jointes;
- d) en vertu de l'article 191 de la Loi  
canadienne sur les societes par actions, tel  
qu'il est indique dans les clauses de  
reorganisation ci-jointes;

JUNE 11, 2003/LE 11 JUIN 2003

DIRECTOR - DIRECTEUR

DATE OF AMENDMENT -- DATE DE MODIFICATION

[CANADA FLAG]

INDUSTRY CANADA

INDUSTRIE CANADA

FORM 4  
ARTICLES OF AMENDMENT  
(SECTION 27 OR 177)

FORMULE 4  
CLAUSES MODIFICATRICES  
(ARTICLES 27 OU 177)

CANADA BUSINESS  
CORPORATIONS ACT

LOI CANADIENNE SUR  
LES SOCIETES PAR ACTIONS

1 - NAME OF CORPORATION - DENOMINATION SOCIALE DE LA SOCIETE

STARBOARD THEATRES LTD.

2 - CORPORATION NO. - NO DE LA SOCIETE

213538-8

3 - THE ARTICLES OF THE ABOVE-NAMED CORPORATION ARE AMENDED AS  
FOLLOWS:

LES STATUS DE LA SOCIETE MENTIONNEE CI-DESSUS SONT MODIFES DE  
LA FACON SUIVANTE:

To change the place in Canada where the registered office is situated to the Province of British Columbia.

DATE  
May 26, 2003

SIGNATURE  
/s/ G. Mary Ruby

4 - CAPACITY OF - EN QUALITE DE  
Secretary

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FILED  
DEPOSEE JUN 12 2003

PRINTED NAME - NOM DE LETTERS MOULEES

IC 3069 (2001/11)

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[CANADA FLAG]

INDUSTRY CANADA

INDUSTRIE CANADA

CANADA BUSINESS  
CORPORATIONS ACT

LOI CANADIENNE SUR  
LES SOCIETES PAR ACTIONS

FORM 3  
NOTICE OF REGISTERED OFFICE OR  
NOTICE OF CHANGE OF ADDRESS OF REGISTERED OFFICE  
(SECTION 19)

FORMULE 3  
AVIS DE DESIGNATION OU  
DE CHANGEMENT D'ADRESSE DU SIEGE SOCIAL  
(ARTICLE 19)

1 - NAME OF CORPORATION - DENOMINATION SOCIALE DE LA SOCIETE

STARBOARD THEATRES LTD.

2 - CORPORATION NO. - NO DE LA SOCIETE

213538-8

3 - PROVINCE OR TERRITORY IN CANADA WHERE THE REGISTERED OFFICE IS  
SITUATED (OR TO BE SITUATED). (THIS PROVINCE OR TERRITORY MUST  
BE THE SAME AS THE ONE LISTED IN THE ARTICLES.)

Province of British Columbia

LA PROVINCE OU LE TERRITOIRE AU CANADA OU SE SITUE (OU SE  
SITUERA) LE SIEGE SOCIAL. (IL DOIT CORRESPONDRE A LA PROVINCE  
OU AU TERRITOIRE INDIQUE DANS LE STATUTS.)

4 - STREET ADDRESS OF REGISTERED OFFICE - ADRESSE CIVIQUE DU SIEGE SOCIAL

201-999 Canada Place  
Vancouver, British Columbia  
V6C 3C1

(AND MAILING ADDRESS, IF DIFFERENT FROM THAT OF REGISTERED OFFICE) - (SI L'ADRESSE POSTAL DIFFERE DE CELLE DU SIEGE SOCIAL)

CAUTION: ADDRESS OF REGISTERED OFFICE MUST BE WITHIN THE PROVINCE OR TERRITORY THAT IS DESCRIBED IN THE ARTICLES AT ITEM 3;  
OTHERWISE AN AMENDMENT TO THE ARTICLES IS REQUIRED, USING FORM 4, IN ADDITION TO THIS FORM (SEE PARAGRAPH 173(1)b) OF  
THE ACT).

AVIS: L'ADRESSE DU SIEGE SOCIAL DOIT SE SITUER DANS LES LIMITES DE LA PROVINCE OU DU TERRITOIRE INDIQUE DANS LES STATUTS A LA  
RUBRIQUE 2. SINON, IL FAUT MODIFIER LES STATUTS EN DEPOSANT LA FORMULE 4, EN PLUS DE LA PRESENTE FORMULE (VOIR L'ALINEA  
173(1)b) DE LA LOI).

5 - EFFECTIVE DATE OF CHANGE - DATE DE PRISE D'EFFET

May 21, 2003

6 - PREVIOUS ADDRESS OF REGISTERED OFFICE - ADRESSE PRECEDENTE DU SIEGE SOCIAL

2525 Speakman Drive  
Mississauga, Ontario  
L5K 1B1

RECU

RECEIVED

LSAF/CBCA

DATE  
May 26, 2003

SIGNATURE  
/s/ G. Mary Ruby

7 - CAPACITY OF - EN QUALITE DE  
Secretary

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FILED  
DEPOSEE JUN 12 2003

PRINTED NAME - NOM DE LETTERS MOULEES

IC 3420 (2001/12)

[CANADA LOGO]



HAIDA THEATRE OPERATIONS LTD.

BY-LAW NO. 1

A by-law relating generally to the conduct of the affairs of HAIDA THEATRE OPERATIONS LTD.

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of HAIDA THEATRE OPERATIONS LTD. (hereinafter called the "Corporation") as follows:

DEFINITIONS

1. In this by-law and all other by-laws of the Corporation, unless the context otherwise specifies or requires:

- (a) "Act" means the Canada Business Corporations Act, Statutes of Canada, 1974-75, c.33, as from time to time amended, and every statute that may be substituted therefor and, in the case of such amendment or substitution, any reference in the by-laws of the Corporation shall be read as referring to the amended or substituted provisions therefor;
- (b) "by-laws" means any by-law of the Corporation from time to time in force and effect;
- (c) all terms contained in the by-laws which are defined in the Act shall have the meanings given to such terms in the Act;
- (d) words importing the singular number only shall include the plural and vice-versa; words importing the masculine gender shall include the feminine and neuter genders; words importing persons shall include syndicates, trusts and any number or aggregate of persons; and
- (e) the headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

REGISTERED OFFICE

2. The Corporation may from time to time (i) by resolution of the directors change the address of the registered office of the Corporation within the place in Canada specified in its articles, and (ii) by an amendment to its articles, change the place within Canada in which its registered office is situated.

SEAL

3. The corporate seal of the Corporation shall be such as the directors may by resolution from time to time adopt. An instrument or agreement executed on behalf of the

Corporation by a director, an officer or an agent of the Corporation is not invalid merely because the corporate seal is not affixed thereto.

#### DIRECTORS

4. Number and powers. The number of directors of the Corporation is set out in the articles of the Corporation. A majority of the directors shall be resident Canadians. Subject to any unanimous shareholder agreement, the directors shall manage the business and affairs of the Corporation and may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation and are not by the Act, the articles, the by-laws, any special resolution of the Corporation, a unanimous shareholder agreement or by statute expressly directed or required to be done in some other manner.

Notwithstanding any vacancy among the directors, a quorum of directors may exercise all the powers of the directors.

Subject to subsections 106(1) and (3) of the Act and to the Corporation's articles, where a vacancy occurs and a quorum of directors remains in office, whether or not a majority thereof are resident Canadians, a quorum of directors may appoint a qualified person to hold office for the unexpired term of his predecessor.

5. Duties. Every director and officer of the Corporation in exercising his powers and discharging his duties shall:

- (a) act honestly and in good faith with a view to the best interest of the Corporation; and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Every director and officer of the Corporation shall comply with the Act, the regulations thereunder, the Corporation's articles and by-laws and any unanimous shareholder agreement.

6. Qualification. Every director shall be an individual eighteen (18) or more years of age and no one who is of unsound mind and has been so found by a court in Canada or elsewhere or who has the status of a bankrupt shall be a director.

7. Term of office. A director's term of office (subject to the provisions, if any, of the Corporation's articles, and subject to his election for an expressly stated term) shall be from the date of the meeting at which he is elected or appointed until the close of the annual meeting of shareholders next following his election or appointment or until his successor is elected or appointed.

8. Vacation of office. The office of a director shall be vacated if:

- (a) he dies or sends to the Corporation a written resignation and such resignation, if not effective upon being sent to the Corporation, becomes effective in accordance with its terms;
- (b) he is removed from office;
- (c) he becomes bankrupt; or
- (d) he is found by a court in Canada or elsewhere to be of unsound mind.

9. Election and removal. Directors shall be elected by the shareholders by ordinary resolution on a show of hands unless a poll is demanded and if a poll is demanded such election shall be by ballot. Except for those directors elected for an expressly stated term, all the directors then in office shall cease to hold office at the close of the meeting of shareholders at which directors are to be elected but, if qualified, are eligible for re-election. Subject to subsection 104(2) of the Act, the shareholders of the Corporation may by ordinary resolution at a special meeting remove any director before the expiration of his term of office and may, by a majority of the votes cast at the meeting, elect any person in his stead for the remainder of his term.

Whenever at any election of directors of the Corporation the number or the minimum number of directors required by the articles is not elected by reason of the disqualification, incapacity or the death of any candidates, the directors elected at that meeting may exercise all the powers of the directors if the number of directors so elected constitutes a quorum.

A retiring director shall cease to hold office at the close of the meeting at which his successor is elected unless such meeting was called for the purpose of removing him from office as a director in which case the director so removed shall vacate office forthwith upon the passing of the resolution for his removal.

10. Validity of acts. An act by a director or officer is valid notwithstanding an irregularity in his election or appointment or a defect in his qualification.

#### MEETINGS OF DIRECTORS

11. Place of meeting. Meetings of directors and of any committee of directors may be held at any place. A meeting of directors may be convened by the Chairman of the Board (if any), the President or any director at any time and the Secretary shall upon direction of any of the foregoing convene a meeting of directors.

12. Notice. Notice of the time and place for the holding of any such meeting shall be delivered, mailed, telegraphed, cabled, telexed or otherwise communicated by electronic means that produces a written copy to each director not less than 2 days (exclusive of the day on which the notice is delivered, mailed, telegraphed, cabled, telexed or otherwise communicated by electronic means that produces a written copy but inclusive of the day for which notice is given)

before the date of the meeting; provided that meetings of the directors or of any committee of directors may be held at any time without formal notice if all the directors are present (except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all the absent directors have waived notice. The notice shall specify any matter referred to in subsection 110(3) of the Act that is to be dealt with at the meeting.

For the first meeting of directors to be held following the election of directors at an annual or special meeting of the shareholders or for a meeting of directors at which a director is appointed to fill a vacancy in the board, no notice of such meeting need be given to the newly elected or appointed director or directors in order for the meeting to be duly constituted, provided a quorum of the directors is present.

13. Waiver of notice. Notice of any meeting of directors or of any committee of directors or any irregularity in any meeting or in the notice thereof may be waived in any manner by any director, and such waiver may be validly given either before or after the meeting to which such waiver relates. Attendance of a director at a meeting of directors is a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

14. Telephone participation. Where all the directors of the Corporation consent thereto (either before or after the meeting), a director may participate in a meeting of directors or of any committee of directors by means of such telephone or other communications facilities as permit all persons participating in the meeting to hear each other, and a director participating in a meeting by such means shall be deemed for the purposes of the Act to be present at that meeting.

15. Adjournment. Any meeting of directors or of any committee of directors may be adjourned from time to time by the chairman of the meeting, with the consent of the meeting, to a fixed time and place and no notice of the time and place for the holding of the adjourned meeting need be given to any director if the time and place of the adjourned meeting is announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The directors who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

16. Quorum and voting. A majority of the number of directors or minimum number of directors required by the articles shall constitute a quorum for the transaction of business. Subject to subsection 106(1), 109(4) and to subsection 112(1) of the Act, no business shall be transacted by the directors except at a meeting of directors at which a quorum is present and at which a majority of the directors present are resident Canadians. Questions arising at any meeting of directors shall be decided by a majority of votes. In case of an equality of votes, the chairman of the meeting in addition to his original vote shall have a second or casting vote.

COMMITTEES OF DIRECTORS

17. General. The directors may from time to time appoint from their number a committee of directors, a majority of whom shall be resident Canadians, and may delegate to such committee any of the powers of the directors, except that no such committee shall have the authority to:

- (a) submit to the shareholders any question or matter requiring the approval of the shareholders;
- (b) fill a vacancy among the directors or in the office of auditor;
- (c) subject to subsection 183(1.1) of the Act, issue securities except in the manner and on the terms authorized by the directors;
- (d) declare dividends;
- (e) purchase, redeem or otherwise acquire shares issued by the Corporation;
- (f) pay any commission referred to in section 39 of the Act;
- (g) approve a management proxy circular;
- (h) approve a take-over bid circular or directors' circular;
- (i) approve any annual financial statements to be placed before the shareholders of the Corporation; or
- (j) adopt, amend or repeal by-laws of the Corporation.

18. Audit Committee. If any of the issued securities of the Corporation are part of a distribution to the public, the board of directors shall elect annually from among their number an audit committee to be composed of not fewer than 3 directors, a majority of whom are not officers or employees of the Corporation or any of its affiliates.

Each member of the audit committee shall serve during the pleasure of the board of directors and, in any event, only so long as he shall be a director. The directors may fill vacancies in the audit committee by election from among their number.

The audit committee shall have power to fix its quorum at not less than a majority of its members and to determine its own rules of procedure subject to any regulations imposed by the board of directors from time to time and to the following paragraph.

The auditor of the Corporation is entitled to receive notice of every meeting of the audit committee and, at the expense of the Corporation, to attend and be heard thereat; and, if so requested by a member of the audit committee, shall attend every meeting of the committee held during the term of office of the auditor. The auditor of the Corporation or any member of the audit committee may call a meeting of the committee.

The audit committee shall review the financial statements of the Corporation prior to approval thereof by the board of directors and shall have such other powers and duties as may from time to time by resolution be assigned to it by the board.

#### REMUNERATION OF DIRECTORS, OFFICERS AND EMPLOYEES

19. The remuneration to be paid to the directors of the Corporation shall be such as the directors shall from time to time by resolution determine and such remuneration shall be in addition to the salary paid to any officer or employee of the Corporation who is also a director. The directors may also by resolution award special remuneration to any director in undertaking any special services on the Corporation's behalf other than the normal work ordinarily required of a director of a corporation. The confirmation of any such resolution or resolutions by the shareholders shall not be required. The directors may fix the remuneration of the officers and employees of the Corporation. The directors, officers and employees shall also be entitled to be paid their traveling and other expenses properly incurred by them in connection with the affairs of the Corporation.

#### SUBMISSION OF CONTRACTS OR TRANSACTIONS TO SHAREHOLDERS FOR APPROVAL

20. The directors in their discretion may submit any contract, act or transaction for approval, ratification or confirmation at any meeting of the shareholders called for the purpose of considering the same and any contract, act or transaction that shall be approved, ratified or confirmed by resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's articles or by-laws) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified and/or confirmed by every shareholder of the Corporation.

#### FOR THE PROTECTION OF DIRECTORS AND OFFICERS

21. No director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense suffered or incurred by the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation including any person, firm or corporation with whom or which any moneys, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office of trust or in relation thereto, unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly and in good faith with a view to the best interests of the Corporation, and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, provided that nothing herein contained shall relieve a director or officer from the duty to act in accordance

with the Act or regulations made thereunder or relieve him from liability for a breach thereof. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board of directors. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Corporation, the fact of his being a shareholder, director or officer of the Corporation shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

#### INDEMNITIES TO DIRECTORS AND OTHERS

22. Subject to subsections 119(2) and (3) of the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of such corporation or body corporate, if

- (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

The Corporation is hereby authorized to execute agreements evidencing its indemnity in favour of the foregoing persons to the full extent permitted by law.

#### OFFICERS

23. Appointment of officers. The directors shall annually or as often as may be required appoint a President and a Secretary and if deemed advisable may annually or as often as may be required appoint a Chairman of the Board (who shall preside at all meetings of the directors and shareholders and shall perform such other duties as may from time to time be assigned to him by resolution of the directors), one or more Vice-Presidents, a Treasurer and one or more Assistant Secretaries and/or one or more Assistant Treasurers. None of such officers (except the Chairman of the Board) need be a director of the Corporation. A director may be appointed to any office of the Corporation. Two or more of such offices may be held by the same person. In case and whenever the same person holds the offices of Secretary and Treasurer he may but need not be known as the Secretary-Treasurer. The directors may from time to time appoint such other officers, employees and agents as they shall deem necessary who shall have such authority and shall perform such functions and duties as may from time to time be prescribed by resolution of the directors.

24. Removal of officers, etc. All officers, employees and agents, in the absence of agreement to the contrary, shall be subject to removal by resolution of the directors at any time, with or without cause.

25. Duties of officers may be delegated. In case of the absence or inability or refusal to act of any officer of the Corporation or for any other reason that the directors may deem sufficient, the directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

26. President. The President shall be the chief executive officer of the Corporation and shall exercise general supervision over the business and affairs of the Corporation. In the absence of the Chairman of the Board (if any), and if the President is also a director of the Corporation, the President shall, when present, preside at all meetings of the directors, any committee of the directors and shareholders; he shall sign such contracts, documents or instruments in writing as require his signature and shall have such other powers and shall perform such other duties as may from time to time be assigned to him by resolution of the directors or as are incident to his office.

27. Vice-President. The Vice-President or, if more than one, the Vice-Presidents in order of seniority, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President, provided, however, that a Vice-President who is not a director shall not preside as the chairman at any meeting of directors or shareholders. The Vice-President or, if more than one, the Vice-Presidents in order of seniority, shall sign such contracts, documents or instruments in writing as require his or their signatures and shall also have such other powers and duties as may from time to time be assigned to him or them by resolution of the directors.

28. Secretary. The Secretary shall give or cause to be given notices for all meetings of the directors, any committee of the directors and shareholders when directed to do so and shall have charge of the minute books of the Corporation and, subject to the provisions of paragraph 44 hereof, of the documents and registers referred to in subsections 20(1) and (2) of the Act. He shall sign such contracts, documents or instruments in writing as require his signature and shall have such other powers and duties as may from time to time be assigned to him by resolution of the directors or as are incident to his office.

29. Treasurer. Subject to the provisions of any resolution of the directors, the Treasurer shall have the care and custody of all the funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or with such other depositary or depositaries as the directors may by resolution direct. He shall prepare and maintain adequate accounting records. He shall sign such contracts, documents or instruments in writing as require his signature and shall have such other powers and duties as may from time to time be assigned to him by resolution of the directors or as are incident to his office. He may be required to give such bond for the faithful performance of his duties as the directors in their uncontrolled discretion may require and no director shall be liable for failure to require any such bond or for the insufficiency of any such bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.



30. Assistant Secretary and Assistant Treasurer. The Assistant Secretary or, if more than one, the Assistant Secretaries in order of seniority, and the Assistant Treasurer or, if more than one, the Assistant Treasurers in order of seniority, shall perform all the duties of the Secretary and Treasurer, respectively, in the absence or inability to act of the Secretary or Treasurer as the case may be. The Assistant Secretary or Assistant Secretaries, if more than one, and the Assistant Treasurer or Assistant Treasurers, if more than one, shall sign such contracts, documents or instruments in writing as require his or their signatures respectively and shall have such other powers and duties as may from time to time be assigned to them by resolution of the directors.

31. Managing Director. The directors may from time to time appoint from their number a Managing Director who is a resident Canadian and may delegate to the Managing Director any of the powers of the directors subject to the limits on authority provided by subsection 110(3) of the Act. A Managing Director shall conform to all lawful orders given to him by the directors of the Corporation and shall at all reasonable times give to the directors or any of them all information they may require regarding the affairs of the Corporation. Any agent or employee appointed by a Managing Director shall be subject to discharge by the directors.

32. Vacancies. If the office of President, Vice-President, Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or any other office created by the directors pursuant to paragraph 23 hereof shall be or become vacant by reason of death, resignation or in any other manner whatsoever, the directors shall in the case of the President or the Secretary and may in the case of the other officers appoint an officer to fill such vacancy.

#### SHAREHOLDERS' MEETINGS

33. Annual meeting. Subject to subsection 126(2) of the Act, the annual meeting of the shareholders shall be held at the registered office of the Corporation or at a place elsewhere within Canada determined by the directors and, subject to section 127 of the Act, on such day in each year and at such time as the directors may agree upon.

34. Special meetings. A special meeting of the shareholders may be convened by the directors at any date and time and, subject to subsection 126(2) of the Act, at any place within Canada that the directors determine.

35. Notice. A notice stating the day, hour and place of meeting and, if special business is to be transacted thereat, stating (i) the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon, and (ii) the text of any special resolution to be submitted to the meeting, shall be served either by delivering such notice personally to or by sending such notice to each person who is entitled to notice of such meeting and who on the record date for notice appears on the records of the Corporation or its transfer agent as a shareholder entitled to vote at the meeting and to each director of the Corporation and to the auditor of the Corporation by prepaid mail not less than 21 days and not more than 50 days (exclusive of the day of mailing and of the day for which notice is given) before the date of every meeting addressed to the latest address of each such person as shown in the records of the Corporation or its transfer agent, or if no address is shown therein, then to the last address of each such person known to the Secretary; provided that a meeting of shareholders may be held

for any purpose at any date and time and, subject to subsection 126(2) of the Act, at any place without notice if all the shareholders and other persons entitled to notice of such meeting are present in person or represented by proxy at the meeting (except where the shareholder or such other persons, attend the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all the shareholders and other persons entitled to notice of such meeting and not present in person nor represented by proxy thereat waive notice of the meeting. Notice of any meeting of shareholders or the time for the giving of any such notice or any irregularity in any such meeting or in the notice thereof may be waived in any manner by any shareholder, the duly appointed proxy of any shareholder, any director or the auditor of the Corporation and any other person entitled to attend a meeting of shareholders, and any such waiver may be validly given either before or after the meeting to which such waiver relates.

The auditor of the Corporation is entitled to attend any meeting of shareholders of the Corporation and to receive notice of every meeting of shareholders.

36. Omission of notice. The accidental omission to give notice of any meeting to or the non-receipt of any notice by any person shall not invalidate any resolution passed or any proceeding taken at any meeting of shareholders.

37. Record dates. Subject to subsection 128(4) of the Act, the directors may fix in advance a date as the record date for the determination of shareholders entitled to receive notice of a meeting of shareholders, but such record date shall not precede by more than 50 days or by less than 21 days the date on which the meeting is to be held.

If no record date is fixed, the record date for the determination of the shareholders entitled to receive notice of a meeting of the shareholders shall be

- (a) at the close of business on the day immediately preceding the day on which the notice is given; or
- (b) if no notice is given, the day on which the meeting is held.

38. Votes. Every question submitted to any meeting of shareholders shall be decided in the first instance on a show of hands and in case of an equality of votes the chairman of the meeting shall both on a show of hands and at a poll have a second or casting vote in addition to the vote or votes to which he may be entitled as a shareholder or proxy nominee.

At any meeting, unless a poll is demanded by a shareholder or proxyholder entitled to vote at the meeting, either before or after any vote by a show of hands, a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the motion.

In the absence of the Chairman of the Board (if any), the President and any Vice-President who is a director, the shareholders present entitled to vote shall choose another director as chairman of the meeting and if no director is present or if all the directors present decline to take the chair then the shareholders present shall choose one of their number to be chairman.

If at any meeting a poll is demanded on the election of a chairman or on the question of adjournment or termination, the poll shall be taken forthwith without adjournment. If a poll is demanded on any other question or as to the election of directors, the poll shall be taken by ballot in such manner and either at once or later at the meeting or after adjournment as the chairman of the meeting directs. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A demand for a poll may be made either before or after any vote by show of hands and may be withdrawn.

Where two or more persons hold the same share or shares jointly, any one of such persons present at a meeting of shareholders has the right, in the absence of the other or others, to vote such share or shares, but if more than one of such persons are present or represented by proxy and vote, they shall vote together as one on the share or shares jointly held by them.

39. Proxies. Votes at meetings of the shareholders may be cast either personally or by proxy. At every meeting at which he is entitled to vote, every shareholder present in person and every proxyholder shall have one (1) vote on a show of hands. Upon a poll at which he is entitled to vote, every shareholder present in person or by proxy shall (subject to the provisions, if any, of the Corporation's articles) have one (1) vote for every share registered in his name.

Every shareholder, including a shareholder that is a body corporate, entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder or proxyholders or one or more alternate proxyholders, who need not be a shareholder, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy.

An instrument appointing a proxyholder shall be in writing and executed by the shareholder or his attorney authorized in writing and is valid only at the meeting in respect of which it is given or at any adjournment thereof.

An instrument appointing a proxyholder may be in the following form or in any other form which complies with the requirements of the Act:

"The undersigned shareholder of HAIDA THEATRE OPERATIONS LTD. hereby appoints \_\_\_\_\_ of \_\_\_\_\_, whom failing, \_\_\_\_\_ of \_\_\_\_\_ as the nominee of the undersigned to attend and act for and on behalf of the undersigned at the meeting of the shareholders of the said Corporation to be held on the day of \_\_\_\_\_, 19\_\_\_\_ and at any adjournment thereof in the same manner, to the same extent and with the same power as if the undersigned were personally present at the said meeting or such adjournment thereof.

Dated the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
Signature of Shareholder

This form of proxy must be signed by a shareholder or his attorney authorized in writing."

The directors may from time to time pass regulations regarding the lodging of instruments appointing a proxyholder at some place or places other than the place at which a meeting or adjourned meeting of shareholders is to be held and for particulars of such instruments to be telegraphed, cabled, telexed, sent in writing or otherwise communicated by electronic means that produces a written copy before the meeting or adjourned meeting to the Corporation or any agent of the Corporation appointed for the purpose of receiving such particulars and providing that instruments appointing a proxyholder so lodged may be voted upon as though the instruments themselves were produced at the meeting or adjourned meeting and votes given in accordance with such regulations shall be valid and shall be counted. The chairman of the meeting of shareholders may, subject to any regulations made as aforesaid, in his discretion accept telegraphic, telex, cable or written communication, or electronic communication that produces a written copy, as to the authority of anyone claiming to vote on behalf of and to represent a shareholder notwithstanding that no instrument of proxy conferring such authority has been lodged with the Corporation, and any votes given in accordance with such telegraphic, telex, cable, written or electronic communication accepted by the chairman of the meeting shall be valid and shall be counted.

40. Adjournment. The chairman of the meeting may with the consent of the meeting adjourn any meeting of shareholders from time to time to a fixed time and place and if the meeting is adjourned for less than 30 days no notice of the time and place for the holding of the adjourned meeting need be given to any shareholder, other than by announcement at the earliest meeting that is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting but, unless the meeting is adjourned by one or more adjournments for an aggregate of more than 90 days, subsection 143(1) of the Act does not apply. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The persons who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

41. Quorum. Two persons present and each holding or representing by proxy at least one issued share of the Corporation shall be a quorum of any meeting of shareholders for the choice of a chairman of the meeting and for the adjournment of the meeting to a fixed time and place but may not transact any other business; for all other purposes a quorum for any meeting shall be persons present not being less than two in number and holding or representing by proxy not less than a majority of the total number of the issued shares of the Corporation for the time being enjoying voting rights at such meeting. If a quorum is present at the opening of a meeting of shareholders, the shareholders present may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting.

Notwithstanding the foregoing, if the Corporation has only one shareholder, or only one shareholder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting and a quorum for such meeting.

## SHARES AND TRANSFERS

42. Issuance. Subject to the articles of the Corporation and any unanimous shareholder agreement, shares in the Corporation may be issued at such time and issued to such persons and for such consideration as the directors may determine.

43. Security certificates. Security certificates (and the form of transfer power on the reverse side thereof) shall (subject to compliance with section 45 of the Act) be in such form as the directors may from time to time by resolution approve and, subject to subsection 45(5) of the Act, such certificates shall be signed manually by at least one director or officer of the Corporation or by or on behalf of a registrar, transfer agent or branch transfer agent of the Corporation, or by a trustee who certifies it in accordance with a trust indenture, and any additional signatures required on a security certificate may be printed or otherwise mechanically reproduced thereon. Notwithstanding any change in the persons holding an office between the time of actual signing and the issuance of any certificate and notwithstanding that a person signing may not have held office at the date of issuance of such certificate, any such certificate so signed shall be valid and binding upon the Corporation.

44. Agent. The directors may from time to time by resolution appoint or remove an agent to maintain a central securities register and branch securities registers for the Corporation.

45. Surrender of security certificates. Subject to the Act, no transfer of a security issued by the Corporation shall be recorded or registered unless or until the security certificate representing the security to be transferred has been surrendered and cancelled or, if no security certificate has been issued by the Corporation in respect of such share, unless or until a duly executed security transfer power in respect thereof has been presented for registration.

46. Defaced, destroyed, stolen or lost security certificates. In case of the defacement, destruction, theft or loss of a security certificate, the fact of such defacement, destruction, theft or loss shall be reported by the owner to the Corporation or to an agent of the Corporation (if any) acting on behalf of the Corporation, with a statement verified by oath or statutory declaration as to the defacement, destruction, theft or loss and the circumstances concerning the same and with a request for the issuance of a new security certificate to replace the one so defaced, destroyed, stolen or lost. Upon the giving to the Corporation (or, if there be an agent, hereinafter in this paragraph referred to as the "Corporation's agent", then to the Corporation and the Corporation's agent) of an indemnity bond of a surety company in such form as is approved by the directors or by the Chairman of the Board (if any), the President, a Vice-President, the Secretary or the Treasurer of the Corporation, indemnifying the Corporation (and the Corporation's agent if any) against all loss, damage and expense, which the Corporation and/or the Corporation's agent may suffer or be liable for by reason of the issuance of a new security certificate to such shareholder, and provided the Corporation or the Corporation's agent does not have notice that the security has been acquired by a bona fide purchaser, a new security certificate may be issued in replacement of the one defaced, destroyed, stolen or lost, if such issuance is ordered and authorized by any one of the Chairman of the Board (if any), the President, a Vice-President, the Secretary or the Treasurer of the Corporation or by resolution of the directors.

## DIVIDENDS

47. The directors may from time to time by resolution declare and the Corporation may pay dividends on its issued shares, subject to the provisions (if any) of the Corporation's articles.

The directors shall not declare and the Corporation shall not pay a dividend if there are reasonable grounds for believing that:

- (a) the Corporation is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes.

The Corporation may pay a dividend by issuing fully paid shares of the Corporation and, subject to section 40 of the Act, the Corporation may pay a dividend in money or property.

48. In case several persons are registered as the joint holders of any securities of the Corporation, any one of such persons may give effectual receipts for all dividends and payments on account of dividends, principal, interest and/or redemption payments on redemption of securities (if any) subject to redemption in respect of such securities.

## RECORD DATES

49. Subject to subsection 128(4) of the Act, the directors may fix in advance a date as the record date for the determination of shareholders (i) entitled to receive payment of a dividend, (ii) entitled to participate in a liquidation or distribution, or (iii) for any other purpose except the right to receive notice of or to vote at a meeting of shareholders, but such record date shall not precede by more than 50 days the particular action to be taken.

If no record date is fixed, the record date for the determination of shareholders for any purpose other than to establish a shareholder's right to receive notice of a meeting or to vote shall be at the close of business on the day on which the directors pass the resolution relating thereto.

## VOTING SECURITIES IN OTHER ISSUERS

50. All securities of any other body corporate or issuer of securities carrying voting rights held from time to time by the Corporation may be voted at all meetings of shareholders, bondholders, debenture holders or holders of such securities, as the case may be, of such other body corporate or issuer and in such manner and by such person or persons as the directors of the Corporation shall from time to time determine and authorize by resolution. The duly authorized signing officers of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the directors.

NOTICES, ETC.

51. Service. Any notice or other document required to be given or sent by the Corporation to any shareholder, director or auditor of the Corporation shall be delivered personally or sent by prepaid mail or by telegram, telex or other electronic means that produces a written copy addressed to:

- (a) the shareholder at his latest address as shown on the records of the Corporation or its transfer agent;
- (b) the director at his latest address as shown in the records of the Corporation or in the last notice filed under section 101 or 108 of the Act; and
- (c) the auditor of the Corporation at his latest address known to the Corporation.

With respect to every notice or other document sent by prepaid mail it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed and put into a post office or into a post office letter box.

52. If the Corporation sends a notice or document to a shareholder and the notice or document is returned on three consecutive occasions because the shareholder cannot be found, the Corporation is not required to send any further notices or documents to the shareholder until he informs the Corporation in writing of his new address.

53. Shares registered in more than one name. All notices or other documents shall, with respect to any shares in the capital of the Corporation registered in more than one name, be given to whichever of such persons is named first in the records of the Corporation and any notice or other document so given shall be sufficient notice or delivery of such document to all the holders of such shares.

54. Persons becoming entitled by operation of law. Every person who by operation of law, transfer or by any other means whatsoever shall become entitled to any shares in the capital of the Corporation shall be bound by every notice or other document in respect of such shares which prior to his name and address being entered on the records of the Corporation shall have been duly given to the person or persons from whom he derives his title to such shares.

55. Deceased shareholder. Any notice or other document delivered or sent by post or left at the address of any shareholder as the same appears in the records of the Corporation shall, notwithstanding that such shareholder be then deceased and whether or not the Corporation has notice of his decease, be deemed to have been duly served in respect of the shares held by such shareholder (whether held solely or with other persons) until some other person be entered in his stead in the records of the Corporation as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or other document on his heirs, executors or administrators and all persons (if any) interested with him in such shares.

56. Signatures to notices. The signature of any director or officer of the Corporation to any notice may be written, printed or otherwise mechanically reproduced.

57. Computation of time. Where a given number of days' notice or notice extending over any period is required to be given under any provisions of the articles or by-laws of the Corporation, the day of service, posting or other communication of the notice shall, unless it is otherwise provided, be counted in such number of days or other period and such notice shall be deemed to have been given or sent on the day of service, posting or other communication.

58. Proof of service. A certificate of any officer of the Corporation in office at the time of the making of the certificate or of an agent of the Corporation as to facts in relation to the mailing, delivery, service or other communication of any notice or other documents to any shareholder, director, officer or auditor or as to the publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every shareholder, director, officer or auditor of the Corporation, as the case may be.

#### CHEQUES, DRAFTS, NOTES, ETC.

59. All cheques, drafts or orders for the payment of money and all notes, acceptances and bills of exchange shall be signed by such officer or officers or other person or persons, whether or not officers of the Corporation, and in such manner as the directors may from time to time designate by resolution.

#### CUSTODY OF SECURITIES

60. All securities (including warrants) owned by the Corporation shall be lodged (in the name of the corporation) with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the directors, with such other depositories or in such other manner as may be determined from time to time by the directors.

All securities (including warrants) belonging to the Corporation may be issued and held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer thereof to be completed and registration thereof to be effected.

#### EXECUTION OF CONTRACTS, ETC.

61. Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by any two directors and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The directors are authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation either to sign contracts, documents or instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the Corporation may, when required, be affixed to contracts, documents or instruments in writing signed as aforesaid or by an officer or officers, person or persons appointed as aforesaid by resolution of the board of directors.



The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of securities and all paper writings.

In particular, without limiting the generality of the foregoing, any two directors are authorized to sell, assign, transfer, exchange, convert or convey all securities owned by or registered in the name of the Corporation and to sign and execute (under the seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such securities.

The signature or signatures of any officer or director of the Corporation and/or of any other officer or officers, person or persons appointed as aforesaid by resolution of the directors may, if specifically authorized by resolution of the directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon all contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or securities of the Corporation on which the signature or signatures of any of the foregoing officers, directors or persons shall be so reproduced, by authorization by resolution of the directors, shall be deemed to have been manually signed by such officers, directors or persons whose signature or signatures is or are so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that the officers, directors or persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of delivery or issue of such contracts, documents or instruments in writing or securities of the Corporation.

#### ENFORCEMENT OF LIEN FOR INDEBTEDNESS

62. Subject to subsection 45(8) of the Act, if the articles of the Corporation provide that the Corporation has a lien on a share registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation, the directors of the Corporation may apply any dividends or other distributions paid or payable on or in respect of the share or shares in respect of which the Corporation has such a lien in repayment of the debt of that shareholder to the corporation.

#### FINANCIAL YEAR

63. The financial year of the Corporation shall terminate on such day in each year as the board of directors may from time to time by resolution determine.

ENACTED the 19th day of December, 1986.

/s/ William M. O'Reilly  
-----  
President

C.S.

/s/ Renate Noehammer  
-----  
Secretary

The undersigned, being the sole director of HAIDA THEATRE OPERATIONS LTD., pursuant to subsection 112(1) of the Canada Business Corporations Act, by his signature hereby makes the foregoing By-law No. 1 of the by-laws of the said Corporation.

DATED the 19th day of December, 1986.

/s/ William M. O'Reilly  
-----  
William M. O'Reilly

The undersigned, being the sole shareholder of HAIDA THEATRE OPERATIONS LTD., pursuant to subsection 136(1) of the Canada Business Corporations Act, by his signature hereby confirms without amendment the foregoing By-law No. 1 of the by-laws of the said Corporation made by the director of the said Corporation.

DATED the 19th day of December, 1986.

/s/ William M. O'Reilly  
-----  
William M. O'Reilly

The undersigned, being the sole shareholder of HAIDA THEATRE OPERATIONS LTD., pursuant to subsection 136(1) of the Canada Business Corporations Act, by his signature hereby confirms without amendment the foregoing By-law No. 1 of the by-laws of the said Corporation made by the director of the said Corporation.

DATED the 19th day of December, 1986.

/s/ William M. O'Reilly

-----  
William M. O'Reilly

HAIDA THEATRE OPERATIONS LTD.

-----  
THE TORONTO DOMINION BANK  
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BY-LAW NO. 2

A by-law respecting the borrowing of money and the issue of securities by HAIDA THEATRE OPERATIONS LTD.

BE IT ENACTED by the Directors of HAIDA THEATRE OPERATIONS LTD. as a by-law of the said Corporation as follows:

1. That the Directors of the Company may from time to time:

(a) borrow money upon the credit of the Company by obtaining loans or advances or by way of overdraft or otherwise;

(b) issue, sell or pledge securities of the Company including bonds, debentures, debenture stock, for such sums on such terms and at such prices as they may deem expedient;

(c) assign, transfer, convey, hypothecate, mortgage, pledge, charge or give security in any manner upon all or any of the real or personal, moveable or immovable property, rights, powers, choses in action, or other assets, present or future, of the Company to secure any such securities or other securities of the Company or any money borrowed or to be borrowed or any obligations or liabilities as aforesaid or otherwise of the Company heretofore, now or hereafter made or incurred directly or indirectly or otherwise; and

(d) without in any way limiting the powers herein conferred upon the Directors, give security or promises to give security, agreements, documents and instruments in any manner or form under the Bank Act or otherwise to secure any money borrowed or to be borrowed or any obligations or liabilities as aforesaid or otherwise of the Company heretofore, now or hereafter made or incurred directly or indirectly or otherwise.

2. That any or all of the foregoing powers may from time to time be delegated by the Directors to any one or more of the directors or officers of the Company.

3. That this By-law shall remain in force and be binding upon the Company as regards any person acting on the faith thereof until such person has received written notification from the Company that this By-law has been repealed or replaced.

ENACTED the 19th day of December, 1986.

WITNESS the corporate seal of the Company.

/s/ William M. O'Reilly  
-----  
President

C.S.

/s/ Renate Nuehammer  
-----  
Secretary

The undersigned, being the sole director of HAIDA THEATRE OPERATIONS LTD., pursuant to subsection 112(1) of the Canada Business Corporations Act, by his signature hereby makes the foregoing By-law No. 2 of the by-laws of the said Corporation.

DATED the 19th day of December, 1986.

The undersigned, being the sole shareholder of HAIDA THEATRE OPERATIONS LTD., pursuant to subsection 136(1) of the Canada Business Corporations Act, hereby confirms without amendment the foregoing By-law No. 2 of the by-laws of the said Corporation made by the director of the said Corporation.

DATED the 19th day of December, 1986

/s/ William M. O'Reilly  
-----  
William M. O'Reilly

The undersigned, being the sole shareholder of HAIDA THEATRE OPERATIONS LTD., pursuant to subsection 136(1) of the Canada Business Corporations Act, hereby confirms without amendment the foregoing By-law No. 2 of the by-laws of the said Corporation made by the director of the said Corporation.

DATED the 19th day of December, 1986.

/s/ William M. O'Reilly  
-----  
William M. O'Reilly

CERTIFICATE OF AMENDMENT  
OF  
CERTIFICATE OF INCORPORATION  
OF  
IMAX FILM DISTRIBUTION INC.

Imax Film Distribution Inc., a corporation duly organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify that:

I. The amendment to the Corporation's Certificate of Incorporation set forth below was duly adopted in accordance with the provisions of Section 242 and has been consented to in writing by the sole stockholder in accordance with Section 228 of the General Corporation Law of the State of Delaware.

II. Article FIRST of the Corporation's Certificate of Incorporation is amended to read in its entirety as follows:

"The name of the corporation is Strategic Sponsorship Corporation."

IN WITNESS WHEREOF, Imax Film Distribution Inc. has caused this Certificate to be executed by its authorized officer, on this 4th day of November, 1999.

IMAX FILM DISTRIBUTION INC.

By: /s/ John M. Davison

-----  
Name: John M. Davison  
Title: Vice President, Finance

By: /s/ Robert D. Lister

-----  
Name: Robert D. Lister  
Title: Vice President

Exhibit A to Written Consent of  
Sole Stockholder

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BY-LAWS

OF

IMAX FILM DISTRIBUTION INC.

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BY-LAWS  
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IMAX FILM DISTRIBUTION INC.

ARTICLE I  
OFFICES

SECTION 1.01. Registered Office. The registered office of Imax Film Distribution Inc. (the "Corporation") in the State of Delaware shall be at the principal office of The Corporation Service Company in the City of Wilmington, County of New Castle, and the registered agent in charge thereof shall be The Corporation Service Company.

SECTION 1.02. Other Offices. The Corporation may also have an office or offices at any other place or places within or without the State of Delaware as the Board of Directors of the Corporation (the "Board") may from time to time determine or the business of the Corporation may from time to time require.

ARTICLE II  
MEETINGS OF STOCKHOLDERS

SECTION 2.01. Annual Meetings. The annual meeting of stockholders of the Corporation for the election of directors of the Corporation ("Directors"), and for the transaction of such other business as may properly come before such meeting, shall be held at such place, date and time as shall be fixed by the Board and designated in the notice or waiver of notice of such annual meeting; provided, however, that no annual meeting of stockholders need be held if all actions, including the election of Directors, required by the General Corporation Law of the State of Delaware (the "General Corporation Law") to be taken at such annual meeting are taken by written consent in lieu of meeting pursuant to Section 2.09 hereof.

SECTION 2.02. Special Meetings. Special meetings of stockholders for any purpose or purposes may be called by the Board or the Chairman of the Board, the President or the Secretary of the Corporation or by the recordholders of at least a majority of the shares of common stock of the Corporation issued and outstanding ("Shares") and entitled to vote thereat, to be held at such place, date and time as shall be designated in the notice or waiver of notice thereof.

SECTION 2.03. Notice of Meetings. (a) Except as otherwise provided by law, written notice of each annual or special meeting of stockholders stating the place, date and time of such meeting and, in the case of a special meeting, the purpose or purposes for which such meeting is to be held, shall be given personally or by first-class mail (airmail in the case of international communications) to each recordholder of Shares (a "Stockholder") entitled to vote thereat, not less than 10 nor more than 60 days before the date of such meeting. If mailed, such

notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the Stockholder at such Stockholder's address as it appears on the records of the Corporation. If, prior to the time of mailing, the Secretary of the Corporation (the "Secretary") shall have received from any Stockholder a written request that notices intended for such Stockholder are to be mailed to some address other than the address that appears on the records of the Corporation, notices intended for such Stockholder shall be mailed to the address designated in such request.

(b) Notice of a special meeting of Stockholders may be given by the person or persons calling the meeting, or, upon the written request of such person or persons, such notice shall be given by the Secretary on behalf of such person or persons. If the person or persons calling a special meeting of Stockholders give notice thereof, such person or persons shall deliver a copy of such notice to the Secretary. Each request to the Secretary for the giving of notice of a special meeting of Stockholders shall state the purpose or purposes of such meeting.

SECTION 2.04. Waiver of Notice. Notice of any annual or special meeting of Stockholders need not be given to any Stockholder who files a written waiver of notice with the Secretary, signed by the person entitled to notice, whether before or after such meeting. Neither the business to be transacted at, nor the purpose of, any meeting of Stockholders need be specified in any written waiver of notice thereof. Attendance of a Stockholder at a meeting, in person or by proxy, shall constitute a waiver of notice of such meeting, except when such Stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the grounds that the notice of such meeting was inadequate or improperly given.

SECTION 2.05. Adjournments. Whenever a meeting of Stockholders, annual or special, is adjourned to another date, time or place, notice need not be given of the adjourned meeting if the date, time and place thereof are announced at the meeting at which the adjournment is taken. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Stockholder entitled to vote thereat. At the adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

SECTION 2.06. Quorum. Except as otherwise provided by law or the Certificate of Incorporation of the Corporation (the "Certificate of Incorporation"), the recordholders of a majority of the Shares entitled to vote thereat, present in person or by proxy, shall constitute a quorum for the transaction of business at all meetings of Stockholders, whether annual or special. If, however, such quorum shall not be present in person or by proxy at any meeting of Stockholders, the Stockholders entitled to vote thereat may adjourn the meeting from time to time in accordance with Section 2.05 hereof until a quorum shall be present in person or by proxy.

SECTION 2.07. Voting. Each Stockholder shall be entitled to one vote for each Share held of record by such Stockholder. Except as otherwise provided by law or the Certificate of Incorporation, when a quorum is present at any meeting of Stockholders, the vote of the recordholders of a majority of the Shares constituting such quorum shall decide any question brought before such meeting.

SECTION 2.08. Proxies. Each Stockholder entitled to vote at a meeting of Stockholders or to express, in writing, consent to or dissent from any action of Stockholders without a meeting may authorize another person or persons to act for such Stockholder by proxy. Such proxy shall be filed with the Secretary before such meeting of Stockholders or such action of Stockholders without a meeting, at such time as the Board may require. No proxy shall be voted or acted upon more than three years from its date, unless the proxy provides for a longer period.

SECTION 2.09. Stockholders' Consent in Lieu of Meeting. Any action required by the General Corporation Law to be taken at any annual or special meeting of Stockholders, and any action which may be taken at any annual or special meeting of Stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the recordholders of Shares having not less than the minimum number of votes necessary to authorize or take such action at a meeting at which the recordholders of all Shares entitled to vote thereon were present and voted.

### ARTICLE III

#### BOARD OF DIRECTORS

SECTION 3.01. General Powers. The business and affairs of the Corporation shall be managed by the Board, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law, the Certificate of Incorporation or these By-laws directed or required to be exercised or done by Stockholders.

SECTION 3.02. Number and Term of Office. The number of Directors shall be one or such other number as shall be fixed from time to time by the Board. Directors need not be Stockholders. Directors shall be elected at the annual meeting of Stockholders or, if, in accordance with Section 2.01 hereof, no such annual meeting is held, by written consent in lieu of meeting pursuant to Section 2.09 hereof, and each Director shall hold office until his successor is elected and qualified, or until his earlier death or resignation or removal in the manner hereinafter provided.

SECTION 3.03. Resignation. Any Director may resign at any time by giving written notice to the Board, the Chairman of the Board of the Corporation (the "Chairman") or the Secretary. Such resignation shall take effect at the time specified in such notice or, if the time be not specified, upon receipt thereof by the Board, the Chairman or the Secretary, as the case may be. Unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective.

SECTION 3.04. Removal. Any or all of the Directors may be removed, with or without cause, at any time by vote of the recordholders of a majority of the Shares then entitled to vote at an election of Directors, or by written consent of the recordholders of Shares pursuant to Section 2.09 hereof.

SECTION 3.05. Vacancies. Vacancies occurring on the Board as a result of the removal of Directors without cause may be filled only by vote of the recordholders of a majority

of the Shares then entitled to vote at an election of Directors, or by written consent of such recordholders pursuant to Section 2.09 hereof. Vacancies occurring on the Board for any other reason, including, without limitation, vacancies occurring as a result of the creation of new directorships that increase the number of Directors, may be filled by such vote or written consent or by vote of the Board or by written consent of the Directors pursuant to Section 3.08 hereof. If the number of Directors then in office is less than a quorum, such other vacancies may be filled by vote of a majority of the Directors then in office or by written consent of all such Directors pursuant to Section 3.08 hereof. Unless earlier removed pursuant to Section 3.04 hereof, each Director chosen in accordance with this Section 3.05 shall hold office until the next annual election of Directors by the Stockholders and until his successor shall be elected and qualified.

SECTION 3.06. Meetings. (a) Annual Meetings. As soon as practicable after each annual election of Directors by the Stockholders, the Board shall meet for the purpose of organization and the transaction of other business, unless it shall have transacted all such business by written consent pursuant to Section 3.08 hereof.

(b) Other Meetings. Other meetings of the Board shall be held at such times as the Chairman, the President of the Corporation (the "President"), the Secretary or a majority of the Board shall from time to time determine.

(c) Notice of Meetings. The Secretary shall give written notice to each Director of each meeting of the Board, which notice shall state the place, date, time and purpose of such meeting. Notice of each such meeting shall be given to each Director, if by mail, addressed to him at his residence or usual place of business, at least two days before the day on which such meeting is to be held, or shall be sent to him at such place by telecopy, telegraph, cable, or other form of recorded communication, or be delivered personally or by telephone not later than the day before the day on which such meeting is to be held. A written waiver of notice, signed by the Director entitled to notice, whether before or after the time of the meeting referred to in such waiver, shall be deemed equivalent to notice. Neither the business to be transacted at, nor the purpose of any meeting of the Board need be specified in any written waiver of notice thereof. Attendance of a Director at a meeting of the Board shall constitute a waiver of notice of such meeting, except as provided by law.

(d) Place of Meetings. The Board may hold its meetings at such place or places within or without the State of Delaware as the Board or the Chairman may from time to time determine, or as shall be designated in the respective notices or waivers of notice of such meetings.

(e) Quorum and Manner of Acting. One-third of the total number of Directors then in office (but in no event less than two if the total number of directorships, including vacancies, is greater than one and in no event a number less than one-third of the total number of directorships, including vacancies) shall be present in person at any meeting of the Board in order to constitute a quorum for the transaction of business at such meeting, and the vote of a majority of those Directors present at any such meeting at which a quorum is present shall be necessary for the passage of any resolution or act of the Board, except as otherwise expressly required by law, the Certificate of Incorporation or these By-laws. In the absence of a

quorum for any such meeting, a majority of the Directors present thereat may adjourn such meeting from time to time until a quorum shall be present.

(f) Organization. At each meeting of the Board, one of the following shall act as chairman of the meeting and preside, in the following order of precedence:

- (i) the Chairman;
- (ii) the President;
- (iii) any Director chosen by a majority of the Directors present.

The Secretary or, in the case of his absence, any person (who shall be an Assistant Secretary, if an Assistant Secretary is present) whom the chairman of the meeting shall appoint shall act as secretary of such meeting and keep the minutes thereof.

SECTION 3.07. Committees of the Board. The Board may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more Directors. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another Director to act at the meeting in the place of any such absent or disqualified member. Any committee of the Board, to the extent provided in the resolution of the Board designating such committee, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; provided, however, that no such committee shall have such power or authority in reference to amending the Certificate of Incorporation (except that such a committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the Board as provided in Section 151(a) of the General Corporation Law, fix the designations and any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the Corporation or the conversion into, or the exchange of such shares for, shares of any other class or classes of stock of the Corporation or fix the number of shares of any series of stock or authorize the increase or decrease of the shares of any series), adopting an agreement of merger or consolidation under Section 251 or 252 of the General Corporation Law, recommending to the Stockholders the sale, lease or exchange of all or substantially all the Corporation's property and assets, recommending to the Stockholders a dissolution of the Corporation or the revocation of a dissolution, or amending these By-laws; provided further, however, that, unless expressly so provided in the resolution of the Board designating such committee, no such committee shall have the power or authority to declare a dividend, to authorize the issuance of stock, or to adopt a certificate of ownership and merger pursuant to Section 253 of the General Corporation Law. Each committee of the Board shall keep regular minutes of its proceedings and report the same to the Board when so requested by the Board.

SECTION 3.08. Directors' Consent in Lieu of Meeting. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by all the members of the Board or such committee and such consent is filed with the minutes of the proceedings of the Board or such committee.

SECTION 3.09. Action by Means of Telephone or Similar Communications Equipment. Any one or more members of the Board, or of any committee thereof, may participate in a meeting of the Board or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

SECTION 3.10. Compensation. Unless otherwise restricted by the Certificate of Incorporation, the Board may determine the compensation of Directors. In addition, as determined by the Board, Directors may be reimbursed by the Corporation for their expenses, if any, in the performance of their duties as Directors. No such compensation or reimbursement shall preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

#### ARTICLE IV

##### OFFICERS

SECTION 4.01. Officers. The officers of the Corporation shall be the Chairman, the President, the Secretary and a Treasurer and may include one or more Vice Presidents and one or more Assistant Secretaries and one or more Assistant Treasurers. Any two or more offices may be held by the same person.

SECTION 4.02. Authority and Duties. All officers shall have such authority and perform such duties in the management of the Corporation as may be provided in these By-laws or, to the extent not so provided, by resolution of the Board.

SECTION 4.03. Term of Office, Resignation and Removal. (a) Each officer shall be appointed by the Board and shall hold office for such term as may be determined by the Board. Each officer shall hold office until his successor has been appointed and qualified or his earlier death or resignation or removal in the manner hereinafter provided. The Board may require any officer to give security for the faithful performance of his duties.

(b) Any officer may resign at any time by giving written notice to the Board, the Chairman, the President or the Secretary. Such resignation shall take effect at the time specified in such notice or, if the time be not specified, upon receipt thereof by the Board, the Chairman, the President or the Secretary, as the case may be. Unless otherwise specified therein, acceptance of such resignation shall not be necessary to make it effective.



(c) All officers and agents appointed by the Board shall be subject to removal, with or without cause, at any time by the Board or by the action of the recordholders of a majority of the Shares entitled to vote thereon.

SECTION 4.04. Vacancies. Any vacancy occurring in any office of the Corporation, for any reason, shall be filled by action of the Board. Unless earlier removed pursuant to Section 4.03 hereof, any officer appointed by the Board to fill any such vacancy shall serve only until such time as the unexpired term of his predecessor expires unless reappointed by the Board.

SECTION 4.05. The Chairman. The Chairman shall have the power to call special meetings of Stockholders, to call special meetings of the Board and, if present, to preside at all meetings of Stockholders and all meetings of the Board. The Chairman shall perform all duties incident to the office of Chairman of the Board and all such other duties as may from time to time be assigned to him by the Board or these By-laws.

SECTION 4.06. The President. The President shall be the chief executive officer of the Corporation and shall have general and active management and control of the business and affairs of the Corporation, subject to the control of the Board, and shall see that all orders and resolutions of the Board are carried into effect. The President shall perform all duties incident to the office of President and all such other duties as may from time to time be assigned to him by the Board or these By-laws.

SECTION 4.07. Vice Presidents. Vice Presidents, if any, in order of their seniority or in any other order determined by the Board, shall generally assist the President and perform such other duties as the Board or the President shall prescribe, and in the absence or disability of the President, shall perform the duties and exercise the powers of the President.

SECTION 4.08. The Secretary. The Secretary shall, to the extent practicable, attend all meetings of the Board and all meetings of Stockholders and shall record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform the same duties for any committee of the Board when so requested by such committee. He shall give or cause to be given notice of all meetings of Stockholders and of the Board, shall perform such other duties as may be prescribed by the Board, the Chairman or the President and shall act under the supervision of the Chairman. He shall keep in safe custody the seal of the Corporation and affix the same to any instrument that requires that the seal be affixed to it and which shall have been duly authorized for signature in the name of the Corporation and, when so affixed, the seal shall be attested by his signature or by the signature of the Treasurer of the Corporation (the "Treasurer") or an Assistant Secretary or Assistant Treasurer of the Corporation. He shall keep in safe custody the certificate books and stockholder records and such other books and records of the Corporation as the Board, the Chairman or the President may direct and shall perform all other duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board, the Chairman or the President.

SECTION 4.09. Assistant Secretaries. Assistant Secretaries of the Corporation ("Assistant Secretaries"), if any, in order of their seniority or in any other order determined by the Board, shall generally assist the Secretary and perform such other duties as the Board or the

Secretary shall prescribe, and, in the absence or disability of the Secretary, shall perform the duties and exercise the powers of the Secretary.

SECTION 4.10. The Treasurer. The Treasurer shall have the care and custody of all the funds of the Corporation and shall deposit such funds in such banks or other depositories as the Board, or any officer or officers, or any officer and agent jointly, duly authorized by the Board, shall, from time to time, direct or approve. He shall disburse the funds of the Corporation under the direction of the Board and the President. He shall keep a full and accurate account of all moneys received and paid on account of the Corporation and shall render a statement of his accounts whenever the Board, the Chairman or the President shall so request. He shall perform all other necessary actions and duties in connection with the administration of the financial affairs of the Corporation and shall generally perform all the duties usually appertaining to the office of treasurer of a corporation. When required by the Board, he shall give bonds for the faithful discharge of his duties in such sums and with such sureties as the Board shall approve.

SECTION 4.11. Assistant Treasurers. Assistant Treasurers of the Corporation ("Assistant Treasurers"), if any, in order of their seniority or in any other order determined by the Board, shall generally assist the Treasurer and perform such other duties as the Board or the Treasurer shall prescribe, and, in the absence or disability of the Treasurer, shall perform the duties and exercise the powers of the Treasurer.

#### ARTICLE V

##### CHECKS, DRAFTS, NOTES, AND PROXIES

SECTION 5.01. Checks, Drafts and Notes. All checks, drafts and other orders for the payment of money, notes and other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall be determined, from time to time, by resolution of the Board.

SECTION 5.02. Execution of Proxies. The Chairman or the President, or, in the absence or disability of both of them, any Vice President, may authorize, from time to time, the execution and issuance of proxies to vote shares of stock or other securities of other corporations held of record by the Corporation and the execution of consents to action taken or to be taken by any such corporation. All such proxies and consents, unless otherwise authorized by the Board, shall be signed in the name of the Corporation by the Chairman, the President or any Vice President.

#### ARTICLE VI

##### SHARES AND TRANSFERS OF SHARES

SECTION 6.01. Certificates Evidencing Shares. Shares shall be evidenced by certificates in such form or forms as shall be approved by the Board. Certificates shall be issued in consecutive order and shall be numbered in the order of their issue, and shall be signed by the

Chairman, the President or any Vice President and by the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer. If such a certificate is manually signed by one such officer, any other signature on the certificate may be a facsimile. In the event any such officer who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to hold such office or to be employed by the Corporation before such certificate is issued, such certificate may be issued by the Corporation with the same effect as if such officer had held such office on the date of issue.

SECTION 6.02. Stock Ledger. A stock ledger in one or more counterparts shall be kept by the Secretary, in which shall be recorded the name and address of each person, firm or corporation owning the Shares evidenced by each certificate evidencing Shares issued by the Corporation, the number of Shares evidenced by each such certificate, the date of issuance thereof and, in the case of cancellation, the date of cancellation. Except as otherwise expressly required by law, the person in whose name Shares stand on the stock ledger of the Corporation shall be deemed the owner and recordholder thereof for all purposes.

SECTION 6.03. Transfers of Shares. Registration of transfers of Shares shall be made only in the stock ledger of the Corporation upon request of the registered holder of such shares, or of his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary, and upon the surrender of the certificate or certificates evidencing such Shares properly endorsed or accompanied by a stock power duly executed, together with such proof of the authenticity of signatures as the Corporation may reasonably require.

SECTION 6.04. Addresses of Stockholders. Each Stockholder shall designate to the Secretary an address at which notices of meetings and all other corporate notices may be served or mailed to such Stockholder, and, if any Stockholder shall fail to so designate such an address, corporate notices may be served upon such Stockholder by mail directed to the mailing address, if any, as the same appears in the stock ledger of the Corporation or at the last known mailing address of such Stockholder.

SECTION 6.05. Lost, Destroyed and Mutilated Certificates. Each recordholder of Shares shall promptly notify the Corporation of any loss, destruction or mutilation of any certificate or certificates evidencing any Share or Shares of which he is the recordholder. The Board may, in its discretion, cause the Corporation to issue a new certificate in place of any certificate theretofore issued by it and alleged to have been mutilated, lost, stolen or destroyed, upon the surrender of the mutilated certificate or, in the case of loss, theft or destruction of the certificate, upon satisfactory proof of such loss, theft or destruction, and the Board may, in its discretion, require the recordholder of the Shares evidenced by the lost, stolen or destroyed certificate or his legal representative to give the Corporation a bond sufficient to indemnify the Corporation against any claim made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

SECTION 6.06. Regulations. The Board may make such other rules and regulations as it may deem expedient, not inconsistent with these By-laws, concerning the issue, transfer and registration of certificates evidencing Shares.

SECTION 6.07. Fixing Date for Determination of Stockholders of Record. In order that the Corporation may determine the Stockholders entitled to notice of or to vote at any meeting of Stockholders or any adjournment thereof, or to express consent to, or to dissent from, corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board may fix, in advance, a record date, which shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other such action. A determination of the Stockholders entitled to notice of or to vote at a meeting of Stockholders shall apply to any adjournment of such meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

ARTICLE VII

SEAL

SECTION 7.01. Seal. The Board may approve and adopt a corporate seal, which shall be in the form of a circle and shall bear the full name of the Corporation, the year of its incorporation and the words "Corporate Seal Delaware".

ARTICLE VIII

FISCAL YEAR

SECTION 8.01. Fiscal Year. The fiscal year of the Corporation shall end on the thirty-first day of December of each year unless changed by resolution of the Board.

ARTICLE IX

INDEMNIFICATION AND INSURANCE

SECTION 9.01. Indemnification. (a) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not

opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

(c) To the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 9.01(a) and (b) of these By-laws, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under Section 9.01(a) and (b) of these By-laws (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 9.01(a) and (b) of these By-laws. Such determination shall be made (i) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the stockholders of the Corporation.

(e) Expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation pursuant to this Article IX. Such expenses (including attorneys' fees) incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board deems appropriate.

(f) The indemnification and advancement of expenses provided by, or granted pursuant to, other Sections of this Article IX shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any law,

by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office.

(g) For purposes of this Article IX, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article IX with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(h) For purposes of this Article IX, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves service by, such director, officer, employee or agent with respect to any employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article IX.

(i) The indemnification and advancement of expenses provided by, or granted pursuant to, this Article IX shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 9.02. Insurance for Indemnification. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of Section 145 of the General Corporation Law.

#### ARTICLE X

#### AMENDMENTS

SECTION 10.01. Amendments. Any By-law (including these By-laws) may be adopted, amended or repealed by the vote of the recordholders of a majority of the Shares then entitled to vote at an election of Directors or by written consent of Stockholders pursuant to

Section 2.09 hereof, or by vote of the Board or by a written consent of Directors pursuant to Section 3.08 hereof.

UNANIMOUS WRITTEN CONSENT  
OF THE BOARD OF DIRECTORS OF  
IMAX FILM DISTRIBUTION INC.

The undersigned, being the sole member of the Board of Directors of Imax Film Distribution Inc., a Delaware Corporation (the "Corporation"), in accordance with Section 141(f) of the General Corporation Law of the State of Delaware, hereby consents to the adoption of the following resolutions as if such resolutions had been adopted at a duly convened meeting of the Board of Directors of the Corporation:

RESOLVED, that pursuant to Article IV, Section 4.03 of the By-laws of the Corporation, all officers of the Corporation are hereby removed; and

RESOLVED, that the persons specified on Schedule I hereto be, and they hereby are, elected to hold the offices set forth directly across from their respective names on Schedule I, each to hold office until his or her successor has been duly elected and shall qualify or as otherwise provided in the By-laws of the Corporation; and

RESOLVED, that pursuant to Article III, Section 3.02 of the By-laws of the Corporation, the number of the Directors serving on the Board of Directors shall be one.

IN WITNESS WHEREOF, this Consent has been signed and shall be effective as of the 15th day of June, 1994.

/s/ G. Mary Ruby

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G. Mary Ruby



SCHEDULE I

The following named individuals shall hold the offices indicated directly across from their names until their successors are duly appointed or validly elected and qualified:

Name -----	Office -----
Bradley J. Wechsler	President
John Davison	Vice President (Finance)
G. Mary Ruby	Secretary

UNANIMOUS WRITTEN CONSENT  
OF THE BOARD OF DIRECTORS OF  
IMAX FILM DISTRIBUTION INC.

The undersigned, being the sole member of the Board of Directors of Imax Film Distribution Inc., a Delaware Corporation (the "Corporation"), in accordance with Section 141(f) of the General Corporation Law of the State of Delaware, hereby consents to the adoption of the following resolution as if such resolution had been adopted at a duly convened meeting of the Board of Directors of the Corporation:

RESOLVED, that pursuant to Section 142 of the General Corporation Law of the State of Delaware and Section 4.02 of the By-laws of the Corporation, any two officers of the Corporation acting together be, and they hereby are, authorized to sign agreements, contracts, and other instruments made in the ordinary course of business binding the Corporation in the name and on behalf of the Corporation.

IN WITNESS WHEREOF, this consent has been signed and shall be effective as of the 25th day of July 1994.

/s/ G. Mary Ruby

-----  
G. Mary Ruby

WRITTEN CONSENT OF THE

SOLE STOCKHOLDER OF IMAX FILM DISTRIBUTION INC.

The undersigned, being the sole stockholder of Imax Film Distribution Inc., a Delaware Corporation (the "Corporation") in accordance with Section 228 of the General Corporation Law of the State of Delaware, hereby consents to the adoption of the following resolutions as if such resolutions had been adopted at a duly convened meeting of the stockholders of the Corporation:

RESOLVED, that all actions undertaken by the officers and directors of the Corporation on behalf of the Corporation prior to the date hereof, be and hereby are ratified, confirmed, and approved in all respects; and

RESOLVED, that each of the members of the Board of Directors of the Corporation is hereby removed pursuant to Article III, Section 3.6 of the By-laws of the Corporation; and

RESOLVED, that the By-laws in effect prior to the date hereof, including all amendments to such By-laws heretofore adopted, are hereby rescinded and repealed, and that the By-laws attached as Exhibit A hereto be and are adopted as the By-laws of the Corporation, and that a copy thereof be filed in the minute book of the Corporation; and

RESOLVED, that G. Mary Ruby be and hereby is elected, pursuant to the By-laws, as sole Director of the Corporation until her successor shall have been duly elected and shall qualify or as otherwise provided in the By-laws of the Corporation.

IN WITNESS WHEREOF, this Consent shall be effective as of June 15, 1994.

Dated: June 15, 1994

IMAX CORPORATION

By: /s/ G. Mary Ruby

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Name: G. Mary Ruby

Title: Vice-President  
Legal and Business Affairs

Industry Canada  
Canada Business  
Corporations Act

Industrie Canada  
Loi canadienne sur les  
societes par actions

ELECTRONIC TRANSACTION  
REPORT  
ARTICLES OF INCORPORATION  
(SECTION 6)

RAPPORT DE LA TRANSACTION  
ELECTRONIQUE  
STATUTS CONSTITUTIFS  
(ARTICLE 6)

E-Commerce/Commerce-E

Processing Type - Mode de Traitement:

1. NAME OF CORPORATION - DENOMINATION DE LA SOCIETE

TANTUS FILMS LTD.

2. THE PROVINCE OR TERRITORY IN CANADA WHERE THE REGISTERED OFFICE IS TO BE SITUATED -  
LA PROVINCE OU LE TERRITOIRE AN CANADA OU SE SITUERA LE SIEGE SOCIAL

ON

3. THE CLASSES AND ANY MAXIMUM NUMBER OF SHARES THAT THE CORPORATION IS AUTHORIZED TO ISSUE -  
CATEGORIES ET LE NOMBRE MAXIMAL D' ACTIONS QUE LA SOCIETE EST AUTORISEE A EMETTRE

The annexed Schedule 1 is incorporated in this form.  
L'annexe 1 ci-jointe fait partie integrante de la presente formule.

4. RESTRICTIONS, IF ANY, ON SHARE TRANSFERS - RESTRICTIONS SUR LE TRANSFERT DES ACTIONS, S'IL Y A LIEU

The annexed Schedule 2 is incorporated in this form.  
L'annexe 1 ci-jointe fait partie integrante de la presente formule.

5. NUMBER (OR MINIMUM AND MAXIMUM NUMBER) DIRECTORS - NOMBRE (OU NOMBRE MINIMAL ET MAXIMAL)  
D'ADMINISTRATEURS

Minimum: 1          Maximum: 10

6. RESTRICTIONS, IF ANY, ON BUSINESS THE CORPORATION MAY CARRY ON -  
LIMITES IMPOSES A L'ACTIVITE COMMERCIALE DE LA SOCIETE, S'IL Y A LIEU

The annexed Schedule 3 is incorporated in this form.  
L'annexe 3 ci-jointe fait partie integrante de la presente formule.

7. OTHER PROVISIONS, IF ANY - AUTRES DISPOSITIONS, S'IL Y A LIEU

The annexed Schedule 3 is incorporated in this form.  
L'annexe 4 ci-jointe fait partie integrante de la presente formule.

8. INCORPORATORS - FONDATEURS

NAME(s) - NOM(s)

ADDRESS (INCLUDING POSTAL CODE) - ADRESSE (INCLURE LE CODE POSTAL)

SIGNATURE

G. Mary Ruby

241 Inglewood Drive, Toronto, Ontario, Canada, M4T 1H8

/s/ G. Ruby

SCHEDULE / ANNEXE 1

The Corporation is authorized to issue an unlimited number of common shares, with the rights, privileges, restrictions and conditions of which are set out below:

- (a) **Payment of Dividends:** The holders of the common shares shall be entitled to receive dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends in such amounts and payable in such manner as the board of directors may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to or concurrently with the holders of the common shares, the board of directors may in its sole discretion declare dividends on the common shares to the exclusion of any other class of shares of the Corporation.
- (b) **Participation upon Liquidation, Dissolution or Winding Up:** In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the common shares shall, subject to the rights of the holders of any other class of shares of the Corporation entitled to receive assets of the Corporation upon such a distribution in priority to or concurrently with the holders of the common shares, be entitled to participate in the distribution. Such distribution shall be made in equal amounts per share on all the common shares at the time outstanding without preference or distinction.
- (c) **Voting Rights:** The holders of the common shares shall be entitled to receive notice of and to attend to all annual and special meetings of the shareholders of the Corporation and to 1 vote in respect of each common share held at all such meetings.

SCHEDULE / ANNEXE 2

No share in the capital of the Corporation may be transferred without the consent of the directors expressed by the votes of a majority of the directors at a meeting of the directors or by an instrument or instruments in writing signed by a majority of the directors.

None

SCHEDULE / ANNEXE 4

- (1) The number of shareholders of the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been formerly in the employment of the Corporation, were, while in that employment and have continued after the termination of that employment to be, shareholders of the Corporation, is limited to not more than fifty, two or more persons who are the joint registered owners of 1 or more shares being counted as 1 shareholder.
- (2) Any invitation to the public to subscribe for securities of the Corporation is prohibited.
- (3) The actual number of directors within the minimum and maximum number set out in paragraph 5 may be determined from time to time by resolution of the board of directors. Any vacancy among the directors resulting from an increase in the number of directors as so determined may be filled by resolution of the directors.



BY-LAW NO. 1

A BY-LAW RELATING GENERALLY TO  
THE TRANSACTION OF THE BUSINESS  
AND AFFAIRS OF

TANTUS FILMS LTD.

(HEREINAFTER REFERRED TO AS THE "CORPORATION")

DIRECTORS

1. Calling of and notice of meetings - Meetings of the board shall be held at such place and time and on such day as the Secretary, or a Vice-President or any two directors may determine. Notice of meetings of the board shall be given to each director not less than 48 hours before the time when the meeting is to be held. Each newly elected board may without notice hold its first meeting for the purposes of organization and the appointment of officers immediately following the meeting of shareholders at which such board was elected.

2. Votes to govern - At all meetings of the board every question shall be decided by a majority of the votes cast on the question; and in case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote.

3. Interest of directors and officers generally in contracts - No director or officer shall be disqualified by his office from contracting with the Corporation nor shall any contract or arrangement entered into by or on behalf of the Corporation with any director or officer or in which any director or officer is in any way interested be liable to be voided nor shall any director or officer so contracting or being so interested be liable to account to the Corporation for any profit realized by any such contract or arrangement by reason of such director or officer holding that office or of the fiduciary relationship thereby established; provided that the director or officer shall have complied with the provisions of the Canada Business Corporations Act.

SHAREHOLDERS' MEETINGS

4. Quorum - At any meeting of shareholders, a quorum shall be majority persons present in person and each entitled to vote thereat.

INDEMNIFICATION

5. Indemnification of directors and officers - The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of

which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives to the extent permitted by the Canada Business Corporations Act.

6. Indemnity of others - Except as otherwise required by the Canada Business Corporations Act and subject to paragraph 5, the Corporation may from time to time indemnify and save harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, agent of or participant in another body corporate, partnership, joint venture, trust or other enterprise, against expenses (including legal fees), judgments, fines and any amount actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted honestly and in good faith with a view to the best interests of the Corporation and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his conduct was lawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction shall not, of itself, create a presumption that the person did not act honestly and in good faith with a view to the best interests of the Corporation and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had no reasonable grounds for believing that his conduct was lawful.

7. Right of indemnity not exclusive - The provisions for indemnification contained in the by-laws of the Corporation shall not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors or otherwise, both as to action in his official capacity and as to action in another capacity, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and legal representatives of such a person.

8. No liability of directors or officers for certain matters - To the extent permitted by law, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or body corporate with whom or which any moneys, securities or other assets belonging to the Corporation shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to act honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs

services for the Corporation, the fact of his being a director or officer of the Corporation shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

#### BANKING ARRANGEMENTS, CONTRACTS, ETC.

9. Banking arrangements - The banking business of the Corporation, or any part thereof shall be transacted with such banks, trust companies or other financial institutions as the board may designate, appoint or authorize from time to time by resolution and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers and/or other persons as the board may designate, direct or authorize from time to time by resolution and to the extent therein provided.

10. Execution of instruments - Contracts, documents or instruments in writing requiring execution by the Corporation shall be signed by any two officers or directors, and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board is authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation to sign and deliver either contracts, documents or instruments in writing generally or to sign either manually or by facsimile signature and deliver specific contracts, documents or instruments in writing. The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, charges, conveyances, powers of attorney, transfers and assignments of property of all kinds (including specifically but without limitation transfers and assignments of shares, warrants, bonds, debentures or other securities), proxies for shares and other securities and all paper writings.

#### MISCELLANEOUS

11. Invalidity of any provisions of this by-law - The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

12. Omissions and errors - The accidental omission to give any notice to any shareholder, director, officer or auditor or the non-receipt of any notice by any shareholder, director, officer or auditor or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

#### INTERPRETATION

13. Interpretation - In this by-law and all other by-laws of the Corporation words importing the singular number only shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders; words importing persons shall include an individual, partnership, association, body corporate, executor, administrator or legal representative and any number or aggregate of persons; "articles" include the original or restated

articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement and articles of revival; "board" shall mean the board of directors of the Corporation; "Canada Business Corporations Act" shall mean Canada Business Corporations Act, R.S.C. 1985, c. C-44 as amended from time to time or any Act that may hereafter be substituted therefor, and "meeting of shareholders" shall mean and include an annual meeting of shareholders and a special meeting of shareholders.

RESOLVED that the foregoing By-law No. 1 is made a by-law of the Corporation.

The undersigned, being the sole director of Tantus Films Ltd., hereby signs the foregoing resolution.

DATED March 22, 2002

/s/ G. Mary Ruby  
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G. Mary Ruby

RESOLVED that the foregoing By-law No. 1 of the by-laws of the Corporation is hereby confirmed.

The undersigned, being the sole shareholder of Tantus Films Ltd., hereby signs the foregoing resolution.

DATED March 22, 2002.

IMAX CORPORATION

Per: /s/ G. Mary Ruby  
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Per: signed  
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Request ID: 005058861 Province of Ontario  
Demande no: Province de l'Ontario  
Transaction ID: 020608803 Ministry of Consumer and Commercial Relations  
Transaction no: Ministère de la Consommation et du Commerce  
Category ID: CT Companies Branch  
Categorie: Direction des compagnies

Date Report Produced:  
Document produit le:  
Time Report Produced: 10:55:54  
Imprime a:

CERTIFICATE OF INCORPORATION  
CERTIFICAT DE CONSTITUTION

This is to certify that Ceci certifie que

T A N T U S I I F I L M S L T D.

Ontario Corporation No. Numero matricule de la personne  
morale en Ontario

0 0 2 0 2 5 0 1 8

is a corporation incorporated,  
under the laws of the Province  
of Ontario.

est une societe constituee aux termes  
des lois de la province de l'Ontario.

These articles of incorporation  
are effective on

Les presents statuts constitutifs  
entrent en vigueur le

A P R I L 0 7 A V R I L, 2 0 0 3

(Signature)

Director/Directrice  
Business Corporations Act/Loi sur les societes par actions

Request ID / Demande no	Ontario Corporation Number Numero de la compagnie en Ontario
5058861	2025018

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FORM 1	FORMULE NUMERO 1
BUSINESS CORPORATIONS ACT	/ LOI SUR LES COMPAGNIES

ARTICLES OF INCORPORATION  
STATUTS CONSTITUTIFS

1. The name of the corporation is: Denomination sociale de la compagnie:  
TANTUS II FILMS LTD.

2. The address of the registered office is: Adresse du siege social:  
2525 SPEAKMAN DRIVE

(Street & Number, or R.R. Number & if Multi-Office Building give Room No.)  
(Rue et numero, ou numero de la R.R. et, s'il s'agit edifice a bureau,  
numero du bureau)

MISSISSAUGA CANADA	ONTARIO L5K 1B1
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(Name of Municipality or Post Office) (Postal Code/Code postal)  
(Nom de la municipalite ou du bureau  
de poste)

3. Number (or minimum and maximum number) of directors is: Nombre (ou nombres minimal et maximal) d'administrateurs:  
Minimum 1 Maximum 10

4. The first director(s) is/are: Premier(s) administrateur(s):  
First name, initials and surname Resident Canadian State Yes or No  
Prenom, initiales et nom de famille Resident Canadien Oui/Non  
Address for service, giving Street & Domicile élu, y compris la rue et  
No. or R.R. No., Municipality and le numero, le numero de la R.R.,  
Postal Code ou le nom de la municipalite et  
le code postal

\* G. MARY RUBY YES  
2525 SPEAKMAN DRIVE  
MISSISSAUGA ONTARIO  
CANADA L5K 1B1

Request ID / Demande no

Ontario Corporation Number  
Numero de la compagnie en Ontario

5058861

2025018

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5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.  
Limites, s'il y a lieu, imposees aux activites commerciales ou aux pouvoirs de la compagnie.

None

6. The classes and any maximum number of shares that the corporation is authorized to issue:  
Categories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisee a emettre:

An unlimited number of common shares

Request ID / Demande no

Ontario Corporation Number  
Numero de la compagnie en Ontario

5058861

2025018

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7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:

Droits, privileges, restrictions et conditions, s'il y a lieu, rattaches a chaque categorie d'actions et pouvoirs des administrateurs relatifs a chaque categorie d'actions que peut etre emise en serie:

(a) Payment of Dividends: The holders of the common shares shall be entitled to receive dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends in such amounts and payable in such manner as the board of directors may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to or concurrently with the holders of the common shares, the board of directors may in its sole discretion declare dividends on the common shares to the exclusion of any other class of shares of the Corporation.

(b) Participation upon Liquidation, Dissolution or Winding Up: In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the common shares shall, subject to the rights of the holders of any other class of shares of the Corporation entitled to receive assets of the Corporation upon such a distribution in priority to or concurrently with the holders of the common shares, be entitled to participate in the distribution. Such distribution shall be made in equal amounts per share on all the common shares at the time outstanding without preference or distinction.

(c) Voting Rights: The holders of the common shares shall be entitled to receive notice of and to attend all annual and special meetings of the shareholders of the Corporation and to one vote in respect of each common share held at all such meetings.



Request ID / Demande no

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Numero de la compagnie en Ontario

5058861

2025018

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8. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:  
L'emission, le transfert ou la propriete d'actions est/n'est pas restreinte. Les restrictions, s'il y a lieu, sont les suivantes:

No share in the capital of the Corporation shall be transferred without the consent of the directors expressed by the votes of a majority of the directors at a meeting of the directors or by an instrument or instruments in writing signed by a majority of the directors.

Request ID / Demande no

Ontario Corporation Number  
Numero de la compagnie en Ontario

5058861

2025018

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9. Other provisions, (if any, are):  
Autres dispositions, s'il y a lieu:

(1) The number of shareholders of the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been formerly in the employment of the Corporation, were, while in that employment and have continued after the termination of that employment to be, shareholders of the Corporation, is limited to not more than 50, 2 or more persons who are the joint registered owners of 1 or more shares being counted as 1 shareholder.

(2) Any invitation to the public to subscribe for securities of the Corporation is prohibited.

Request ID / Demande no

Ontario Corporation Number  
Numero de la compagnie en Ontario

5058861

2025018

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10. The names and addresses of the incorporators are  
Nom et adresse des fondateurs

First name, initials and last name  
or corporate name

Prenom, initiale et nom de  
famille ou denomination sociale

Full address for service or address of registered office or of principal  
place of business giving street & No. or R.R. No., municipality and postal  
code

Domicile élu, adresse du siege social au adresse de l'etablissement  
principal, y compris la rue et le numero, le numero de la R.R., le nom de  
la municipalite et le code postal

\* LAURA S. UYENAKA

8 PARK ROAD Suite 1701

TORONTO ONTARIO  
CANADA M4W 3S5

BY-LAW NO. 1

A by-law relating generally to  
the transaction of the business  
and affairs of

TANTUS II FILMS LTD.

DIRECTORS

1. Calling of and notice of meetings Meetings of the board will be held on such day and at such time and place as the President or Secretary of the Corporation or any one director may determine. Notice of meetings of the board will be given to each director not less than 48 hours before the time when the meeting is to be held. Each newly elected board may without notice hold its first meeting for the purposes of organization and the appointment of officers immediately following the meeting of shareholders at which such board was elected.
2. Place of meetings Meetings of the board may be held at any place within or outside Ontario and in any financial year of the Corporation it will not be necessary for a majority of the meetings of the board to be held at a place within Canada.
3. Votes to govern At all meetings of the board every question will be decided by a majority of the votes cast on the question; and in case of an equality of votes the chair of the meeting will not be entitled to a second or casting vote.
4. Interest of directors and officers generally in contracts No director or officer will be disqualified by his or her office from contracting with the Corporation nor will any contract or arrangement entered into by or on behalf of the Corporation with any director or officer or in which any director or officer is in any way interested be liable to be voided nor will any director or officer so contracting or being so interested be liable to account to the Corporation for any profit realized by any such contract or arrangement by reason of such director or officer holding that office or of the fiduciary relationship thereby established provided that, in each case, the director or officer has complied with the provisions of the Business Corporations Act.

SHAREHOLDERS' MEETINGS

5. Quorum At any meeting of shareholders a quorum will be one person present in person or by telephonic or electronic means and entitled to vote at the meeting.
6. Casting vote In the case of an equality of votes at any meeting of shareholders the chair of the meeting will not be entitled to a second or casting vote.
7. Meetings by telephonic or electronic means A meeting of the shareholders may be held by telephonic or electronic means.
8. Postponement or cancellation of meetings A meeting of shareholders may be postponed or cancelled by the board at any time prior to the date of the meeting.

9. Procedures at meetings The board may determine the procedures to be followed at any meeting of shareholders including, without limitation, the rules of order. Subject to the foregoing, the chair of a meeting may determine the procedures of the meeting in all respects.

#### INDEMNIFICATION

10. Indemnification of directors and officers The Corporation will indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his or her heirs and legal representatives to the extent permitted by the Business Corporations Act.

11. Indemnity of others Except as otherwise required by the Business Corporations Act and subject to paragraph 10, the Corporation may from time to time indemnify and save harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, agent of or participant in another body corporate, partnership, trust, joint venture or unincorporated association or organization, against expenses (including legal fees), judgments, fines and any amount actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which he or she served at the Corporation's request and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his or her conduct was lawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction will not, of itself, create a presumption that the person did not act honestly and in good faith with a view to the best interests of the Corporation or other entity and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had no reasonable grounds for believing that his or her conduct was lawful.

12. Right of indemnity not exclusive The provisions for indemnification contained in the by-laws of the Corporation will not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors or otherwise, both as to action in his or her official capacity and as to action in another capacity, and will continue as to a person who has ceased to be a director, officer, employee or agent and will inure to the benefit of that person's heirs and legal representatives.

13. No liability of directors or officers for certain matters To the extent permitted by law, no director or officer for the time being of the Corporation will be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation will be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or

body corporate with whom or which any moneys, securities or other assets belonging to the Corporation will be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his or her respective office or trust or in relation thereto unless the same will happen by or through his or her failure to act honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. If any director or officer of the Corporation is employed by or performs services for the Corporation otherwise than as a director or officer or is a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Corporation, the fact that the person is a director or officer of the Corporation will not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

BANKING ARRANGEMENTS, CONTRACTS, ETC.

14. Banking arrangements The banking business of the Corporation, or any part thereof, will be transacted with such banks, trust companies or other financial institutions as the board may designate, appoint or authorize from time to time and all such banking business, or any part thereof, will be transacted on the Corporation's behalf by one or more officers or other persons as the board may designate, direct or authorize from time to time.

15. Execution of instruments Contracts, documents or instruments in writing requiring execution by the Corporation will be signed by hand by any two persons each of whom is an officer or director of the Corporation (whether under the corporate seal of the Corporation, if any, or otherwise) and all contracts, documents or instruments in writing so signed will be binding upon the Corporation without any further authorization or formality. The board is authorized from time to time by resolution

- (a) to appoint any officer or any other person on behalf of the Corporation to sign by hand (whether under the corporate seal of the Corporation, if any, or otherwise) and deliver either contracts, documents or instruments in writing generally or to sign either by hand or by facsimile or mechanical signature or otherwise (whether under the corporate seal of the Corporation, if any, or otherwise) and deliver specific contracts, documents or instruments in writing, and
- (b) to delegate to any two officers of the Corporation the powers to designate, direct or authorize from time to time in writing one or more officers or other persons on the Corporation's behalf to sign either by hand or by facsimile or mechanical signature or otherwise (whether under the corporate seal of the Corporation, if any, or otherwise) and deliver contracts, documents or instruments in writing of such type and on such terms and conditions as such two officers see fit.

Contracts, documents or instruments in writing that are to be signed by hand may be signed electronically. The term "contracts, documents or instruments in writing" as used in this by-law includes without limitation deeds, mortgages, charges, conveyances, powers of attorney,

transfers and assignments of property of all kinds (including specifically but without limitation transfers and assignments of shares, warrants, bonds, debentures or other securities), proxies for shares or other securities and all paper writings.

#### MISCELLANEOUS

16. Invalidation of any provisions of this by-law The invalidity or unenforceability of any provision of this by-law will not affect the validity or enforceability of the remaining provisions of this by-law.

17. Omissions and errors The accidental omission to give any notice to any shareholder, director, officer or auditor or the non-receipt of any notice by any shareholder, director, officer or auditor or any error in any notice not affecting its substance will not invalidate any action taken at any meeting to which the notice related or otherwise founded on the notice.

#### JNTERPRETATION

18. Interpretation In this by-law and all other by-laws of the Corporation words importing the singular number only include the plural and vice versa; words importing any gender include all genders; words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and governmental authorities; "board" means the board of directors of the Corporation; "Business Corporations Act" means the Business Corporations Act, R.S.O. 1990, c. B.16 as from time to time amended, re-enacted or replaced; terms that are not otherwise defined in this by-law have the meanings attributed to them in the Business Corporations Act; and "meeting of shareholders" means an annual meeting of shareholders or a special meeting of shareholders.

RESOLVED that the foregoing By-law No. 1 is made a by-law of the Corporation.

The undersigned, being the sole director of TANTUS II FILMS LTD., signs the foregoing resolution.

DATED as of April 7, 2003.

signed

-----  
/s/ G. Mary Ruby

-----  
G. Mary Ruby

RESOLVED that the foregoing By-law No. 1 of the by-laws of the Corporation is confirmed.

The undersigned, being the sole shareholder of TANTUS II FILMS LTD., signs the foregoing resolution.

DATED as of April 7, 2003.

IMAX CORPORATION

Per: /s/ G. Mary Ruby

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signed



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FOR MINISTRY USE ONLY  
A L'USAGE EXCLUSIL DU MINISTERE

ONTARIO CORPORATION  
NUMERO DE LA SOCIETE EN ONTARIO

Ministry of  
Consumer and  
Commercial Relations  
CERTIFICATE

Ministere du  
la Consommation  
et du Commerce  
CERTIFICAT  
Ceci certifie quo les presente  
statuts entrent en vigueur en

1282027

This is to certify that these  
articles are effective on

FEBRUARY 16      FEVRIER, 1998

/s/

Director/Directeur  
Business Corporation Act/Loi sur les societes par actions

ARTICLES OF INCORPORATION  
STATUTS CONSTITUTIFS

FORM 1  
BUSINESS  
CORPORATIONS  
ACT

FORMULE 1  
LOI SUR LES  
SOCIETES PAR  
ACTIONS

1. THE NAME OF THE CORPORATION IS      DENOMINATION SOCIALE DE LA SOCIETE

WIRE FRAME FILMS LTD.

2. THE ADDRESS OF THE REGISTERED OFFICE:      ADRESSE DU SIEGE SOCIAL:

2525 Speakman Drive

(STREET & NUMBER, OR R.R. NUMBER & IF MULTI-OFFICE BUILDING GIVE ROOM NO.)  
(RUE ET NUMERO, OU NUMERO DE LA R.R. ET, S'IL S'AGIT D'UN EDIFICE A BUREAUX, NUMERO DU BUREAU)

Mississauga, Ontario

L5K 1B1

(NAME OF MUNICIPALITY OR POST OFFICE)  
(NOM DE LA MUNICIPALITE OU DU BUREAU DE POSTE)

(POSTAL CODE)  
(CODE POSTAL)

3. NUMBER (OR MINIMUM AND MAXIMUM NUMBER) OF DIRECTORS IS:      NOMBRE (OU NOMBRES MINIMAL ET MAXIMAL) D'ADMINISTRATEURS:

A minimum of one and a maximum of ten.

4. THE FIRST DIRECTOR(S) IS/ARE:	PREMIER(S) ADMINISTRATEUR(S):	RESIDENT CANADIAN STATE YES OR NO RESIDENT CANADIEN OUI/NON
FIRST NAME, INITIALS AND SURNAME PRENOM, INITIALES ET NOM DE FAMILIE	RESIDENCE ADDRESS, GIVING STREET & NO. OR R.R. NO., MUNICIPALITY AND POSTAL CODE ADRESSE PERSONNELLE, Y COMPRIS LA RUE ET LE NUMERO, LE NUMERO DE LA R.R., LE NOM DE LA MUNICIPALITE ET LE CODE POSTAL	

Joan Cameron

25 The Esplanade  
Apt. 612  
Toronto, Ontario  
M5E 1W5

Yes

5. RESTRICTIONS, IF ANY, ON BUSINESS THE CORPORATION MAY CARRY ON OR ON POWERS THE CORPORATION MAY EXERCISE.

LIMITES, S'IL Y A LIEU, IMPOSEES AUX ACTIVITES COMMERCIALES OU AUX POUVOIRS DE LA SOCIETE.

There are no restrictions.

6. THE CLASSES AND ANY MAXIMUM NUMBER OF SHARES THAT THE CORPORATION IS AUTHORIZED TO ISSUE:

CATEGORIES ET NOMBRE MAXIMAL, S'IL Y A LIEU, D' ACTIONS QUE LA SOCIETE EST AUTORISEE A EMETTRE:

The Corporation is authorized to issue an unlimited number of common shares.

07/96

CBR 190

7. RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS (IF ANY) ATTACHING TO EACH CLASS OF SHARES AND DIRECTORS AUTHORITY WITH RESPECT TO ANY CLASS OF SHARES WHICH MAY BE ISSUED IN SERIES:
- DROITS, PRIVILEGES, RESTRICTIONS ET CONDITIONS, S'IL Y A LIEU, RATTACHES A CHAQUE CATEGORIE D' ACTIONS ET POUVOIRS DES ADMINISTRATEURS RELATIFS A CHAQUE CATEGORIE D' ACTIONS QUI PEUT ETRE EMISE EN SERIE:

- (1) The rights, privileges, restrictions and conditions attaching to the common shares are as follows:
- (a) PAYMENTS OF DIVIDENDS: The holders of the common shares shall be entitled to receive dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends in such amounts and payable in such manner as the board of directors may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to or concurrently with the holders of the common shares, the board of directors may in their sole discretion declare dividends on the common shares to the exclusion of any other class of shares of the Corporation.
  - (b) PARTICIPATION UPON LIQUIDATION, DISSOLUTION OR WINDING-UP: In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the common shares shall, subject to the rights of the holders of any other class of shares of the Corporation entitled to receive the assets of the Corporation upon such a distribution in priority to or concurrently with the holders of the common shares, be entitled to participate concurrently in any distribution of the assets of the Corporation.
  - (c) VOTING RIGHTS: The holders of the common shares shall be entitled to receive notice of and to attend all annual and special meetings of the shareholders of the Corporation and to one vote in respect of each common share held at all such meetings.

07/96

CBR 190

8. THE ISSUE, TRANSFER OR OWNERSHIP OF SHARES IS/IS NOT RESTRICTED AND THE RESTRICTIONS (IF ANY) ARE AS FOLLOWS: L'EMISSION, LE TRANSFERT OU LA PROPRIETE D' ACTIONS EST/N'EST PAS RESTREINT. LE RESTRICTIONS, S'IL Y A LIEU, SONT LES SUIVANTES:

No share in the capital of the Corporation shall be transferred without the consent of the directors expressed by the votes of a majority of the directors at a meeting of the directors or by an instrument or instruments in writing signed by a majority of the directors.

07/96

CBR 190

9. OTHER PROVISIONS, IF ANY, ARE:

AUTRES DISPOSITIONS, S'IL Y A LIEU:

- (1) The number of shareholders of the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been formerly in the employment of the Corporation, were, while in that employment and have continued after the termination of that employment to be, shareholders of the Corporation, is limited to not more than fifty, two or more persons who are the joint registered owners of one or more shares being counted as one shareholder.
- (2) Any invitation to the public to subscribe for securities of the Corporation is prohibited.

07/96

CBR 190

10. THE NAMES AND ADDRESSES OF THE INCORPORATORS  
ARE FIRST NAME, INITIALS AND SURNAME OR  
CORPORATE NAME  
PRENOM, INITIALE ET NON DE FAMILLE  
OU DENOMINATION SOCIALE

NOM ET ADRESSE DES FONDATEURS  
FULL RESIDENCE ADDRESS OR ADDRESS OF REGISTERED  
OFFICE OR OF PRINCIPAL PLACE OF BUSINESS GIVING  
STREET & NO. OR R.R. NO., MUNICIPALITY AND POSTAL CODE  
ADRESSE PERSONNELLE AU COMPLET, ADRESSE DU SIEGE  
SOCIAL OU ADRESSE DE L'ETABLISSEMENT PRINCIPAL, Y  
COMPRIS LA RUE ET LE NUMERO, LE NUMERO DE LA R.R., LE  
NOM DE LA MUNICIPALITE ET LE CODE POSTAL

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Joan Cameron

25 The Esplanade  
Apt. 612  
Toronto, Ontario  
M5E 1W5

THESE ARTICLES ARE SIGNED IN DUPLICATE.

LES PRESENTS STATUTS SONT SIGNES EN DOUBLE EXEMPLAIRE.

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SIGNATURES OF INCORPORATORS  
(SIGNATURES DES FONDATEURS)

/s/ Joan Cameron

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Joan Cameron

WIRE FRAME FILMS LTD.

BY-LAW NO. 1

A by-law relating generally to the conduct of the affairs of the Corporation.

INTERPRETATION

1. Interpretation. In this by-law and all other by-laws of the Corporation, unless the context otherwise specifies or requires:

- (a) "Act" means the Business Corporations Act (Ontario), as from time to time amended and every statute that may be substituted therefore and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Act shall be read as references to the substituted provisions therefore in the new statute or statutes;
- (b) "Regulations" means the Regulations made under the Act as from time to time amended and every regulation that may be substituted therefore and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Regulations shall be read as references to the substituted provisions therefore in the new regulations;
- (c) "by-law" means any by-law of the Corporation from time to time in force and effect;
- (d) all terms which are contained in the by-laws and which are defined in the Act or the Regulations shall have the meanings respectively given to such terms in the Act or the Regulations;
- (e) words importing the singular number only shall include the plural and vice versa and words importing a specific gender shall include the other genders; and
- (f) the headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

SEAL

2. Seal. The Corporation may but need not have a corporate seal. Any corporate seal adopted for the Corporation shall be such as the board of directors may by resolution from time to time approve.

DIRECTORS

3. Duties and Number. Subject to any unanimous shareholder agreement, the directors shall manage or supervise the management of the business and affairs of the Corporation. The board

of directors shall consist of the number of directors set out in the articles of the Corporation or, where a minimum and maximum number is provided for in the articles, such number of directors as shall be determined from time to time by special resolution or, if the special resolution empowers the directors to determine the number, by resolution of the directors. A majority of the directors shall be resident Canadians except that where the Corporation has only one or two directors, that director or one of the two directors, as the case may be, shall be a resident Canadian. If the Corporation is an offering corporation, at least one-third of the directors shall not be officers or employees of the Corporation or of any affiliate of the Corporation.

4. Term of Office. A director's term of office (subject to (a) the provisions of the articles of the Corporation; (b) the provisions of the Act; (c) any unanimous shareholder agreement; and (d) any expressly stated term of office) shall be from the date on which he is elected or appointed until the close of the annual meeting next following.

5. Vacation of Office. The office of a director shall ipso facto be vacated: (a) if he becomes bankrupt or suspends payment of his debts generally or compounds with his creditors or makes an authorized assignment or is declared insolvent; (b) if he is found to be a mentally incompetent person or of unsound mind; (c) subject to the provisions of the Act, if by notice in writing to the Corporation he resigns his office, which resignation shall be effective at the time it is received by the Corporation or at the time specified in the notice, whichever is later; (d) if he dies; or (e) if he is removed from office by the shareholders in accordance with paragraph 6.

6. Election and Removal. Subject to Section 120 of the Act the shareholders of the Corporation shall elect, at the first meeting of shareholders and at each succeeding annual meeting at which an election of directors is required, directors to hold office for a term expiring not later than the close of the third annual meeting of shareholders following the election. A director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of shareholders following his election, but, if qualified, is eligible for re-election. If directors are not elected at a meeting of shareholders, the incumbent directors continue in office until their successors are elected. Provided always that, subject to Section 122 of the Act, the shareholders of the Corporation may, by ordinary resolution passed at an annual or special meeting of shareholders, remove any director or directors from office and a vacancy created by the removal of a director may be filled at the meeting of the shareholders at which the director is removed.

7. Committee of Directors. The directors may appoint from among their number a committee of directors and subject to Subsection 127(3) of the Act may delegate to such committee any of the powers of the directors. A majority of the directors of any such committee must be resident Canadians. Subject to the by-laws and any resolution of the board of directors, the committee of directors, if any, may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit and may from time to time adopt, amend or repeal rules or procedures in this regard. Subject to the Act, except to the extent otherwise determined by the board of directors or, failing such determination, as determined by the committee of directors, the provisions of paragraphs 8 to 15, inclusive, shall apply, mutatis mutandis, to such committee.



## MEETINGS OF DIRECTORS

8. Place of Meeting. Meetings of the directors may be held within or outside Ontario and it shall not be necessary in any financial year of the Corporation to hold a majority of the meetings of the directors at a place within Canada.

9. Notice. A meeting of directors may be convened by the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President if he is a director, a Vice-President who is a director or any two directors at any time and the Secretary, when directed or authorized by any of such officers or any two directors, shall convene a meeting as directors. The notice of any meeting convened as aforesaid need not specify the purpose of or the business to be transacted at the meeting. Notice of any such meeting shall be served in the manner specified in paragraph 57 of this by-law not less than two (2) days (exclusive of the day on which the notice is delivered or sent but inclusive of the day for which notice is given) before the meeting is to take place; provided always that a director may in any manner and at any time waive notice of a meeting of directors and attendance of a director at a meeting of directors shall constitute a waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called; provided further that meetings of directors may be held at any time without notice if all the directors are present (except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the absent directors waive notice before or after the date of such meeting.

If the first meeting of the directors following the election of directors by the shareholders is held immediately thereafter, then for such meeting or for a meeting of the directors at which a director is appointed to fill a vacancy in the board, no notice shall be necessary to the newly elected or appointed directors or director in order to legally constitute the meeting, provided that a quorum of the directors is present.

10. Omission of Notice. The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any person shall not invalidate any resolution passed or any proceeding taken at such meeting.

11. Adjournment. Any meeting of directors may be adjourned from time to time by the chairman of the meeting, with the consent of the meeting, to a fixed time and place. Notice of any adjourned meeting of directors is not required to be given if the time and place of the adjourned meeting is announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The directors who formed quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

12. Quorum. A majority of the directors shall form a quorum for the transaction of business and, notwithstanding any vacancy among the directors, a quorum of directors may exercise all the powers of directors. No business shall be transacted at a meeting of directors unless a quorum of the board of directors is present and, except as otherwise permitted by the Act, a majority of directors present are resident Canadians.

13. Telephone Participation. If all of the directors of the Corporation present at or participating in the meeting consent, a meeting of directors may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such meeting by such means is deemed for the purpose of the Act to be present at that meeting.

14. Voting. Questions arising at any meeting of the board of directors shall be decided by a majority of votes. In case of an equality of votes the chairman of the meeting in addition to his original vote shall have a second or casting vote.

15. Resolution in Lieu of Meeting. Notwithstanding any of the provisions of this law, but subject to the Act or any unanimous shareholder agreement, a resolution in writing, signed by all of the directors entitled to vote on that resolution at a meeting of the directors is as valid as if it had been passed at a meeting of the directors.

#### REMUNERATION OF DIRECTORS

16. Remuneration of Directors. The remuneration to be paid to the directors shall be such as the board of directors shall from time to time determine and such remuneration shall be in addition to the salary paid to any officer or employee of the Corporation who is also a member of the board of directors. The board of directors may also award special remuneration to any director undertaking any special services on the Corporation's behalf other than the routine work ordinarily required of a director by the Corporation and the confirmation of any such resolution or resolutions by the shareholders shall not be required. The directors shall also be entitled to be paid their traveling and other expenses properly incurred by them in connection with the affairs of the Corporation.

#### SUBMISSION OF CONTRACTS OR TRANSACTIONS TO SHAREHOLDERS FOR APPROVAL

17. Submission of Contracts or Transactions to Shareholders for Approval. The board of directors in its discretion may submit any contract, act or transaction for approval or ratification at any annual meeting of the shareholders or at any special meeting of the shareholders called for the purpose of considering the same and, subject to the provisions of Section 132 of the Act, any such contract, act or transaction that shall be approved or ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's articles or any other by-law) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified or confirmed by every shareholder of the Corporation.

FOR THE PROTECTION OF DIRECTORS AND OFFICERS

18. Conflict of Interest. In supplement of and not by way of limitation upon any rights conferred upon directors and officers by Section 132 of the Act, it is declared that no director or officer shall be disqualified from his office by, or vacate his office by reason of, holding any office or place of profit under the Corporation or under any body corporate in which the Corporation shall be a shareholder, or by reason of being otherwise in any way directly or indirectly interested in or contracting with the Corporation either as vendor, purchaser or otherwise or being concerned in any contract or arrangement made or proposed to be entered into with the Corporation in which he is in any way directly or indirectly interested either as vendor, purchaser or otherwise nor shall any director or officer be liable to account to the Corporation or any of its shareholders or creditors for any profit arising from any such office or place of profit; and, subject to the provisions of Section 132 of the Act, no contract or arrangement entered into by or on behalf of the Corporation in which any director or officer shall be in any way directly or indirectly interested shall be avoided or voidable and no director or officer shall be liable to account to the Corporation or any of its shareholders or creditors for any profit realized by or from any such contract or arrangement by reason of any fiduciary relationship. A director or officer of the Corporation who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, or is a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose the nature and extent of his interest at the time and in the manner provided in the Act. Except as provided in the Act, no such director of the Corporation shall vote on any resolution to approve such contracts or transactions but each such director may be counted to determine the presence of a quorum at the meeting of directors where such vote is being taken.

19. The Protection of Directors and Officers. Except as otherwise provided in the Act, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, including any person with whom or which any moneys, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board of directors. If any directors or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or

officer or shall have an interest in a person which is employed by or performs services for the Corporation, the fact of his being a shareholder, director or officer of the Corporation shall not disentitle such director or officer or such person, as the case may be, from receiving proper remuneration for such services.

#### INDEMNITIES TO DIRECTORS AND OFFICERS

20. Indemnities to Directors and Officers. Subject to the provisions of Section 136 of the Act, the Corporation shall indemnify a director or officer, a former director or officer, or a person who acts or acted at the corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate, if (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful. The Corporation shall also indemnify any such person in such other circumstances as the Act or law permits or requires. Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law to the extent permitted by the Act or law.

#### OFFICERS

21. Appointment. The board of directors may annually or oftener as may be required appoint a Chairman of the Board, a Vice-Chairman of the Board, a President, a Managing Director, one or more Vice-Presidents, a Secretary, a Treasurer, one or more Assistant Secretaries, one or more Assistant Treasurers and/or a General Manager or Manager. Notwithstanding the foregoing, each incumbent officer shall continue in office until the earliest of: (a) his resignation, which resignation shall be effective at the time a written resignation is received by the Corporation or at the time specified in the resignation, whichever is later; (b) the appointment of his successor; (c) his ceasing to be a director if such is a necessary qualification of his appointment; (d) the meeting at which the board of directors annually appoint the officers of the Corporation; (e) his removal; and (f) his death. A director may be appointed to any office of the Corporation but none of the officers except the Chairman of the Board, the Vice-Chairman of the Board and the Managing Director need be a member of the board of directors. Two or more of the aforesaid offices may be held by the same person. In case and whenever the same person holds the offices of Secretary and Treasurer he may but need not be known as the Secretary-Treasurer. The board of directors may from time to time appoint such other officers and agents as it shall deem necessary who shall have such authority and shall perform such duties as may from time to time be prescribed by the board of directors. The board of directors may from time to time and subject to the provisions of the Act, vary, add to or limit the duties and powers of any officer.

22. Remuneration and Removal. The remuneration of all officers appointed by the board of directors shall be determined from time to time by resolution of the board of directors. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration as may be determined. All officers, in the absence of

agreement to the contrary, shall be subject to removal by resolution of the board of directors at any time, with or without cause.

23. Powers and Duties. All officers shall sign such contracts, documents or instruments in writing as require their respective signatures and shall respectively have and perform all powers and duties incident to their respective offices and such other powers and duties respectively as may from time to time be assigned to them by the board of directors.

24. Duties May be Delegated. In case of the absence or inability to act of any officer of the Corporation except the Managing Director or for any other reason that the board of directors may deem sufficient, the board of directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

25. Chairman of the Board. The Chairman of the Board, if any, shall, when present, preside as chairman at all meetings of the directors, the committee of directors, if any, and the shareholders.

26. Vice-Chairman of the Board. If the Chairman of the Board is absent or is unable or refuses to act, the Vice-Chairman of the Board, if any, shall, when present, preside as chairman at all meetings of the directors, the committee of directors, if any, and the shareholders.

27. President. The President shall be the chief executive officer of the Corporation unless otherwise determined by the board of directors. The President shall be vested with and may exercise all the powers and shall perform all the duties of the Chairman of the Board and/or Vice-Chairman of the Board if none be appointed or if the Chairman of the Board and the Vice-Chairman of the Board are absent or are unable or refuse to act; provided, however, that unless he is a director he shall not preside as chairman at any meeting of directors or of the committee of directors, if any, or, subject to paragraph 41 of this by-law, at any meeting of shareholders.

28. Vice-President. The Vice-President or, if more than one, the vice presidents, in order of seniority and/or function, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President; provided, however, that a Vice-President who is not a director shall not preside as chairman at any meeting of directors or of the committee of directors, if any, or, subject to paragraph 41 of this by-law, at any meeting of shareholders.

29. Secretary. The Secretary shall give or cause to be given notices for all meetings of the directors, the committee of directors, if any, and the shareholders when directed to do so and shall have charge of the minute and record books of the Corporation and, subject to the provisions of paragraph 48 of this by-law, of the records (other than accounting records) referred to in Section 140 of the Act.

30. Treasurer. Subject to the provisions of any resolution of the board of directors, the Treasurer shall have the care and custody of all the funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or with such other depository or depositories as the board of directors may direct. He shall keep or cause to be kept the accounting records referred to in Section 140 of the Act. He may be required to give such bond for the faithful performance of his duties as the board of directors in its uncontrolled

discretion may require but no director shall be liable for failure to require any such bond or for the insufficiency of any such bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.

31. Assistant Secretary and Assistant Treasurer. The Assistant Secretary or, if more than one, the Assistant Secretaries in order of seniority, and the Assistant Treasurer or, if more than one, the Assistant Treasurers in order of seniority, shall respectively perform all the duties of the Secretary and the Treasurer, respectively, in the absence or inability or refusal to act of the Secretary or the Treasurer, as the case may be.

32. Managing Director. The Managing Director shall be a member of the board of directors, and a resident Canadian and shall exercise such powers and have such authority as may be delegated to him by the board of directors in accordance with the provisions of Section 127 of the Act.

33. General Manager or Manager. The board of directors may from time to time appoint one or more General Managers or Managers, in order of seniority and/or function, and may delegate to him or them full power to manage and direct the business and affairs of the Corporation (except such matters and duties as by law must be transacted or performed by the board of directors and/or by the shareholders) and to employ and discharge agents and employees of the Corporation or may delegate to him or them any lesser authority. A General Manager or Manager shall conform to all lawful orders given to him by the board of directors of the Corporation and shall at all reasonable times give to the directors or any of them all information they may require regarding the affairs of the Corporation. Any agent or employee appointed by a General Manager or Manager shall be subject to discharge by the board of directors.

34. Vacancies. If the office of any officer of the Corporation shall be or become vacant by reason of death, resignation, disqualification or otherwise, the board of directors may appoint a person to fill such vacancy.

#### SHAREHOLDERS' MEETINGS

35. Annual Meeting. Subject to the provisions of Section 94 of the Act, the annual meeting of the shareholders shall be held on such day in each year and at such time as the board of directors may determine and subject to the articles and any unanimous shareholder agreement shall be held at any place in or outside Ontario as the board of directors determine or, in the absence of such determination, at the place where the registered office of the Corporation is located.

36. Special Meetings. Special meetings of the shareholders may be convened by order of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President if he is a director, a Vice-President if he is a director or by the board of directors at any date and time and subject to the articles and any unanimous shareholder agreement shall be held at any place in or outside Ontario as the board of directors determines or, in the absence of such determination, at the place where the registered office of the Corporation is located.

37. Notice. A printed, written or typewritten notice stating the day, hour and place of meeting shall be given by serving such notice on each shareholder entitled to vote at such

meeting, on each director and on the auditor of the Corporation in the manner specified in paragraph 57 of this by-law, not less than ten (10) days or if the Corporation is an offering corporation not less than twenty-one days but in either case not more than fifty (50) days (in each case, subject to clause 1(1)13 of the Act, exclusive of the day on which the notice is delivered or sent and of the day for which notice is given) before the date of the meeting. Notice of a meeting at which special business, as defined in Section 96(5) of the Act, is to be transacted shall state or be accompanied by a statement of: (a) the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon; and (b) the text of any special resolution or by-law to be submitted to the meeting. Provided that a meeting of shareholders may be held for any purpose on any day and at any time without notice if all of the shareholders and all other persons entitled to attend such meeting are present in person or, where appropriate, represented by proxy at the meeting (except where a shareholder or other person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the shareholders and all other persons entitled to attend such meeting who are not present in person or, where appropriate, represented by proxy thereat waive notice before or after the date of such meeting.

38. Waiver of Notice. A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of a meeting of shareholders and attendance of any such person at a meeting of shareholders shall constitute a waiver of notice of the meeting except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

39. Omission of Notice. The accidental omission to give notice of any meeting or any irregularity in the notice of any meeting or the non-receipt of any notice by any shareholder or shareholders, director or directors or the auditor of the Corporation shall not invalidate any resolution passed or any proceedings taken at any meeting of shareholders.

40. Votes. Every question submitted to any meeting of shareholders shall be decided in the first instance by a show of hands unless a person entitled to vote at the meeting has demanded a ballot and in the case of an equality of votes the chairman of the meeting shall both on a show of hands and on a ballot have a second or casting vote in addition to the vote or votes to which he may be otherwise entitled.

A ballot may be demanded either before or after any vote by show of hands by any person entitled to vote at the meeting. If at any meeting a ballot is demanded on the election of a chairman or on the question of adjournment it shall be taken forthwith without adjournment. If at any meeting a ballot is demanded on any other question or as to the election of directors, the vote shall be taken by ballot in such manner and either at once, later in the meeting or after adjournment as the chairman of the meeting directs. The result of a ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. A demand for a ballot may be withdrawn.

Where two or more persons hold the same share or shares jointly, one of those holders present at a meeting of shareholders may, in the absence of the other or others, vote the share or shares but if two or more of those persons who are present, in person or by proxy, vote, they shall vote as one on the share or shares jointly held by them.

At any meeting unless a ballot is demanded a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

41. Chairman of the Meeting. In the event that the Chairman of the Board and the Vice-Chairman of the Board are absent and the President is absent or is not a director and there is no Vice-President present who is a director, the persons who are present and entitled to vote shall choose another director as chairman of the meeting and if no director is present or if all the directors present decline to take the chair then the persons who are present and entitled to vote shall choose one of their number to be chairman.

42. Proxies. Votes at meetings of shareholders may be given either personally or by proxy or, in the case of a shareholder who is a body corporate or association, by an individual authorized by the board of directors or governing body of the body corporate or association to represent it at meetings of shareholders of the Corporation. At every meeting at which he is entitled to vote every shareholder and/or person appointed by proxy and/or individual so authorized to represent a shareholder who is present in person shall have one vote on a show of hands. Upon a ballot at which he is entitled to vote, every shareholder present in person or represented by proxy or by an individual so authorized shall (subject to the provisions, if any, of the articles of the Corporation) have one vote for every share held by him.

A proxy shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a body corporate or association, by an officer or attorney thereof duly authorized. If the Corporation is an offering corporation a proxy appointing a proxyholder ceases to be valid one year from its date.

A person appointed by proxy need not be a shareholder.

Subject to the provisions of the Act and the Regulations, a proxy may be in the following form:

The undersigned shareholder of \_\_\_\_\_ hereby appoints of \_\_\_\_\_, or failing him of \_\_\_\_\_ as the nominee of the undersigned to attend and act for the undersigned and on behalf of the undersigned at the meeting of the shareholders of the said Corporation to be held on the \_\_\_\_\_ day of \_\_\_\_\_, and at any adjournment thereof in the same manner, to the same extent and with the same power as if the undersigned were present at the said meeting or such adjournment thereof. This proxy is (not) solicited by or on behalf of management of the Corporation.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

\_\_\_\_\_  
(Signature)  
Name of Shareholder:

The board of directors may from time to time make regulations regarding the lodging of proxies at some place or places other than the place at which a meeting or adjourned meeting of shareholders is to be held and for particulars of such proxies to be cabled or telegraphed or send



by telex or in writing before the meeting or adjourned meeting to the Corporation or any agent of the Corporation for the purpose of receiving such particulars and providing that proxies so lodged may be voted upon as though the proxies themselves were produced at the meeting or adjourned meeting and given in accordance with such regulations shall be valid and shall be counted. The chairman of any meeting of shareholders may, subject to any regulations made as aforesaid, in his discretion accept telegraphic or cable or telex or written communication as to the authority of any person claiming to vote on behalf of and to represent a shareholder notwithstanding that no proxy conferring such authority has been lodged with the Corporation, and any votes given in accordance with such telegraphic or cable or telex or written communication accepted by the chairman of the meeting shall be valid and shall be counted.

43. Adjournment. The chairman of any meeting may with the consent of the meeting adjourn the same from time to time to a fixed time and place and no notice of such adjournment need be given to the shareholders unless the meeting is adjourned by one or more adjournments for an aggregate of thirty days or more in which case subject to subsection 96 (4) of the Act notice of the adjourned meeting shall be given as for an original meeting. Any business may be brought before or dealt with at any adjourned meeting for which no notice is required which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The persons who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

44. Quorum. A quorum at any meeting of shareholders (unless a greater number of persons are required to be present or a greater number of shares are required to be represented by the Act or by the articles or any other by-law) shall be persons present not being less than two in number and holding or representing more than twenty per cent of the total number of issued shares of the Corporation for the time being entitling the holders thereof to vote at such meeting. Notwithstanding the foregoing, if the Corporation has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting. No business shall be transacted at any meeting unless the requisite quorum be present at the time of the transaction of such business. If a quorum is not present at the time appointed for a meeting of shareholders or within such reasonable time thereafter as shareholders present may determine, the persons present and entitled to vote may adjourn the meeting to a fixed time and place but may not transact any other business and the provisions of paragraph 43 with regard to notice shall apply to such adjournment.

45. Resolution in Lieu of Meeting. Notwithstanding any of the provisions of this by-law a resolution in writing signed by all of the shareholders entitled to vote on that resolution at a meeting of the shareholders is, subject to Section 104 of the Act, as valid as if it had been passed at a meeting of the shareholders.

## SECURITIES

46. Allotment and Issuance of Shares. Subject to the provisions of Section 23 of the Act, articles, by-laws and any unanimous shareholder agreement, shares in the capital of the Corporation may be allotted and issued by the board of directors at such times and on such terms and conditions and to such persons or class or classes of persons as the board of directors determines.

47. Certificates. Security certificates and the instrument of transfer, if any, on the reverse side thereof shall (subject to Section 56 of the Act) be in such form as the board of directors may approve and such certificates shall be signed manually by at least one officer or director of the Corporation holding office at the time of signing or by or on behalf of a registrar, transfer agent, branch transfer agent or issuing or other authenticating agent of the Corporation, or by a trustee who certifies it in accordance with a trust indenture and any additional signatures required on a security certificate may be printed or otherwise mechanically reproduced thereon.

A security certificate containing the signature of a person which is printed, engraved, lithographed or otherwise mechanically reproduced thereon may be issued notwithstanding that the person has ceased to be a director or an officer, as the case may be, of the Corporation and shall be as valid as if he were a director or an officer, as the case may be, at the date of its issue.

## TRANSFER OF SECURITIES

48. Transfer Agent and Registrar. For each class of securities and warrants issued by the Corporation, the board of directors may appoint: (a) a trustee, transfer agent, or other agent to keep the securities register and the register of transfers and one or more persons or agent to keep branch registers; and (b) a registrar, trustee or agent to maintain a record of issued securities, certificates and warrants, and, subject to Section 48 of the Act, one person may be appointed for the purposes of subclauses (a) and (b) in respect of all securities and warrants of the Corporation or any class or classes thereof. In the event of any such appointment in respect of the shares (or the shares of any class or classes) of the Corporation, all share certificates issued by the Corporation in respect of the shares (or the shares of the class or classes in respect of which any such appointment has been made) of the Corporation shall be countersigned by or on behalf of one of the said transfer agents and/or branch transfer agents and by or on behalf of one of the said registrars and/or branch registrars, if any.

49. Securities Registers. The securities register and the register of transfers Corporation shall be kept at the registered office of the Corporation or at such other office or place in Ontario as may from time to time be designated by the board of directors and a branch register or registers of transfers may be kept at such office or offices of the Corporation or other place or places, either within or outside Ontario, as may from time to time be designated by the board of directors.

50. Surrender of Certificates. Subject to the Act and the provisions of paragraph 52, no transfer of a security issued by the Corporation shall be registered unless the security certificate representing the security to be transferred has been surrendered or, if no security certificate has been issued by the Corporation in respect of such security, unless a duly executed instrument of

transfer in respect thereof has been delivered to the Corporation or its transfer agent, as the case may be.

51. Shareholder Indebted to the Corporation. Subject to subsection 40(2) of the Act, the Corporation has a lien on a share registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation. Such lien on a share of the Corporation may, subject to the Act, be enforced as follows:

- (a) where such share is redeemable pursuant to the articles of the Corporation, by redeeming such share and applying the redemption price to such debt;
- (b) by purchasing such share for cancellation for a price equal to the book value of such share and applying the proceeds to such debt;
- (c) by selling such share to any third party whether or not such party is at arm's length to the Corporation including, without limitation, any officer or director of the Corporation, for the best price which the board of directors in their sole discretion consider to be obtainable for such share and applying the proceeds to such debt;
- (d) by refusing to permit the registration of a transfer of such share until such debt is paid; or
- (e) by any other means permitted by law.

52. Lost, Apparently Destroyed or Wrongfully Taken Security Certificates. Subject to the Act, in case of the loss, apparent destruction or wrongful taking of a security certificate, a new certificate may be issued in replacement of the one lost, apparently destroyed or wrongfully taken or a transfer of the securities represented by such certificate may be registered, upon such terms as the board of directors may from time to time prescribe, either generally or in respect of any particular loss, apparent destruction or wrongful taking of a security certificate.

#### DIVIDENDS

53. Dividends. The board of directors may from time to time declare and the Corporation may pay dividends on the issued and outstanding shares in the capital of the Corporation subject to the provisions (if any) of the articles of the Corporation.

The board of directors shall not declare and the Corporation shall not pay a dividend if there are reasonable grounds for believing that:

- (a) the Corporation is, or after the payment would be, unable to pay its liabilities as they become due; or
- (b) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and its stated capital of all classes.

The Corporation may pay a dividend by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation and, subject to the foregoing, the Corporation may pay a dividend in money or property.

In case several persons are registered as the joint holders of any shares, any one of such persons may give effectual receipts for all dividends and payments on account of dividends and/or redemption of shares (if any) subject to redemption.

#### VOTING SHARES AND SECURITIES IN OTHER BODIES CORPORATE

54. Voting Shares and Securities in other Bodies Corporate. All of the shares or other securities carrying voting rights of any other body corporate held from time to time by the Corporation may be voted at any and all meetings of shareholders or holders of other securities (as the case may be) of such other body corporate and in such manner and by such person or persons as the board of directors of the Corporation shall from time to time determine. The duly authorized signing officers of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the board of directors.

#### INFORMATION AVAILABLE TO SHAREHOLDERS

55. Confidential Information Not Available to Shareholders. Except as provided by the Act, no shareholder shall be entitled to discovery of any information respecting any details or conduct of the Corporation's business which in the opinion of the board of directors it would be inexpedient in the interests of the Corporation to communicate to the public.

56. Availability of Corporate Records to Shareholders. The board of directors may from time to time, subject to rights conferred by the Act, determine whether and to what extent and at what time and place and under what conditions or regulations the documents, books and registers and accounting records of the Corporation or any of them shall be open to the inspection of shareholders and no shareholder shall have any right to inspect any document or book or register or accounting record of the Corporation except as conferred by statute or authorized by the board of directors or by a resolution of the shareholders.

#### NOTICES

57. Service. Any notice or other document required by the Act, the Regulations, the articles or the by-laws to be sent to any shareholder or director or to the auditor shall be delivered personally or sent by prepaid mail or by telegram or cable or telex to any such shareholder at his latest address as shown in the records of the Corporation or its transfer agent and to any such director at his latest address as shown in the records of the Corporation or the most recent notice filed under the Corporations Information Act, whichever is the most current and to the auditor at his business address; provided always that notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto. If a notice or document is sent to a shareholder by prepaid mail in accordance with this paragraph and the notice or document is returned on three consecutive occasions because the shareholder

cannot be found, it shall not be necessary to send any further notices or documents to the shareholder until he informs the Corporation in writing of his new address.

58. Securities Registered in More Than One Name. All notices or other documents with respect to any securities in the capital of the Corporation registered in more than one name shall be given to whichever of such persons is named first in the records of the Corporation and any notice or other document so given shall be sufficiently given to all of the holders of such securities.

59. Persons Becoming Entitled by Operation of Law. Subject to Section 67 of the Act, every person who by operation of law, transfer or any other means whatsoever shall become entitled to any securities of the Corporation shall be bound by every notice or other document in respect of such securities which, previous to his name and address being entered in the records of the Corporation, shall have been duly given to the person or persons from whom he derives his title to such securities.

60. Deceased Security Holders. Subject to Section 67 of the Act, any notice or other document delivered or sent by post, telegram or telex or left at the address of any security holder as the same appears in the records of the Corporation shall, notwithstanding that such security holder be then deceased, and whether or not the Corporation has notice of his decease, be deemed to have been duly served in respect of the securities held by such security holder (whether held solely or with any other person or persons) until some other person be entered in his stead in the records of the Corporation as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors or administrators and on all persons, if any, interested through him or with him in such securities.

61. Signature to Notices. The signature of any director or officer of the Corporation to any notice or document to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

62. Computation of Time. Where a given number of days' notice or notice extending over a period is required to be given under any provisions of the articles or by-laws of the Corporation, the day of service or posting of the notice or document shall not, unless it is otherwise provided, be counted in such number of days or other period.

63. Proof of Service. With respect to every notice or other document sent by post it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed as provided in paragraph 57 of this by-law and put into a Post Office or into a letter box. A certificate of an officer of the Corporation in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of shares of any class of the Corporation as to facts in relation to the sending or delivery of any notice or other document to any security holder, director, officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every security holder, director, officer or auditor of the Corporation, as the case may be.

#### CHEQUES, DRAFTS AND NOTES

64. Cheques, Drafts and Notes. All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or persons, whether or not officers of the Corporation, and in such manner as the board of directors may from time to time designate.

#### CUSTODY OF SECURITIES

65. Custody of Securities. All shares and other securities owned by the Corporation shall be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the board of directors, with such other depositaries or in such other manner as may be determined from time to time by the board of directors.

All shares and other securities belonging to the Corporation may be issued or held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer to be completed and registration to be effected.

#### EXECUTION OF INSTRUMENTS

66. Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by:

- (a) any one of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President or a Vice-President together with any one of the Secretary or the Treasurer;
- (b) any two directors; or
- (c) any one of the aforementioned officers together with any one director;

and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board of directors shall have power from time to time to appoint any officer or officers, or any person or persons, on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the Corporation, if any, may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers, person or persons, appointed as aforesaid by the board of directors but any such contract, document or instrument is not invalid merely because the corporate seal, if any, is not affixed thereto.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges

for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures or other securities and all paper writings.

In particular without limiting the generality of the foregoing

- (a) any one of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President or a Vice-President together with any one of the Secretary or the Treasurer;
- (b) any two directors; or
- (c) any one of the aforementioned officers together with any one director;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Corporation and to sign and execute (under the seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of the Chairman of the Board, the Vice-Chairman of the Board, the Managing Director, the President, a Vice-President, the Secretary, the Treasurer, or any director or directors of the Corporation and/or of any other officer or officers, person or persons, appointed as aforesaid by the board of directors may, if specifically authorized by the board of directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation on which the signature or signatures of any one or more of the foregoing officers or directors or the officers or persons authorized as aforesaid shall be so reproduced pursuant to such authorization by the board of directors shall be deemed to have been manually signed by each such officer, director or person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, director or person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation.

FINANCIAL YEAR

67. Financial Year. The financial year of the Corporation shall terminate on such date in each year as the board of directors may from time to time determine.

MADE as of February 17, 1998.

signed  
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Vice-President

/s/ G. Mary Ruby  
-----  
Secretary

IMAX CORPORATION

9 5/8% SENIOR NOTES DUE 2010

PURCHASE AGREEMENT

November 19, 2003

CREDIT SUISSE FIRST BOSTON LLC,  
As Representative of the Several Purchasers,  
Eleven Madison Avenue,  
New York, N.Y. 10010-3629

Dear Sirs:

1. Introductory. IMAX Corporation, a corporation incorporated under the federal laws of Canada (the "COMPANY"), proposes, subject to the terms and conditions stated herein, to issue and sell to the several initial purchasers named in Schedule A hereto (the "PURCHASERS") U.S.\$160,000,000 principal amount of its 9 5/8% Senior Notes due 2010 (the "OFFERED SECURITIES") to be issued under an indenture (the "INDENTURE"), dated as of the Closing Date (as defined below), between the Company, the guarantors named therein (each, a "GUARANTOR," and collectively the "GUARANTORS") and U.S. Bank National Association, as trustee (the "TRUSTEE"). The Offered Securities will be irrevocably and unconditionally guaranteed (the "GUARANTEES") as to payment of principal, premium, if any, interest and Special Interest (as defined in the Indenture), if any, on a senior basis, jointly and severally by each of the Guarantors. The United States Securities Act of 1933 is herein referred to as the "SECURITIES ACT."

The holders of the Offered Securities will be entitled to the benefits of a Registration Rights Agreement to be dated December 4, 2003, among the Company, the Guarantors and the Purchasers (the "REGISTRATION RIGHTS AGREEMENT"), pursuant to which the Company agrees to file a registration statement with the Securities and Exchange Commission (the "COMMISSION") registering the resale of the Exchange Securities (as defined in the Registration Rights Agreement), under the Securities Act.

The Company and the Guarantors hereby agree with the several Purchasers as follows:

2. Representations and Warranties of the Company and the Guarantors. The Company and each of the Guarantors severally represent and warrant to, and agree with, the several Purchasers that:

(a) A preliminary offering circular and an offering circular relating to the Offered Securities to be offered by the Purchasers have been prepared by the Company. Such preliminary offering circular dated November 12, 2003 (the "PRELIMINARY OFFERING CIRCULAR") and offering circular (the "OFFERING CIRCULAR"), as supplemented as of the date of this Agreement, together with the documents incorporated by reference therein are hereinafter collectively referred to as the "OFFERING DOCUMENT". On the date of this Agreement, the Offering Document does not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The preceding sentence does not apply to statements in or omissions from the Offering Document based upon written information furnished to the Company by any Purchaser through Credit Suisse



First Boston LLC ("CSFB") specifically for use therein, it being understood and agreed that the only such information is that described as such in Section 7(b) hereof. Except as disclosed in the Offering Document, on the date of this Agreement, the Company's Annual Report on Form 10-K/A most recently filed with the Commission and all subsequent reports which have been filed by the Company with the Commission or sent to shareholders pursuant to the Securities Exchange Act of 1934 (the "EXCHANGE ACT") do not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Such documents, when they were filed with the Commission, conformed in all material respects to the requirements of the Exchange Act and the rules and regulations of the Commission thereunder.

(b) The Company has been duly amalgamated and is an existing corporation in good standing under the federal laws of Canada, with corporate power and authority to own its properties and conduct its business as described in the Offering Document; and the Company is duly qualified or registered to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification or registration, except where the failure to be so qualified or registered or to be in good standing would not reasonably be expected to have a material adverse effect on the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as a whole ("MATERIAL ADVERSE EFFECT").

(c) Each of the Guarantors has been duly incorporated or organized and is an existing corporation or other business organization, as the case may be, in good standing under the laws of the jurisdiction of its incorporation, with power and authority (corporate and other) to own its properties and conduct its business as described in the Offering Document; and each of the Guarantors is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification or registration, except where the failure to be so qualified or registered or to be in good standing would not reasonably be expected to have a Material Adverse Effect; all of the issued and outstanding capital stock or other ownership interests of each of the Guarantors has been duly authorized and, in the case of each Guarantor that is a corporation, validly issued and is fully paid and nonassessable; and the capital stock or other ownership interests of each Guarantor owned by the Company, directly or through subsidiaries, is owned free from liens, encumbrances and defects.

(d) The Indenture has been duly authorized by the Company; the Offered Securities have been duly authorized by the Company; and when the Offered Securities are delivered and paid for pursuant to this Agreement on the Closing Date (as defined below) and duly authenticated by the Trustee in accordance with the terms of the Indenture, the Indenture will have been duly executed and delivered by the Company, such Offered Securities will have been duly executed, issued and delivered and will conform in all material respects to the description thereof contained in the Offering Document and the Indenture and, assuming the due authentication of the Offered Securities by the Trustee, such Offered Securities will constitute valid and legally binding obligations of the Company, enforceable in accordance with their terms, subject, as to enforcement, as to the effect of any applicable bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether enforcement is considered in a proceeding in equity or at law).

(e) On the Closing Date, the Indenture will have been duly authorized by each Guarantor, and the Guarantee to be endorsed on the Offered Securities by each Guarantor will have been duly authorized by the applicable Guarantor. When the Offered Securities have been duly

authorized, executed and authenticated in accordance with the Indenture and are delivered to and paid for by the Purchasers in accordance with the terms of this Agreement on the Closing Date and the Guarantees are endorsed on the Offered Securities, the Indenture will have been duly executed and delivered by each Guarantor, the Guarantee of each Guarantor endorsed on the Offered Securities will have been duly executed, issued and delivered by such Guarantor and the Indenture and the Guarantee will constitute valid and legally binding obligations of such Guarantor, enforceable in accordance with their terms, subject, as to enforcement, as to the effect of any applicable bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether enforcement is considered in a proceeding in equity or at law).

(f) No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court in Canada or the United States by the Company and the Guarantors is required for the consummation of the transactions contemplated by this Agreement and the Registration Rights Agreement in connection with the issuance and sale of the Offered Securities and the Guarantees, except (i) for those that have, as of the date hereof, been obtained or made, (ii) for any filings with Canadian securities regulatory authorities of trade reports and copies of any offering memorandum used to effect sales of the Offered Securities or Exchange Securities (as defined in the Registration Rights Agreement) on a private placement basis in Canada, (iii) as required under the Securities Act and the United States Trust Indenture Act of 1939, as amended (the "TRUST INDENTURE ACT"), in connection with the Registration Rights Agreement, (iv) as required under applicable state securities or blue sky laws and (v) where the failure to obtain such consent would not reasonably be expected to have a Material Adverse Effect.

(g) Except as disclosed in the Offering Document, under current Canadian federal and Ontario laws and regulations, all interest, principal, premium, if any, and other payments due or made on the Offered Securities may be paid by the Company to the holder thereof in United States dollars or Canadian dollars that may be converted into foreign currency and freely transferred out of Canada and no such payments made to holders thereof who are Holders as defined in the Offering Circular under the heading "Certain Federal Income Tax Considerations -- Canadian Federal Income Tax Considerations" will be subject to income, withholding or other taxes under the laws and regulations of Canada or Ontario and all such payments will otherwise be free and clear of any other Canadian federal or Ontario tax, duty, withholding or deduction and without the necessity of obtaining any Canadian federal or Ontario governmental authorization.

(h) The execution, delivery and performance of the Indenture, this Agreement and the Registration Rights Agreement by the Company and each of the Guarantors, and the issuance and sale of the Offered Securities and the Guarantees and compliance with the terms and provisions thereof will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, (i) any statute, any rule, regulation or order of any governmental agency or body or any court, domestic or foreign, having jurisdiction over the Company or any Guarantor or any of their properties, (ii) any material agreement or instrument to which the Company or any such Guarantor is a party or by which the Company or any such Guarantor is bound or to which any of the properties of the Company or any such Guarantor is subject, or (iii) the charter or by-laws of the Company or any such Guarantor, except in the case of clauses (i) and (ii), where such breach, violation or default would not individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and the Company and each Guarantor has full power and authority to authorize, issue and sell the Offered Securities or the Guarantees, as applicable, as contemplated by this Agreement.

(i) This Agreement has been duly authorized, executed and delivered by the Company and, on the Closing Date, will have been duly ratified by each of the Guarantors.

(j) Except as disclosed in the Offering Document, the Company and its subsidiaries have good and marketable title to all real properties and all other properties and assets owned by them, in each case free from liens, encumbrances, mortgages, pledges, security interests, restrictions and defects that would materially affect the value thereof or materially interfere with the use made or to be made thereof by them, except as would not reasonably be expected to have a Material Adverse Effect; and except as disclosed in the Offering Document, the Company and its subsidiaries hold any leased real or personal property under valid and enforceable leases with no exceptions that would materially interfere with the use made or to be made thereof by them, except as would not reasonably be expected to have a Material Adverse Effect.

(k) The Company and its subsidiaries possess adequate certificates, authorities or permits issued by appropriate U.S., Canadian and foreign governmental agencies or bodies necessary to conduct the business now operated by them in all material respects. The Company and its subsidiaries have not received any notice of proceedings relating to the revocation or modification of any such certificate, authority or permit that would, individually or in the aggregate, reasonably be expected have a Material Adverse Effect.

(l) No labor dispute with the employees of the Company or any subsidiary exists or, to the knowledge of the Company, is imminent, which, in either case, would have a Material Adverse Effect.

(m) Except as disclosed in the Offering Document, the Company and its subsidiaries own, possess or can acquire on reasonable terms, adequate trademarks, trade names and other rights to inventions, know-how, patents, copyrights, confidential information and other intellectual property (collectively, "INTELLECTUAL PROPERTY RIGHTS") necessary to conduct the business now operated by them, or presently employed by them, or as proposed to be conducted by them as described in the Offering Circular and have not received any notice of infringement of or conflict with asserted rights of others with respect to any intellectual property rights or of any facts or circumstances that would render the intellectual property rights invalid or inadequate to protect the interests of the Company or any of its subsidiaries therein that, if determined adversely to the Company or any of its subsidiaries, would reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

(n) Except as disclosed in the Offering Document, neither the Company nor any of its subsidiaries is in violation of any statute, rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "ENVIRONMENTAL LAWS"), owns or operates any real property contaminated with any substance that is subject to any environmental laws, is liable for any off-site disposal or contamination pursuant to any environmental laws, or is subject to any claim relating to any environmental laws, which violation, contamination, liability or claim would individually or in the aggregate have a Material Adverse Effect; and the Company is not aware of any pending investigation which might lead to such a claim.

(o) Except as disclosed in the Offering Document, there are no pending actions, suits, proceedings, inquiries or investigations against or affecting the Company, any of its subsidiaries or any of their respective properties that, if determined adversely to the Company or any of its subsidiaries, would reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect, or would materially and adversely affect the ability of the Company to perform its

obligations under the Indenture, this Agreement or the Registration Rights Agreement, or which are otherwise material in the context of the sale of the Offered Securities; and no such actions, suits or proceedings are threatened or, to the Company's knowledge, contemplated.

(p) The consolidated financial statements of the Company included in the Offering Document, together with the related notes, present fairly in all material respects the financial position of the Company and its consolidated subsidiaries as of the dates shown and their results of operations and cash flows for the periods shown, and, except as otherwise disclosed in the Offering Document, such financial statements have been prepared in conformity with the generally accepted accounting principles in the United States applied on a consistent basis throughout the periods involved.

(q) Except as disclosed in the Offering Document, since the date of the latest audited financial statements of the Company included in the Offering Document there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as a whole, and, except as disclosed in or contemplated by the Offering Document, there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(r) The Company is subject to the reporting requirements of either Section 13 or Section 15(d) of the Exchange Act and files reports with the Commission on the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system.

(s) Neither the Company nor any of the Guarantors is an open-end investment company, unit investment trust or face-amount certificate company that is or is required to be registered under Section 8 of the United States Investment Company Act of 1940 (the "INVESTMENT COMPANY ACT"); and neither the Company nor any Guarantor is and, after giving effect to the offering and sale of the Offered Securities and the application of the proceeds thereof as described in the Offering Document, will be required to register as an "investment company" as defined in the Investment Company Act.

(t) No securities of the same class (within the meaning of Rule 144A(d)(3) under the Securities Act) as the Offered Securities are listed on any national securities exchange registered under Section 6 of the Exchange Act or quoted in a U.S. automated inter-dealer quotation system.

(u) Subject to compliance by the Purchasers with the representations, warranties and procedures set forth in Section 4 of this Agreement, the offer and sale of the Offered Securities and the Guarantees to the Purchasers in the manner contemplated by this Agreement will be exempt from the registration requirements of the Securities Act by reason of Section 4(2) thereof and Regulation S thereunder; and it is not necessary to qualify an indenture in respect of the Offered Securities under the Trust Indenture Act.

(v) None of the Company, the Guarantors, nor any of their respective affiliates, nor any person acting on its or their behalf (provided that no representation is made with respect to the Purchasers and their affiliates) (i) has, within the six-month period prior to the date hereof, offered or sold the Offered Securities, or any security of the same class or series as the Offered Securities or (ii) has offered or will offer or sell the Offered Securities (A) in the United States by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act, including, but not limited to, articles, notices or other communications published in any newspaper, magazine, or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising or (B) with respect to any such securities sold in reliance on Rule 903 of Regulation S ("REGULATION S")

under the Securities Act, by means of any directed selling efforts within the meaning of Rule 902(c) of Regulation S. The Company, each of the Guarantors and each of their respective affiliates and any person acting on its or their behalf have complied and will comply with the offering restrictions requirement of Regulation S. Neither the Company nor any Guarantor has entered and neither will enter into any contractual arrangement with respect to the distribution of the Offered Securities except for this Agreement.

(w) The proceeds to the Company from the offering of the Offered Securities will not be used to purchase or carry any margin security.

(x) The entities listed on Schedule B hereto are the only subsidiaries (as defined in the Offering Circular), direct or indirect, of the Company.

(y) On the Closing Date, the Indenture will conform in all material respects to the requirements of the Trust Indenture Act, and the rules and regulations of the Commission applicable to an indenture which is qualified thereunder, other than the requirements relating to the eligibility of the trustee.

(z) The Exchange Securities will, when issued, have been duly authorized by the Company; and when the Exchange Securities are issued, executed and authenticated in accordance with the terms of the Exchange Offer (as defined in the Registration Rights Agreement) and the Indenture, the Exchange Securities will be entitled to the benefits of the Indenture and will be the valid and legally binding obligations of the Company, subject, as to enforcement, as to the effect of any applicable bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether enforcement is considered in a proceeding in equity or at law).

(aa) The Guarantee to be endorsed on the Exchange Securities by each Guarantor will, when issued, have been duly authorized by the Guarantor; and when issued, will have been duly executed and delivered by each such Guarantor. When the Exchange Securities have been issued, executed, authenticated and delivered in accordance with the terms of the Exchange Offer and the Indenture and the Guarantee of each Guarantor is endorsed on the Exchange Securities, the Guarantee of each Guarantor endorsed on the Exchange Securities will constitute valid and legally binding obligations of such Guarantor, enforceable in accordance with its terms, subject, as to enforcement, as to the effect of any applicable bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether enforcement is considered in a proceeding in equity or at law).

(bb) The Registration Rights Agreement has been duly authorized by the Company and, on the Closing Date, will have been duly authorized by the Guarantors and will have been duly executed and delivered by the Company and each of the Guarantors. When the Registration Rights Agreement has been duly executed and delivered, the Registration Rights Agreement will be a valid and binding agreement of the Company and each of the Guarantors, enforceable against the Company in accordance with its terms, subject, as to enforcement, as to the effect of any applicable bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and subject to the effect of general principles of equity, including, without

limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether enforcement is considered in a proceeding in equity or at law), and except that rights to indemnification or contribution may not be enforceable due to the application of federal or state securities laws or public policy relating thereto.

(cc) Neither the Company nor any of its subsidiaries is (i) in violation of its respective charter or by-laws or (ii) in default in the performance of any obligation, agreement, covenant or condition contained in any indenture, loan agreement, mortgage, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or their respective property is bound, except for such violations (other than the case of the Company's charter or by-laws) or defaults that would not be reasonably expected to have a Material Adverse Effect.

(dd) Except for the Registration Rights Agreement, there are no contracts, agreements or understandings between the Company or any Guarantor and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company or any Guarantor or to require the Company or any Guarantor to include such securities with the Securities registered pursuant to any Registration Statement.

(ee) Neither the Company nor any of the Guarantors nor any agent thereof acting on the behalf of them has taken, and none of them will take, any action that might cause this Agreement or the issuance or sale of the Offered Securities to violate Regulation T, Regulation U or Regulation X of the Board of Governors of the Federal Reserve System.

(ff) No "nationally recognized statistical rating organization" as such term is defined for purposes of Rule 436(g)(2) under the Securities Act (i) has imposed (or has informed the Company that it is considering imposing) any condition (financial or otherwise) on the Company's retaining any rating assigned to the Company, any securities of the Company or (ii) has indicated to the Company that it is considering (a) the downgrading, suspension, or withdrawal of, or any review for a possible change that does not indicate the direction of the possible change in, any rating so assigned or (b) any change in the outlook for any rating of the Company or any securities of the Company.

(gg) The Offered Securities and Guarantees offered and sold in reliance on Regulation S have been and will be offered and sold only in offshore transactions.

(hh) The sale of the Offered Securities and the Guarantees pursuant to Regulation S is not part of a plan or scheme to evade the registration provisions of the Securities Act.

(ii) The Company maintains and will maintain disclosure controls and procedures (as defined as Rule 13a-14 of the Exchange Act) designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported in accordance with the Exchange Act and the rules and regulations thereunder. The Company has carried out and will carry out evaluations, under the supervision and with the participation of the Company's management, of the effectiveness of the design and operation of the Company's disclosure controls and procedures in accordance with Rule 13a-15 of the Exchange Act.

(jj) Except as would not reasonably be expected to have a Material Adverse Effect, the Company and its subsidiaries are in compliance with, and conduct their businesses in conformity with, all applicable U.S. and Canadian federal, state, provincial, local and foreign

laws, rules and regulations, including all export control rules and regulations, and all applicable ordinances, judgments, decrees, orders, units and injunctions of any court or governmental agency or body or the Toronto Stock Exchange or NASDAQ National Market.

(kk) The Company's existing backlog of orders is as described in the Offering Document; except as described in the Offering Document and to the knowledge of the Company, all such orders are valid and binding and in full force and effect with respect to the Company, except where the failure of such orders to be valid and binding or in full force and effect would not reasonably be expected to have a Material Adverse Effect.

(ll) Provided that a Purchaser is a Holder as defined in the Offering Circular under the heading "Certain Federal Income Tax Considerations -- Canadian Federal Income Tax Considerations" and does not provide services in Canada, no stamp tax or other issuance, goods and services or transfer taxes or duties and no capital gains, income, withholding or other taxes are payable by or on behalf of the Purchasers to any Canadian federal or Ontario taxing authority in connection with (A) the creation, issuance, sale and delivery of the Offered Securities to the Purchasers in the manner contemplated in this Agreement, the Registration Rights Agreement and the Indenture; or (B) the resale and delivery of such Offered Securities by the Purchasers outside of Canada in the manner contemplated in this Agreement, the Registration Rights Agreement and the Indenture.

(mm) The Company and each Guarantor has filed all foreign, federal, state, provincial and local tax returns that are required to be filed by it or has requested extensions thereof, except where the failure to so file such returns would not reasonably be expected to have a Material Adverse Effect and has paid all taxes required to be paid by it and any other assessment, interest, fine or penalty levied against it, to the extent that any of the foregoing is material and due and payable, except as would not reasonably be expected to have a Material Adverse Effect.

(nn) The accountants who audited the financial statements of the Company included in the Offering Document are independent public accountants as required by the Securities Act and the Rules and Regulations (as defined below) and are independent with respect to the Company within the meaning of the Canada Business Corporations Act.

(oo) No withholding tax imposed under the federal laws of Canada or the laws of Ontario will be payable in respect of the payment or crediting of the commissions contemplated by this Agreement by the Company to a Purchaser that is not, and is not deemed to be, a resident of Canada for the purposes of the Income Tax Act (Canada), or of any interest or deemed interest on the resale of Offered Securities by a Purchaser to U.S. residents provided that the Purchaser deals at arm's length with the Company (as such term is understood for purposes of the Income Tax Act (Canada)), and that such commissions are payable in respect of services rendered by the Purchaser wholly outside of Canada that are performed in the ordinary course of business carried on by the Purchaser outside of Canada that includes the performance of such services for a fee;

(pp) No goods and services tax imposed under the federal laws of Canada or retail sales taxes imposed under the laws of the Province of Ontario will be payable by the Company or collectable by a Purchaser in respect of the payment of commissions as contemplated by this Agreement to a Purchaser that is a non-resident of Canada, provided that such commissions are in respect of services performed by a Purchaser wholly outside of Canada.

3. Purchase, Sale and Delivery of Offered Securities . On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to sell to the Purchasers, and the Purchasers agree, severally and not jointly, to purchase from the Company, at

a purchase price of 100% of the principal amount thereof plus accrued interest from December 4, 2003, to the Closing Date (as hereinafter defined) in the respective principal amounts set forth opposite the names of the several Purchasers in Schedule A hereto. As compensation for the services rendered by the Purchasers to the Company in respect of the issuance and sale of the Offered Securities, the Company will pay to the Purchasers a commission of 2.69% of the principal amount thereof sold to the Purchasers under this Agreement.

The Company will deliver against payment of the purchase price the Offered Securities in the form of one or more permanent global Securities in definitive form (the "GLOBAL SECURITIES") deposited with the Trustee as custodian for The Depository Trust Company ("DTC") and registered in the name of Cede & Co., as nominee for DTC. Interests in any permanent global Securities will be held only in book-entry form through DTC, except in the limited circumstances described in the Offering Document. Payment for the Offered Securities shall be made by the Purchasers in Federal (same day) funds by official check or checks or wire transfer to an account at a bank acceptable to CSFB drawn to the order of the Company at the office of Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, NY 10036 at 9:00 A.M. (New York time), on December 4, 2003, or at such other time not later than seven full business days thereafter as CSFB and the Company determine, such time being herein referred to as the "CLOSING DATE", against delivery to the Trustee as custodian for DTC of the Global Securities representing all of the Securities. The Global Securities will be made available for checking at the above office of Skadden, Arps, Slate, Meagher & Flom LLP at least 24 hours prior to the Closing Date.

#### 4. Representations by Purchasers; Resale by Purchasers.

(a) Each Purchaser severally represents and warrants to the Company that it is an "accredited investor" within the meaning of Regulation D under the Securities Act.

(b) Each Purchaser severally acknowledges that the Offered Securities have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. Each Purchaser severally acknowledges that offers and sales of Offered Securities have and will be made by the Purchasers or their affiliates who are qualified to do so in the jurisdiction in which such offers or sales are made. Each Purchaser severally represents and agrees that it has offered and sold the Offered Securities, and will offer and sell the Offered Securities (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, only in accordance with Rule 903 or Rule 144A under the Securities Act ("RULE 144A"). Accordingly, neither such Purchaser nor its affiliates, nor any persons acting on its or their behalf, have engaged or will engage in any directed selling efforts with respect to the Offered Securities, and such Purchaser, its affiliates and all persons acting on its or their behalf have complied and will comply with the offering restrictions requirement of Regulation S. Each Purchaser severally agrees that, at or prior to confirmation of the sale of the Offered Securities, other than a sale pursuant to Rule 144A, such Purchaser will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases the Offered Securities from it during the restricted period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the "Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the date of commencement of the offering and the closing date, except in either case in accordance with Regulation S (or Rule 144A if available) under the Securities Act. Terms used above have the meanings given to them by Regulation S."

Terms used in this subsection (b) have the meanings given to them by Regulation S.



(c) Each Purchaser severally agrees that it and each of its affiliates has not entered and will not enter into any contractual arrangement with respect to the distribution of the Offered Securities except for any such arrangements with the other Purchasers or affiliates of the other Purchasers or with the prior written consent of the Company.

(d) Each Purchaser severally agrees that it and each of its affiliates has not and will not offer or sell the Offered Securities in the United States by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act, including, but not limited to (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, or (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising. Each Purchaser severally agrees, with respect to resales made in reliance on Rule 144A of any of the Offered Securities, to deliver either with the confirmation of such resale or otherwise prior to settlement of such resale a notice to the effect that the resale of such Offered Securities has been made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A.

(e) Each of the Purchasers severally represents and agrees that (i) it has not offered or sold and prior to the expiry of a period of six months from the closing date, will not offer or sell any Offered Securities to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Offered Securities in circumstances in which section 21(1) of the FSMA does not apply to the Company; and (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offered Securities in, from or otherwise involving the United Kingdom.

(f) Each Purchaser severally represents, warrants and agrees to and with the Company that: (i) it will not offer or resell any of the Offered Securities in any province or territory of Canada so as to give rise to any requirement on the part of the Company or any Guarantor to file a prospectus in any such province or territory; (ii) any offers or resales of Offered Securities made to Canadian residents will be made only to residents of those provinces defined as "Private Placement Provinces" in the final confidential Canadian Offering Memorandum and only to the categories of exempt purchasers referred to therein pursuant to available prospectus exemptions; and (iii) in making any offers and resales of Offered Securities in such provinces, it will comply with all applicable securities laws, rules, regulations, instruments, policy statements and notices in such provinces (collectively, "Provincial Securities Laws") at all relevant times including, without limitation, any applicable dealer registration requirements. Each Purchaser severally agrees to indemnify and save harmless the Company and each Guarantor, their officers, directors, shareholders, agents and employees from and against any and all claims, demands, suits, proceedings, expenses, losses, obligations, fees, expenses and liabilities of whatever nature arising, whether directly or indirectly, as a consequence of any breach by or failure to comply, on the part of, such Purchaser with the foregoing.

(g) Each Purchaser that offers or resells any Offered Securities to residents of Canada shall promptly notify the Company in writing of all details concerning any such offers or

resales as may be required by the Company in order to enable it to fulfill any notice, filing or other obligation arising from such sales under applicable Provincial Securities Laws in a timely fashion.

5. Certain Agreements of the Company and the Guarantors. The Company and each of the Guarantors severally agree with the several Purchasers that:

(a) Prior to the completion of the resale of the Offered Securities by the Purchasers, which shall be evidenced by written notice by CSFB upon request by the Company, the Company will advise CSFB promptly of any proposal to amend or supplement the Offering Document and will not effect such amendment or supplementation without CSFB's consent (which such consent shall not be unreasonably withheld); provided, however, this provision shall not prohibit the Company from complying in a timely manner with its disclosure obligations under applicable securities legislation and the requirements of any relevant stock exchange, with respect to events that occur after the date of this Agreement. If, at any time prior to the earlier of (i) the completion of the resale of the Offered Securities by the Purchasers, which shall be evidenced by written notice by CSFB upon request by the Company and (ii) the effectiveness of the Shelf Registration Statement (as defined in the Registration Rights Agreement), any event occurs as a result of which the Offering Document as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any such time to amend or supplement the Offering Document to comply with any applicable law, the Company promptly will notify CSFB of such event and promptly will prepare, at its own expense, an amendment or supplement which will correct such statement or omission or effect such compliance. Upon receipt of a notice pursuant to this Section 5(a), each Purchaser shall forthwith discontinue any use of the Offering Document in connection with the offer or sale of the Offered Securities until such Purchaser has received an amendment or supplement pursuant to this Section 5(a) or until such Purchaser is advised by the Company in writing that the use of the then-existing Offering Document may be resumed. Neither CSFB's consent to, nor the Purchasers' delivery to offerees or investors of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 6.

(b) The Company will furnish to CSFB copies of any Preliminary Offering Circular, the Offering Document and all amendments and supplements to such documents, in each case as soon as available and in such quantities as CSFB reasonably requests, and the Company will furnish to CSFB on the Closing Date, one copy of the Offering Document certified by a duly authorized officer of the Company. At any time when the Company is not subject to Section 13 or 15(d) of the Exchange Act and is not exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, the Company will promptly furnish or cause to be furnished to CSFB upon request (and, upon request, to each of the other Purchasers) and, upon request of holders and prospective purchasers of the Offered Securities, to such holders and purchasers, copies of the information required to be delivered to holders and prospective purchasers of the Offered Securities pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto) in order to permit compliance with Rule 144A in connection with resales by such holders of the Offered Securities. The Company will pay the expenses of printing and distributing to the Purchasers all such documents.

(c) Each of the Company and the Guarantors will use its reasonable best efforts to arrange for the qualification of the Offered Securities and the Guarantees for sale and the determination of their eligibility for investment under the laws of such jurisdictions in the United States as CSFB designates and will continue such qualifications in effect so long as required for the resale of the Offered Securities by the Purchasers, provided that the Company will not be required to qualify as a foreign corporation or to file a general consent to service of process in any such state,

which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

(d) During the period of two years after the Closing Date, the Company will, upon request, furnish to CSFB, each of the other Purchasers and any holder of Offered Securities a copy of the restrictions on transfer applicable to the Offered Securities.

(e) During the period of two years after the Closing Date, the Company will not, and, to the best of its ability, will not permit any of its affiliates (as defined in Rule 144 under the Securities Act) to, resell any of the Offered Securities that have been reacquired by it, if after such resale, the Offered Securities would be "restricted securities" as defined in Rule 144A.

(f) During the period of two years after the Closing Date, the Company will not be or become, an open-end investment company, unit investment trust or face-amount certificate company that is or is required to be registered under Section 8 of the Investment Company Act.

(g) The Company will pay all expenses (together with VAT where applicable) incidental to the performance of its obligations under this Agreement, the Indenture and Registration Rights Agreement, including (i) the fees and expenses of the Trustee and its professional advisers; (ii) all expenses in connection with the execution, issue, authentication, packaging and initial delivery of the Offered Securities, the Guarantees and, as applicable, the Exchange Securities (as defined in the Registration Rights Agreement), the preparation and printing by the Company of this Agreement, the Registration Rights Agreement, the Offered Securities, the Guarantees, the Indenture, the Offering Document and amendments and supplements thereto, and any other document relating to the issuance, offer, sale and delivery of the Offered Securities, the Guarantees and as applicable, the Exchange Securities; (iii) the cost of listing the Offered Securities and qualifying the Offered Securities and Guarantees for trading in The PortalSM Market ("PORTAL") and any expenses incidental thereto; (iv) for any expenses (including the reasonable fees and disbursements of counsel) incurred in connection with qualification of the Offered Securities, the Guarantees or the Exchange Securities for sale under the laws of such jurisdictions in the United States and Canada as CSFB designates (subject to Section 5(c)) and the printing of memoranda relating thereto; (v) for any fees charged by investment rating agencies for the rating of the Securities or the Exchange Securities, and (vi) for expenses incurred in distributing preliminary offering circulars and the Offering Document (including any amendments and supplements thereto) to the Purchasers. The Company will also pay or reimburse the Purchasers (to the extent incurred by them) for all travel expenses of the Purchasers and the Company's officers and employees and any other expenses of the Purchasers and the Company in connection with attending or hosting meetings with prospective purchasers of the Offered Securities from the Purchasers.

(h) In connection with the offering, until CSFB shall have notified the Company and the other Purchasers of the completion of the resale of the Offered Securities, neither the Company nor any of its affiliates has or will, either alone or with one or more other persons, bid for or purchase for any account in which it or any of its affiliates has a beneficial interest any Offered Securities or attempt to induce any person to purchase any Offered Securities; and neither it nor any of its affiliates will make bids or purchases for the purpose of creating actual, or apparent, active trading in, or of raising the price of, the Offered Securities .

(i) Except as contemplated by this Agreement and the Registration Rights Agreement, for a period of 90 days after the date of the initial offering of the Offered Securities by the Purchasers, the Company will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Commission a registration statement under the Act relating to, any United States dollar-denominated debt securities issued or guaranteed by the Company and having a

maturity of more than one year from the date of issue, or publicly disclose the intention to make any such offer, sale, pledge, disposition or filing, without the prior written consent of CSFB, which consent shall not be unreasonably withheld or delayed. Each of the Company will not at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances where such offer, sale, pledge, contract or disposition would cause the exemption afforded by Section 4(2) of the Securities Act or the safe harbor of Regulation S thereunder to cease to be applicable to the offer and sale of the Offered Securities.

(j) The Company will indemnify and hold harmless the Purchasers against any documentary, stamp or similar issuance tax, including any interest and penalties, on the creation, issuance and sale of the Offered Securities and on the execution and delivery of this Agreement. All payments to be made by the Company hereunder shall be made without withholding or deduction for or on account of any present or future taxes, duties or governmental charges imposed under the laws of Canada or the laws of Ontario whatsoever unless the Company is compelled by law to deduct or withhold such taxes, duties or charges. In that event, the Company shall pay such additional amounts as may be necessary in order that the net amounts received after such withholding or deduction shall equal the amounts that would have been received if no withholding or deduction had been made, except where such deduction or withholding was required because the Purchaser is, or is deemed to be, a resident of Canada, does not deal at arm's length with the Company or has rendered services to the Company in Canada.

6. Conditions of the Obligations of the Purchasers. The obligations of the several Purchasers to purchase and pay for the Offered Securities will be subject to the accuracy of the representations and warranties on the part of the Company and the Guarantors herein, to the accuracy of the statements of officers of the Company and the Guarantors made pursuant to the provisions hereof, to the performance by the Company and the Guarantors of their obligations hereunder and to the following additional conditions precedent:

(a) The Purchasers shall have received a letter, dated the date of this Agreement, of PricewaterhouseCoopers LLP, confirming that they are independent public accountants within the meaning of the Securities Act and the applicable published rules and regulations thereunder ("RULES AND REGULATIONS") and to the effect that:

(i) in their opinion the consolidated financial statements examined by them and included in the Offering Document, as prepared in accordance U.S. generally accepted accounting principles, comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the related published Rules and Regulations;

(ii) they have performed the procedures specified by the American Institute of Certified Public Accountants for a review of interim financial information as described in Statement of Auditing Standards No. 100, Interim Financial Information and as described in Statement of Auditing Standards No. 71, Interim Financial Information, on any unaudited financial statements included in the Offering Document;

(iii) on the basis of the review referred to in clause (ii) above, a reading of the latest available interim consolidated financial statements of the Company, inquiries of officials of the Company who have responsibility for financial and accounting matters and other specified procedures, nothing came to their attention that caused them to believe that:

(A) the unaudited financial statements included in the Offering Document do not comply as to form in all material respects with the applicable

accounting requirements of the Securities Act and the related published Rules and Regulations or any material modifications should be made to such unaudited financial statements for them to be in conformity with U.S. generally accepted accounting principles;

(B) at the date of the latest available balance sheet read by such accountants, or at a subsequent specified date not more than three business days prior to the date of this Agreement, there was any change in the share capital or any increase in short-term indebtedness or long-term debt of the Company and its consolidated subsidiaries or, at the date of the latest available balance sheet read by such accountants, there was any decrease in consolidated net current assets or net assets, as compared with amounts shown on the latest balance sheet included in the Offering Document; or

(C) for the period from the closing date of the latest income statement included in the Offering Document to the closing date of the latest available income statement read by such accountants there were any decreases, as compared with the corresponding period of the previous year and with the period of corresponding length ended the date of the latest income statement included in the Offering Document, in consolidated net sales, net operating income, income before extraordinary items, net income or in the ratio of earnings to fixed charges;

except in all cases set forth in clauses (B) and (C) above for changes, increases or decreases which the Offering Document disclose have occurred or may occur or which are described in such letter; and

(iv) they have compared specified dollar amounts (or percentages derived from such dollar amounts) and other financial information contained in the Offering Document (to the extent that such dollar amounts, percentages and other financial information are derived from the general accounting records of the Company and its subsidiaries subject to the internal controls of the Company's accounting system or are derived directly from such records by analysis or computation) with the results obtained from inquiries, a reading of such general accounting records and other procedures specified in such letter and have found such dollar amounts, percentages and other financial information to be in agreement with such results, except as otherwise specified in such letter.

(b) Subsequent to the execution and delivery of this Agreement, there shall not have occurred (i) any change, or any development or event involving a prospective change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as one enterprise which, in the reasonable judgment of a majority in interest of the Purchasers including CSFB, is material and adverse and makes it impractical or inadvisable to proceed with completion of the offering or the sale of and payment for the Offered Securities; (ii) any downgrading in the rating of any debt securities of the Company by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Securities Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating) or any announcement that the Company has been placed on negative outlook; (iii) any change in U.S., Canada, or international financial, political or economic conditions or currency exchange rates or exchange controls as would, in the reasonable judgment of a majority in interest of the Purchasers including CSFB, be likely to prejudice materially the success of the proposed issue, sale or distribution of the Offered Securities, whether in the primary market or in respect of dealings in the

secondary market, (iv) any material suspension or material limitation of trading in securities generally on the New York Stock Exchange or the NASDAQ National Market, or any setting of minimum prices for trading on such exchange, or any suspension of trading of any securities of the Company on any exchange or in the over-the-counter market; (v) any banking moratorium declared by U.S. Federal or New York authorities; (vi) any major disruption of settlements of securities or clearance services in the United States or (vii) any attack on, outbreak or escalation of hostilities or act of terrorism involving the United States or Canada, any declaration of war by Congress, the Canadian Prime Minister and/or Parliament or any other national or international calamity or emergency if, in the reasonable judgment of a majority in interest of the Purchasers including CSFB, the effect of any such attack, outbreak, escalation, act, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the offering or sale of and payment for the Offered Securities.

(c) The Purchasers shall have received an opinion, dated the Closing Date, of Shearman & Sterling LLP, special United States counsel for the Company and the Guarantors, that:

(i) This Agreement has been duly authorized, executed and delivered by each of David Keighley Productions 70MM Inc., IMAX II U.S.A. Inc., IMAX Minnesota Holding Co., IMAX Scribe Inc., IMAX Theatre Holding Co., IMAX Theatre Holdings (OEI) Inc., IMAX Theatre Management Company, IMAX U.S.A. Inc., Ridefilm Corporation, IMAX (Titanic) Inc., IMAX Film Holding Co., IMAX Pictures Corporation, Immersive Entertainment Inc., IMAX Providence General Partner Co., IMAX Providence Limited Partner Co., IMAX Theatre Holding (California I) Co., IMAX Theatre Holding (California II) Co., IMAX Theatre Holding (Nyack I) Co., IMAX Theatre Holding (Nyack II) Co., Panda Productions Inc. and Strategic Sponsorship Corporation (each, a "DELAWARE CORPORATE SUBSIDIARY" and, together, the "DELAWARE CORPORATE SUBSIDIARIES") and by Nyack Theatre LLC (the "NEW YORK SUBSIDIARY"), and assuming (i) the due authorization, execution and delivery of this Agreement by the Company and IMAX Sandde Animation Inc., IMAX Space Ltd., IMAX Theatre Services Ltd., Mitey Cinema Inc., Mountainview Theatre Management Ltd., Starboard Theatres Ltd., Wire Frame Films Ltd., 1329507 Ontario Inc., 924689 Ontario Inc., IMAX (Titanica) Ltd., IMAX Music Ltd., IMAX Theatre Holding (Broussard) Inc., Tantus Films Ltd., Tantus II Films Ltd. and RPM Pictures Ltd. (each, a "CANADIAN SUBSIDIARY" and, together, the "CANADIAN SUBSIDIARIES") under the laws of Ontario and Alberta and the federal laws of Canada applicable therein ("CANADIAN LAW"), (ii) the due authorization, execution and delivery by Miami Theatre LLC, Sacramento Theatre LLC and IMAX Chicago Theatre LLC (each, a "DELAWARE LLC SUBSIDIARY" and together, the "DELAWARE LLC SUBSIDIARIES") under the laws of Delaware and (iii) the due authorization, execution and delivery by each of the Non-Delaware Subsidiaries (as defined below) under the laws of each of their respective jurisdictions of incorporation or formation, as applicable, this Agreement (to the extent that execution and delivery are governed by the laws of the State of New York) has been executed and delivered by the Company and each of the Guarantors;

(ii) The Registration Rights Agreement has been duly authorized, executed and delivered by each of the Delaware Corporate Subsidiaries and the New York Subsidiary, and assuming (i) the due authorization, execution and delivery of the Registration Rights Agreement by the Company and each of the Canadian Subsidiaries under Canadian Law, (ii) the due authorization, execution and delivery of the Registration Rights Agreement by the Delaware LLC Subsidiaries under the laws of Delaware and (iii) the due authorization, execution and delivery of the Registration Rights Agreement by the Non-Delaware Subsidiaries under the laws of each of their respective jurisdictions of incorporation or formation, as applicable, the Registration Rights Agreement (to the extent

that execution and delivery are governed by the laws of the State of New York) has been executed and delivered by the Company, each of the Canadian Subsidiaries, each of the Delaware LLC Subsidiaries and each of the Non-Delaware Subsidiaries, and constitutes a valid and binding instrument of the Company and each of the Guarantors, enforceable against the Company and each of the Guarantors in accordance with its terms, subject, as to enforcement, as to the effect of any applicable bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether enforcement is considered in a proceeding in equity or at law), and except that rights to indemnification or contribution may not be enforceable due to the application of federal or state securities laws or public policy relating thereto;

(iii) The Indenture has been duly authorized, executed and delivered by each of the Delaware Corporate Subsidiaries and the New York Subsidiary, and assuming (i) the due authorization, execution and delivery of the Indenture by the Company and each of the Canadian Subsidiaries under Canadian Law, (ii) the due authorization, execution and delivery of the Indenture by each of the Delaware LLC Subsidiaries under the laws of Delaware, (iii) the due authorization, execution and delivery of the Indenture by each of the Non-Delaware Subsidiaries under the laws of each of their respective jurisdictions of incorporation or formation, as applicable, and (iv) due authorization, execution, and delivery of the Indenture by the Trustee, the Indenture (to the extent that execution and delivery are governed by the laws of the State of New York) has been executed and delivered by the Company and each of the Guarantors and constitutes a valid and binding instrument of the Company and each of the Guarantors, enforceable against the Company and each of the Guarantors in accordance with its terms, subject, as to enforcement, as to the effect of any applicable bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether enforcement is considered in a proceeding in equity or at law);

(iv) The Offered Securities conform to the description thereof contained in the Offering Document and assuming the due authorization, execution and delivery of the Offered Securities by the Company under Canadian Law, and assuming the due authentication of the Offered Securities by the Trustee in the manner described in its certificate (which fact such counsel need not have determined by an inspection of the Offered Securities), the Offered Securities (to the extent that execution and delivery are governed by the laws of the State of New York) have been executed and delivered by the Company and constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, subject, as to enforcement, as to the effect of any applicable bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether enforcement is considered in a proceeding in equity or at law);

(v) The Guarantees have been duly authorized by the Delaware Corporate Subsidiaries and the New York Subsidiary. Assuming (i) the due authorization,

execution and delivery of the Guarantees by the Canadian Subsidiaries under Canadian Law, (ii) the due authorization, execution and delivery of the Guarantees by the Delaware LLC Subsidiaries under the laws of Delaware and (iii) the due authorization, execution and delivery of the Guarantees by the Non-Delaware Subsidiaries under the laws of each of their respective jurisdictions of incorporation or formation, as applicable, the Guarantees endorsed on the Offered Securities (to the extent execution and delivery are governed by the laws of the State of New York) have been executed and delivered by the Guarantors and, assuming the Indenture has been executed and the Offered Securities have been duly authenticated by the Trustee in accordance with the terms of the Indenture and delivered to and paid for by the Purchasers in accordance with the terms of this Agreement, will be the valid and legally binding obligations of each Guarantor, enforceable against each Guarantor in accordance with their terms, subject, as to enforcement, as to the effect of any applicable bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether enforcement is considered in a proceeding in equity or at law);

(vi) The statements set forth in the Offering Circular under the caption (a) "Description of the Notes", insofar as they purport to constitute a summary of the terms of the Offered Securities, the Indenture and the Registration Rights Agreement described therein, fairly summarize such terms in all material respects, and (b) "Certain Federal Income Tax Considerations - U.S. Federal Income Tax Considerations," insofar as they purport to describe the provisions of the laws or documents referred to therein, fairly summarize such laws or documents in all material respects;

(vii) Assuming (a) the accuracy of and compliance with the representations, warranties and covenants of the Company and the Guarantors in this Agreement and (b) the accuracy of and compliance with the representations, warranties and covenants of the Purchasers in this Agreement, no registration of the Offered Securities under the Securities Act and no qualification of an indenture under the Trust Indenture Act with respect thereto, is required in connection with the offer, sale and delivery of the Offered Securities to the Purchasers and the initial resale of the Offered Securities by the Purchasers in the manner contemplated by the this Agreement and the Offering Circular (it being understood that such counsel does not express any opinion as to any subsequent resale of any of the Offered Securities);

(viii) Neither the Company nor any of the Guarantors are or, after giving effect to the offering and sale of the Offered Securities, will be required to be registered as an "investment company", as such term is defined in the Investment Company Act;

(ix) No consent, approval, authorization, order, registration or qualification of or with any United States federal or New York State court or governmental agency or body is required for the issue and sale of the Offered Securities or the Guarantees by the Company and the Guarantors, the resale of the Offered Securities by the Purchasers or the consummation by the Company and the Guarantors of the transactions contemplated by the Purchase Agreement, the Indenture or the Registration Rights Agreement, except as required under the Securities Act and the Trust Indenture Act in connection with the Registration Rights Agreement and applicable state securities or blue sky laws;



(x) The execution, delivery and performance of the Indenture, this Agreement and the Registration Rights Agreement and the issuance and sale of the Offered Securities and the Guarantees and compliance with the terms and provisions thereof will not result in (a) a breach of, or constitute a default under, any of the provisions of the Indenture, dated as of December 4, 1998 between the Company and U.S. Bank Trust National Association, as trustee, relating to the Company's \$200,000,000 of aggregate principal amount 7 7/8% Senior Notes due December 1, 2005, as supplemented by the First Supplemental Indenture to be dated prior to or on the Closing Date between the Company and U.S. Bank Trust National Association, as trustee, or (b) contravene any United States federal or New York law, rule or regulation applicable to the Company, or any order identified to us by the Company applicable to the Company of any court or of any other United States federal or New York State governmental body or instrumentality having jurisdiction over it or any of its property (it being understood that for the purpose of the opinion in this paragraph (xiii), we are not passing upon compliance with respect to antifraud or similar provisions of any law, rule or regulation); and

(xi) Assuming the due authorization, execution and delivery of the this Agreement, the Indenture and the Registration Rights Agreement by the Company under Canadian Law, the submission by the Company to the non-exclusive jurisdiction of the courts of the State of New York pursuant to Section 14 of this Agreement, pursuant to Section 112 of the Indenture and Section 9 of the Registration Rights Agreement is effective. Such counsel shall note that a court of the State of New York or the United States of America sitting in New York County has the power to decline to hear an action based on this Agreement, the Indenture or the Registration Rights Agreement on the ground that the State of New York is an inconvenient forum.

In addition, such counsel will state in a separate letter that it has no reason to believe that the Offering Circular, or any amendment or supplement thereto, as of the date hereof and as of the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein in light of the circumstances under which they were made, not misleading; it being understood that such counsel need express no opinion as to the financial statements or other financial data contained in or omitted from Offering Circular.

(d) The Purchasers shall have received an opinion, dated such Closing Date, of McCarthy Tétrault LLP, Canadian counsel for the Company and the Canadian Subsidiaries, to the effect that:

(i) The Company has been duly amalgamated and is validly existing under the federal laws of Canada, with corporate power and authority to own its properties and conduct its business as described in the Offering Circular; and the Company is duly licensed to do business as an extra-provincial corporation in good standing in all Canadian jurisdictions in which its ownership or lease of property or the conduct of its business requires such licenses;

(ii) Each of the Canadian Subsidiaries has been duly incorporated and is validly existing under the federal laws of Canada, the laws of Ontario or the laws of Alberta, as the case may be, with corporate power and authority to own its properties and conduct its business as described in the Offering Circular; and each Canadian Subsidiary is duly licensed to do business as an extra-provincial corporation in good standing in all Canadian jurisdictions in which its ownership or lease of property or the conduct of its

business requires such license; based solely on an officer's certificate, all of the issued and outstanding capital stock of each Canadian Subsidiary has been duly authorized and validly issued and is fully paid and nonassessable;

(iii) Except for those that have been obtained, no authorization, approval, permit, consent, license, registration, filing, order, qualification or exemption of any Canadian federal or Ontario government, governmental instrumentality or court is required for (A) the valid authorization, issuance, sale and delivery by the Company to the Purchasers of the Offered Securities in the United States and (B) the valid execution and delivery of, and the performance by the Company of its obligations, under this Agreement, the Registration Rights Agreement or the Indenture;

(iv) The statements set forth in the Offering Circular, under the headings "Risk Factors -- Risks Related to the Notes -- Certain bankruptcy and insolvency laws may impair the trustee's ability to enforce remedies under the notes," "Risk Factors -- Risks Related to Our Business -- Because we are incorporated in Canada, it may be difficult for you to enforce against us liabilities based solely on U.S. federal securities laws," "Certain Federal Income Tax Considerations -- Canadian Federal Income Tax Considerations," insofar as such statements purport to describe matters of Canadian federal law, provide an accurate summary thereof, in all material respects, subject to the qualifications and limitations referred to therein;

(v) The execution, delivery and performance of this Agreement, the Registration Rights Agreement and the Indenture, and the issuance and sale of the Offered Securities to the Purchasers in the United States, in each case, by the Company will not result in a breach or violation, or constitute a default under, any applicable Canadian federal or Ontario statute, rule, or regulation, or the articles or by-laws of the Company, and the Company has the corporate power and authority to authorize, issue and sell the Offered Securities as contemplated by this Agreement, the Registration Rights Agreement and the Indenture;

(vi) The execution, delivery and performance of this Agreement, the Registration Rights Agreement and the Indenture and the issuance of the Guarantees, in each case, by each of the Canadian Subsidiaries will not result in a breach or violation, or constitute a default under, any applicable Canadian federal or Ontario statute, rule, or regulation, or the articles or by-laws of each of the Canadian Subsidiaries, and each of the Canadian Subsidiaries has the corporate power and authority to authorize, issue and deliver the Guarantees as contemplated by this Agreement, the Registration Rights Agreement and the Indenture;

(vii) To such counsel's knowledge, no order having the effect of ceasing or suspending the distribution of the Offered Securities has been issued by any securities commission or securities regulatory authority in Canada and no proceedings for that purpose have been instituted or are pending;

(viii) The Company is not, to such counsel's knowledge, on any list of defaulting reporting issuers maintained under the securities legislation of any Canadian province that provides for a reporting issuer regime;

(ix) The Indenture is exempt from the trust indenture requirements of Part VIII of the Canada Business Corporations Act, including the requirement that the trustee under the Indenture be a body corporate incorporated under the laws of Canada or a

province and authorized to carry on the business of a trust company. No registration, filing or recording of the Indenture under the federal laws of Canada is necessary in order to preserve or protect the validity or enforceability of the Indenture or the Offered Securities issued thereunder;

(x) Except as disclosed in the Offering Document, under current Canadian federal and Ontario laws and regulations, all interest, principal, premium, if any, and other payments due or made on the Offered Securities may be paid by the Company to the holder thereof in United States dollars or Canadian dollars that may be converted into foreign currency and freely transferred out of Canada and no such payments made to holders thereof who are Holders as defined in the Offering Circular under the heading "Certain Federal Income Tax Considerations -- Canadian Federal Income Tax Considerations" will be subject to income, withholding or other taxes under the laws and regulations of Canada or Ontario and all such payments will otherwise be free and clear of any other Canadian federal or Ontario tax, duty, withholding or deduction and without the necessity of obtaining any Canadian federal or Ontario governmental authorization;

(xi) Provided that a Purchaser is a Holder as defined in the Offering Circular under the heading "Certain Federal Income Tax Considerations -- Canadian Federal Income Tax Considerations" and does not provide services in Canada, no stamp tax or other issuance, goods and services or transfer taxes or duties and no capital gains, income, withholding or other taxes are payable by or on behalf of the Purchasers to any Canadian federal or Ontario taxing authority in connection with (A) the creation, issuance, sale and delivery of the Offered Securities to the Purchasers in the manner contemplated in this Agreement, the Registration Rights Agreement and the Indenture; or (B) the resale and delivery of such Offered Securities by the Purchasers outside of Canada in the manner contemplated in this Agreement, the Registration Rights Agreement and the Indenture;

(xii) A court of competent jurisdiction in the Province of Ontario (an "Ontario Court") would give effect to the choice of the laws of the State of New York ("New York Law") as the proper law governing this Agreement, the Registration Rights Agreement, the Indenture and the Offered Securities provided that such choice of law is bona fide (in the sense that it was not made with a view to avoiding the consequences of the laws of any other jurisdiction) and provided that such choice of New York Law is not contrary to public policy, as that term is applied by an Ontario Court;

(xiii) There are no reasons under the laws of the Province of Ontario or the federal laws of Canada applicable therein for avoiding on public policy grounds the choice of New York Law to govern this Agreement, the Registration Rights Agreement, the Indenture or the Offered Securities;

(xiv) If this Agreement, the Registration Rights Agreement, the Indenture or the Offered Securities are sought to be enforced in the Province of Ontario in accordance with the laws applicable thereto as chosen by the parties, namely New York Law, and an Ontario Court recognized the choice of New York Law, an Ontario Court would, upon appropriate evidence as to such law being adduced, apply such law in the enforcement of this Agreement, the Registration Rights Agreement, the Indenture or the Offered Securities, provided that none of the provisions of this Agreement, the Registration Rights Agreement, the Indenture or the Offered Securities, as the case may be, or of applicable New York Law is contrary to public policy as that term is applied by an Ontario Court; provided, however, that, in matters of procedure, the laws of the Province of Ontario will be applied, and an Ontario Court will retain discretion to decline to hear such action if it is contrary to public

policy, as that term is applied by an Ontario Court, for it to do so; or if it is not the proper forum to hear such an action, or if concurrent proceedings are being brought elsewhere;

(xv) The laws of the Province of Ontario and the federal laws of Canada applicable therein permit an action to be brought before an Ontario Court on a final and conclusive judgment in personam of a New York Court respecting the enforcement of this Agreement, the Registration Rights Agreement or the Indenture that is not impeachable as void or voidable or otherwise ineffective under New York Law and for a sum certain if: (a) the New York Court rendering such judgment had jurisdiction over the Company, as recognized by an Ontario Court; (b) such judgment was not obtained by fraud or in a manner contrary to natural justice or other rule of law, whether equitable, legal or statutory, and the enforcement thereof would not be inconsistent with public policy as such term is understood under the laws of the Province of Ontario or contrary to any order made by the Attorney General of Canada under the Foreign Extraterritorial Measures Act (Canada) or by the Competition Tribunal under the Competition Act (Canada); (c) the enforcement of such judgment does not constitute, directly or indirectly, the enforcement of foreign revenue, public or penal laws; and (d) the action to enforce such judgment is commenced within the applicable limitation period;

(xvi) To such counsel's knowledge, other than as set out in the Offering Document, there is not pending or threatened any action, suit, proceeding, inquiry, or investigation, to which the Company is a party, or to which the property of the Company is subject, before or brought by any court or governmental agency or body in Canada which, individually or in the aggregate, would result in a Material Adverse Effect, or which would materially and adversely affect the properties or assets of the Company or the consummation of the transactions contemplated in this Agreement, the Registration Rights Agreement and the Indenture or the performance by the Company of its obligations thereunder;

(xvii) Each of this Agreement, the Registration Rights Agreement and the Indenture has been duly authorized by all necessary corporate action on the part of the Company and each of the Canadian Subsidiaries to the extent that they are governed by the federal law of Canada or the laws of Ontario and to the extent that execution and delivery are matters governed by Canadian federal or Ontario law, each of this Agreement, the Registration Rights Agreement and the Indenture have been executed and delivered by the Company and each Canadian Subsidiary;

(xviii) The Offered Securities have been duly authorized for issuance by all necessary corporate action on the part of the Company, and assuming due authorization and authentication of the Offered Securities by the trustee in accordance with the Indenture and receipt in full of the consideration for the issuance, the Offered Securities have been duly issued and, to the extent that execution and delivery are matters governed by Canadian federal or Ontario law, the global certificate representing the Offered Securities has been duly executed and delivered by the Company;

(xix) The Guarantees have been duly authorized by all necessary corporate action on the part of the Canadian Subsidiaries and, to the extent that execution and delivery are matters governed by Canadian federal or Ontario law, the Guarantees have been duly executed and delivered by each of the Canadian Subsidiaries;

(xx) No withholding tax imposed under the federal laws of Canada or the laws of Ontario will be payable in respect of the payment or crediting of the commissions

contemplated by this Agreement by the Company to a Purchaser that is not, and is not deemed to be, a resident of Canada for the purposes of the Income Tax Act (Canada), or of any interest or deemed interest on the resale of Offered Securities by a Purchaser to U.S. residents provided that the Purchaser deals at arm's length with the Company (as such term is understood for purposes of the Income Tax Act (Canada)), and that such commissions are payable in respect of services rendered by the Purchaser wholly outside of Canada that are performed in the ordinary course of business carried on by the Purchaser outside of Canada that includes the performance of such services for a fee; and

(xxi) No goods and services tax imposed under the federal laws of Canada or retail sales taxes imposed under the laws of the Province of Ontario will be payable by the Company or collectable by a Purchaser in respect of the payment of commissions as contemplated by this Agreement to a Purchaser that is a non-resident of Canada, provided that such commissions are in respect of services performed by a Purchaser wholly outside of Canada.

In addition, such counsel will state in a separate letter that it has no reason to believe that the Offering Circular, or any amendment or supplement thereto, as of the date hereof and as of the Closing Date, contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein not misleading; it being understood that such counsel need express no view as to the financial statements or other financial or statistical data contained in or omitted from the Offering Circular and that counsel's view will be based solely on Ontario law and its involvement as Canadian counsel.

(e) The Purchasers shall have received an opinion, dated the Closing Date, of Robert Lister, General Counsel to the Company, that:

(i) Each of Delaware Corporate Subsidiaries and each of the Delaware LLC Subsidiaries (together with the Delaware Corporate Subsidiaries, the "DELAWARE SUBSIDIARIES") and the New York Subsidiary have been, to such counsel's knowledge, duly incorporated or formed and is an existing corporation, or other business organization, and is in good standing under the laws of the jurisdiction of its incorporation or organization, as the case may be, with all requisite power and authority (corporate or otherwise) to own its properties and conduct its business as described in the Offering Document; the Company owns all of the issued and outstanding capital stock of each of the Delaware Corporate Subsidiaries.

(ii) The execution, delivery and performance of this Agreement, the Registration Rights Agreement, the Indenture and the Guarantees to be endorsed on the by each of the Delaware LLC Subsidiaries have been duly authorized by all necessary corporate or other action on the part of each Delaware LLC Subsidiary;

(iii) The execution, delivery and performance of this Agreement, the Registration Rights Agreement and the Indenture and the issuance of the Guarantees, in each case, by each of the Delaware Subsidiaries and the New York Subsidiary will not result in a breach or violation, or constitute a default under, (i) any statute, rule, or regulation, or order of any governmental agency or body or any court, domestic or foreign, having jurisdiction over any Delaware Subsidiary or the New York Subsidiary or any of their respective properties, (ii) any material agreement or instrument to which the Delaware Subsidiary is a part or by which any such Delaware Subsidiary or the New York Subsidiary is subject, or (iii) the charter or by-laws or limited liability company agreement, as applicable, of each of the Delaware Subsidiaries and the New York Subsidiary, except in

the case of clauses (i) and (ii), where such breach, violation or default would not individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and each of the Delaware Subsidiaries and the New York Subsidiary has the full power and authority to authorize, issue and deliver the Guarantees as contemplated by this Agreement, the Registration Rights Agreement and the Indenture;

(iv) Other than the Registration Rights Agreement, to such counsel's knowledge after reasonable investigation, there are no contracts, agreements or understandings between the Company or any Guarantor and any person granting such person the right to require the Company or any Guarantor to file a registration statement under the Securities Act with respect to any securities of the Company or any Guarantor or to require the Company or any Guarantor to include such securities with the Securities registered pursuant to any Registration Statement;

(v) To such counsel's knowledge, except as disclosed in the Offering Document, there are no pending, threatened or contemplated actions, suits, proceedings, inquiries, or investigations against or affecting any subsidiary or any of their respective properties that, if determined adversely to any subsidiary, would reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect, or would materially and adversely affect the ability of the Company or the Guarantors to perform their obligations under this Agreement, the Registration Rights Agreement and the Indenture;

(f) The Purchasers shall have received an opinion, dated the Closing Date, of Sirote & Permutt, P.C., special Alabama counsel to Sonics Associates, Inc., of Jaburg & Wilk, P.C., special Arizona counsel to IMAX Theatre Management (Scottsdale), Inc., of Dann Pecar Newman Kleiman, P.C., special Indiana counsel to IMAX Indianapolis LLC, of Lionel Sawyer & Collins, special Nevada counsel to IMAX Forum Ride, Inc. and of Cameron & Mittleman LLP, special Rhode Island counsel to IMAX Rhode Island Limited Partnership (each the "NON-DELAWARE GUARANTOR"), that, as applicable:

(i) The Non-Delaware Guarantor has been duly incorporated or formed and is an existing corporation or other business organization, in good standing under the laws of the jurisdiction of its incorporation or organization, as the case may be, with all requisite power and authority (corporate or otherwise) to own its properties and conduct its business as described in the Offering Document;

(ii) The execution, delivery and performance of this Agreement, the Registration Rights Agreement, the Indenture and the Guarantee by the Non-Delaware Guarantor have been duly authorized by all necessary corporate or other action on the part of the Non-Delaware Guarantor; and

(iii) The execution, delivery and performance of this Agreement, the Registration Rights Agreement and the Indenture, and the issuance of the Guarantees, in each case, by the Non-Delaware Guarantor will not result in a breach or violation, or constitute a default under any U.S. federal or applicable state statute, rule, or regulation, or the articles or formation documents or by-laws or organizational documents of each of the Non-Delaware Guarantor.

(g) The Purchasers shall have received from Skadden, Arps, Slate, Meagher & Flom LLP, counsel for the Purchasers, such opinion or opinions, dated the Closing Date, with respect to the validity of the Offered Securities, the Offering Circular, the exemption from registration for the offer and sale of the Offered Securities by the Company to the several Purchasers and the resales by the several Purchasers as contemplated hereby and other related matters as CSFB may reasonably require, and the Company shall have furnished to such counsel such documents as they reasonably

request for the purpose of enabling them to pass upon such matters. In rendering such opinion, Skadden, Arps, Slate, Meagher & Flom LLP may rely as to the incorporation of the Company and all other matters governed by Canadian law upon the opinion of McCarthy Tetrault LLP referred to above.

(h) The Purchasers shall have received from Osler, Hoskin & Harcourt LLP, Canadian counsel for the Purchasers, such opinion, dated the Closing Date, with respect to the incorporation of the Company, the validity of the Offered Securities and such matters as CSFB may reasonably require, and the Company shall have furnished to such counsel such documents as they reasonably request for the purpose of enabling them to pass on such matters.

(i) The Purchasers shall have received a certificate, dated the Closing Date, of one of the Co-Chief Executive Officers and the Chief Financial Officer of the Company and each Guarantor in which such officers, to the best of their knowledge, shall state that the representations and warranties of the Company and the Guarantors in this Agreement are true and correct as of such Closing Date, that the Company and the Guarantors have complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date, and that, subsequent to the date of this Agreement there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the condition (financial or other), business, properties or results of operations of the Company and the subsidiaries taken as a whole except as described in such certificate.

(j) The Purchasers shall have received a letter, dated the Closing Date, of PricewaterhouseCoopers LLP which meets the requirements of subsection (a) of this Section, except that the specified date referred to in such subsection will be a date not more than three business days prior to the Closing Date for the purposes of this subsection.

(k) The Registration Rights Agreement shall have been signed and delivered on the Closing Date by the Company and each of the Guarantors.

Documents described as being "in the agreed form" are documents which are in the forms which have been initialed for the purpose of identification by Skadden, Arps, Slate, Meagher & Flom LLP, copies of which are held by the Company and CSFB, with such changes as CSFB may approve.

The Company will furnish the Purchasers with such conformed copies of such opinions, certificates, letters and documents as the Purchasers reasonably request. CSFB may in its sole discretion waive on behalf of the Purchasers compliance with any conditions to the obligations of the Purchasers hereunder, whether in respect of an Optional Closing Date or otherwise.

7. Indemnification and Contribution. (a) The Company and the Guarantors will indemnify and hold harmless each Purchaser, its partners, directors and officers and each person, if any, who controls such Purchaser within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which such Purchaser may become subject, under the Securities Act or the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Offering Document, or any amendment or supplement thereto, or any related preliminary offering circular or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, including any losses, claims, damages or liabilities arising out of or based upon the Company's or any Guarantor's failure to perform its obligations under Section 5(a) of this Agreement, and will reimburse each Purchaser for any legal or other expenses reasonably incurred by such Purchaser in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses

are incurred; provided, however, that neither the Company nor any of the Guarantors will be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by any Purchaser through CSFB specifically for use therein, it being understood and agreed that the only such information consists of the information described as such in subsection (b) below; provided, further, however, that the foregoing indemnity agreement with respect to losses, claims, damages or liabilities shall not inure to the benefit of any Purchaser (or any person controlling any Purchaser) with respect to any losses, claims, damages arising out of or based upon (x) any untrue statement or alleged untrue statement of any material fact in the Offering Document or (y) the omission or alleged omission to state in the Offering Document a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, if: (1) the Company furnished sufficient copies of the Offering Document or an amended Offering Document on a timely basis to permit delivery of the Offering Document or an amended Offering Document to all persons purchasing notes from the Purchasers in the initial resale of such notes (such person "Initial Resale Purchasers") at or prior to the written confirmation of the sale of the Offered Securities to such person; (2) the Initial Resale Purchaser asserting such losses, claims, damages or liabilities purchased Offered Securities in the initial resale from the Purchasers and a copy of the Offering Document or an amended Offering Document was not sent or given by or on behalf of such Purchaser to such Initial Resale Purchaser; and (3) the Offering Document or an amended Offering Document would have cured the defect giving rise to such losses, claims, damages or liabilities.

(b) Each Purchaser will severally and not jointly indemnify and hold harmless the Company, the Guarantors, their respective directors and officers and each person, if any, who controls the Company or the Guarantors within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities to which the Company may become subject, under the Securities Act or the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Offering Document, or any amendment or supplement thereto, or any related preliminary offering circular, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Purchaser through CSFB specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred, it being understood and agreed that the only such information furnished by any Purchaser consists of (i) the following information in the Offering Document furnished on behalf of each Purchaser: under the caption "Plan of Distribution" paragraphs three, seven, eleven and thirteen, the third sentence of the tenth paragraph and the second sentence of the twelfth paragraph; provided, however, that the Purchasers shall not be liable for any losses, claims, damages or liabilities arising out of or based upon the Company's failure to perform its obligations under Section 5(a) of this Agreement.

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the failure to notify the indemnifying party shall not relieve it from any liability that it may have under subsection (a) or (b) above except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided further that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party



similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld), effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement includes (i) an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and (ii) does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of any indemnified party. No indemnified party shall, without the prior written consent of the indemnifying party, effect any settlement or compromise of, or consent to the entry of any judgment with respect to any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnifying party from all liability on any claims that are the subject matter of such action and (ii) does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of any indemnifying party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by this Section 7(c), the indemnified party may effect a settlement or compromise of, or consent to the entry of any judgment with respect to any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder without the consent of the indemnifying party and the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement; provided that an indemnifying party shall not be liable for any such settlement effected without its consent if such indemnifying party, prior to the date of such settlement, (1) reimburses such indemnified party in accordance with such request for the amount of such fees and expenses of counsel as the indemnifying party believes in good faith to be reasonable, and (2) provides written notice to the indemnified party that the indemnifying party disputes in good faith the reasonableness of the unpaid balance of such fees and expenses.

(d) If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Guarantors on the one hand and the Purchasers on the other from the offering of the Offered Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Guarantors on the one hand and the Purchasers on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company and the Guarantors on the one hand and the Purchasers on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total discounts and commissions received by the Purchasers from the Company under this Agreement. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Guarantors or the Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in

the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), no Purchaser shall be required to contribute any amount in excess of the amount by which the total discounts, fees and commissions received by such Purchaser exceeds the amount of any damages which such Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. The Purchasers' obligations in this subsection (d) to contribute are several in proportion to their respective purchase obligations and not joint.

(e) The obligations of the Company and the Guarantors under this Section shall be in addition to any liability which the Company and the Guarantors may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Purchaser within the meaning of the Securities Act or the Exchange Act; and the obligations of the Purchasers under this Section shall be in addition to any liability which the respective Purchasers may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act.

8. Default of Purchasers. If any Purchaser or Purchasers default in their obligations to purchase Offered Securities hereunder and the aggregate principal amount of Offered Securities that such defaulting Purchaser or Purchasers agreed but failed to purchase does not exceed 10% of the total principal amount of Offered Securities, CSFB may make arrangements satisfactory to the Company for the purchase of such Offered Securities by other persons, including any of the Purchasers, but if no such arrangements are made by the Closing Date, the non-defaulting Purchasers shall be obligated severally, in proportion to their respective commitments hereunder, to purchase the Offered Securities that such defaulting Purchasers agreed but failed to purchase. If any Purchaser or Purchasers so default and the aggregate principal amount of Offered Securities with respect to which such default or defaults occur exceeds 10% of the total principal amount of Offered Securities and arrangements satisfactory to CSFB and the Company for the purchase of such Offered Securities by other persons are not made within 36 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Purchaser or the Company, except as provided in Section 9. As used in this Agreement, the term "Purchaser" includes any person substituted for a Purchaser under this Section. Nothing herein will relieve a defaulting Purchaser from liability for its default.

9. Survival of Certain Representations and Obligations. The respective indemnities, agreements, representations, warranties and other statements of the Company or the Guarantors or their respective officers and of the several Purchasers set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Purchaser, the Company or any of their respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Offered Securities. If this Agreement is terminated pursuant to Section 8 or if for any reason the purchase of the Offered Securities by the Purchasers is not consummated, the Company and the Guarantors shall remain responsible for the reasonable expenses to be paid or reimbursed by it pursuant to Section 5 and the respective obligations of the Company and the Guarantors and the Purchasers pursuant to Section 7 shall remain in effect. If the purchase of the Offered Securities by the Purchasers is not consummated for any reason other than solely because of the termination of this Agreement pursuant to Section 8 or the occurrence of any event specified in clause (iii), (iv), (v), (vi) or (vii) of Section 6(b), the Company and the Guarantors will reimburse the Purchasers for all reasonable out-of-pocket expenses (including reasonable fees and disbursements of counsel) reasonably incurred by them in connection with the offering of the Offered Securities .

10. Notices. All communications hereunder will be in writing and, if sent to the Purchasers will be mailed, delivered or telecopied and confirmed to the Purchasers, c/o Credit Suisse First Boston LLC, Eleven Madison Avenue, New York, N.Y. 10010-3629, Attention: Transactions Advisory Group, or, if sent to the Company or the Guarantors, will be mailed, delivered or telecopied and confirmed to it at IMAX Corporation,

2525 Speakman Drive, Sheridan Science and Technology Park, Mississauga, Ontario L5K 1B1, Canada, Attention: General Counsel; provided, however, that any notice to a Purchaser pursuant to Section 7 will be mailed, delivered or telecopied and confirmed to such Purchaser.

11. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the controlling persons referred to in Section 7, and no other person will have any right or obligation hereunder, except that holders of Offered Securities shall be entitled to enforce the agreements for their benefit contained in the second and third sentences of Section 5(b) hereof against the Company as if such holders were parties thereto.

12. Representation of Purchasers. You will act for the several Purchasers in connection with this purchase, and any action under this Agreement taken by you will be binding upon all the Purchasers and the Company shall be authorized to act upon any such action by or on behalf of the Purchasers.

13. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

14. APPLICABLE LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

The Company and each of the Guarantors hereby submits to the non-exclusive jurisdiction of the Federal and state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

The obligation of the Company or any of the Guarantors in respect of any sum due to any Purchaser shall, notwithstanding any judgment in a currency other than United States dollars, not be discharged until the first business day, following receipt by such Purchaser of any sum adjudged to be so due in such other currency, on which (and only to the extent that) such Purchaser may in accordance with normal banking procedures purchase United States dollars with such other currency; if the United States dollars so purchased are less than the sum originally due to such Purchaser hereunder, the Company and each Guarantor agree, as a separate obligation and notwithstanding any such judgment, to indemnify such Purchaser against such loss. If the United States dollars so purchased are greater than the sum originally due to such Purchaser hereunder, such Purchaser agrees to pay to the Company an amount equal to the excess of the dollars so purchased over the sum originally due to such Purchaser hereunder.

[signature pages follow]

If the foregoing is in accordance with the Purchasers' understanding of our agreement, kindly sign and return to us one of the counterparts hereof, whereupon it will become a binding agreement between the Company, the Guarantors and the several Purchasers in accordance with its terms.

Very truly yours,

ISSUER:

IMAX Corporation

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Sr. Vice President, Legal Affairs

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President Finance, Special Projects

GUARANTORS:

David Keighley Productions 70MM Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX II U.S.A. Inc.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Chicago Theatre LLC  
By its Managing Member  
IMAX Theatre Holding (California I) Co.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Forum Ride, Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Minnesota Holding Co.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Rhode Island Limited Partnership  
By its General Partner  
IMAX Providence General Partner Co.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Sandde Animation Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Scribe Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Space Ltd.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Holding Co.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Holdings (OEI) Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Management Company

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Services Ltd.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX U.S.A. Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

Miami Theatre LLC  
By its Managing Member  
IMAX Theatre Holding (California I) Co.

By /s/ G. Mary Ruby  
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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
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Name: Edward MacNeil  
Title: Vice President

Mitey Cinema Inc.

By /s/ G. Mary Ruby  
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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
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Name: Edward MacNeil  
Title: Vice President

Mountainview Theatre Management Ltd.

By /s/ G. Mary Ruby  
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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
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Name: Edward MacNeil  
Title: Vice President

Nyack Theatre LLC  
By its Managing Member  
IMAX Theatre Holding (Nyack I) Co.

By /s/ G. Mary Ruby  
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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
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Name: Edward MacNeil  
Title: Vice President



Ridefilm Corporation

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

Sacramento Theatre LLC  
By its Managing Member  
IMAX Theatre Holding (California I) Co.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

Sonics Associates, Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

Starboard Theatres Ltd.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

Tantus Films Ltd.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

Wire Frame Films Ltd.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

1329507 Ontario Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

924689 Ontario Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX (Titanica) Ltd.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX (Titanic) Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Music Ltd.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Holding (Brossard) Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Film Holding Co.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Indianapolis LLC

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Pictures Corporation

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

Immersive Entertainment Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Providence General Partner Co.

By /s/ G. Mary Ruby  
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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
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Name: Edward MacNeil  
Title: Vice President

IMAX Providence Limited Partner Co.

By /s/ G. Mary Ruby  
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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Holding (California I) Co.

By /s/ G. Mary Ruby  
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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Holding (California II) Co.

By /s/ G. Mary Ruby  
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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Holding (Nyack I) Co.

By /s/ G. Mary Ruby  
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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Holding (Nyack II) Co.

By /s/ G. Mary Ruby  
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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Management (Scottsdale), Inc.

By /s/ G. Mary Ruby  
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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
-----  
Name: Edward MacNeil  
Title: Vice President

Panda Productions Inc.

By /s/ G. Mary Ruby  
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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
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Name: Edward MacNeil  
Title: Vice President

Strategic Sponsorship Corporation

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

Tantus II Films Ltd.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

RPM Pictures Ltd.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

The foregoing Purchase Agreement is hereby confirmed and accepted as of the date first above written.

CREDIT SUISSE FIRST BOSTON LLC

By /s/ Thomas C. Davidov

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Name: Thomas C. Davidov

Title: Director

Acting on behalf of itself  
and as the sole Representative  
of the several Purchasers



SCHEDULE A

MANAGER -----	PRINCIPAL AMOUNT OF OFFERED SECURITIES -----
Credit Suisse First Boston LLC.....	\$128,400,000
Jefferies & Company, Inc.....	14,864,000
Wachovia Capital Markets, LLC.....	11,152,000
U.S. Bancorp Piper Jaffray Inc.....	5,584,000
	-----
Total.....	\$160,000,000 =====

SCHEDULE B

SUBSIDIARIES

COMPANY NAME

1329507 Ontario Inc.  
924689 Ontario Inc.  
Big Frame Theatre Limited Partnership  
David Keighley Productions 70 MM Inc.  
Imax (Netherlands) B.V.  
Imax (Titanic) Inc.  
Imax (Titanica) Ltd.  
IMAX Chicago Theatre LLC  
Imax Entertainment Pte Ltd.  
Imax Film Holding Co.  
Imax Forum Ride, Inc.  
Imax II U.S.A. Inc.  
Imax Indianapolis LLC  
Imax Japan Inc.  
Imax Minnesota Holding Co.  
Imax Music Ltd.  
Imax Pictures Corporation  
Imax Providence General Partner Co.  
Imax Providence Limited Partner Co.  
Imax Rhode Island Limited Partnership  
Imax Sandde Animation Inc.  
Imax Scribe Inc.  
Imax Space Ltd.  
Imax Theatre Holding (Brossard) Inc.  
Imax Theatre Holding (California I) Co.  
Imax Theatre Holding (California II) Co.  
Imax Theatre Holding (Nyack I) Co.  
Imax Theatre Holding (Nyack II) Co.  
Imax Theatre Holding (OEI), Inc.  
Imax Theatre Holding Co.  
Imax Theatre Management (Scottsdale), Inc.  
Imax Theatre Management Company  
Imax Theatre Services Ltd.  
Imax U.S.A. Inc.  
Immersive Entertainment Inc.  
Miami Theatre LLC  
Mitey Cinema Inc.  
Mountainview Theatre Management Ltd.  
Nyack Theatre LLC  
Nyack Theatre LLC  
Panda Productions Inc.  
Ridefilm Corporation  
RPM Pictures Ltd.  
Sacramento Theatre LLC  
Sonics Associates, Inc.  
Starboard Theatres Ltd.  
Strategic Sponsorship Corporation  
Tantus Films Ltd.  
Tantus II Films Ltd.  
Wire Frame Films Ltd.

CONFORMED COPY

\$160,000,000

IMAX CORPORATION

9 5/8 % SENIOR NOTES DUE 2010

REGISTRATION RIGHTS AGREEMENT

December 4, 2003

Credit Suisse First Boston LLC  
Jefferies & Company, Inc.  
Wachovia Capital Markets, LLC  
U.S. Bancorp Piper Jaffray Inc.  
c/o Credit Suisse First Boston LLC  
Eleven Madison Avenue  
New York, New York 10010-3629

Dear Sirs:

IMAX Corporation, a corporation incorporated under the federal laws of Canada ("COMPANY"), proposes to issue and sell to Credit Suisse First Boston LLC, Jefferies & Company, Inc., Wachovia Capital Markets, LLC and U.S. Bancorp Piper Jaffray Inc. (collectively, the "INITIAL PURCHASERS"), upon the terms set forth in a purchase agreement dated as of November 19, 2003 (the "PURCHASE AGREEMENT"), \$160,000,000 aggregate principal amount of its 9 5/8% Senior Notes due 2010 (the "INITIAL NOTES") to be guaranteed (the "GUARANTEES," together with the Initial Notes, the "INITIAL SECURITIES") by the guarantors named therein (the "GUARANTORS"). The Initial Securities will be issued pursuant to an Indenture, dated as of December 4, 2003, (the "INDENTURE") among the Company and U.S. Bank National Association (the "TRUSTEE"). As an inducement to the Initial Purchasers to enter into the Purchase Agreement, the Company and each of the Guarantors agrees with the Initial Purchasers, for the benefit of the holders of the Initial Securities (including, without limitation, the Initial Purchasers), the Exchange Securities (as defined below) and the Private Exchange Securities (as defined below) (collectively the "HOLDERS"), as follows:

1. Registered Exchange Offer. The Company and Guarantors shall, at their own cost, prepare and, not later than 90 days after (or if the 90th day is not a business day, the first business day thereafter) the date of original issue of the Initial Securities (the "ISSUE DATE"), file with the Securities and Exchange Commission (the "COMMISSION") a registration statement (the "EXCHANGE OFFER REGISTRATION STATEMENT") on an appropriate form under the Securities Act of 1933, as amended (the "SECURITIES ACT"), with respect to a proposed offer (the "REGISTERED EXCHANGE OFFER") to the Holders of Transfer Restricted Securities (as defined in Section 6 hereof), who are not prohibited by any law or policy of the Commission from participating in the Registered Exchange Offer, to issue and deliver to such Holders, in exchange for the Initial Securities, a like aggregate principal amount of debt securities of the Company, with guarantees endorsed thereon by the Guarantors (the "EXCHANGE SECURITIES"), issued under the Indenture and identical in all material respects to the Initial Securities (except for the transfer restrictions relating to the Initial

Securities and the provisions relating to the matters described in Section 6 hereof) that would be registered under the Securities Act . The Exchange Securities will be issued as evidence of the same continuing indebtedness of the Company and will not constitute the creation of new indebtedness. Each of the Company and the Guarantors shall use its respective reasonable best efforts to cause such Exchange Offer Registration Statement to become effective under the Securities Act within 180 days (or if the 180th day is not a business day, the first business day thereafter) after the Issue Date of the Initial Securities and shall keep the Exchange Offer Registration Statement effective for not less than 20 business days (or longer, if required by applicable law) after the date notice of the Registered Exchange Offer is mailed to the Holders (such period being called the "EXCHANGE OFFER REGISTRATION PERIOD").

If the Company and the Guarantors effect the Registered Exchange Offer, the Company and the Guarantors will be entitled to close the Registered Exchange Offer 20 business days after the commencement thereof, provided that the Company has accepted all the Initial Securities theretofore validly tendered in accordance with the terms of the Registered Exchange Offer.

Following the declaration of the effectiveness of the Exchange Offer Registration Statement, the Company and the Guarantors shall as promptly as practicable commence the Registered Exchange Offer, it being the objective of such Registered Exchange Offer to enable each Holder of Transfer Restricted Securities (as defined in Section 6 hereof) electing to exchange the Initial Securities for Exchange Securities (assuming that such Holder is not an affiliate of the Company within the meaning of the Securities Act, acquires the Exchange Securities in the ordinary course of such Holder's business and has no arrangements with any person to participate in the distribution of the Exchange Securities and is not prohibited by any law or policy of the Commission or under applicable Canadian securities laws from participating in the Registered Exchange Offer) to trade such Exchange Securities from and after their receipt without any limitations or restrictions under the Securities Act and without material restrictions under the securities laws of the several states of the United States, it being recognized that, in order to participate in the exchange, Canadian resident holders of Initial Securities will be required to be eligible to participate in the Registered Exchange Offer pursuant to applicable prospectus exemptions under Canadian provincial securities laws that do not require the delivery of a specified form of offering document.

The Company and each of the Guarantors acknowledges that, pursuant to current interpretations by the Commission's staff of Section 5 of the Securities Act, in the absence of an applicable exemption therefrom, (i) each Holder which is a broker-dealer electing to exchange Securities, acquired for its own account as a result of market making activities or other trading activities, for Exchange Securities (an "EXCHANGING DEALER"), is required to deliver a prospectus containing substantially the information set forth in (a) Annex A hereto on the cover, (b) Annex B hereto in the "Exchange Offer Procedures" section and the "Purpose of the Exchange Offer" section, and (c) Annex C hereto in the "Plan of Distribution" section of such prospectus in connection with a sale of any such Exchange Securities received by such Exchanging Dealer pursuant to the Registered Exchange Offer and (ii) an Initial Purchaser that elects to sell Exchange Securities acquired in exchange for Securities constituting any portion of an unsold allotment is required to deliver a prospectus containing the information required by Items 507 or 508 of Regulation S-K under the Securities Act, as applicable, in connection with such sale.

The Company and each of the Guarantors shall use its reasonable best efforts to keep the Exchange Offer Registration Statement effective and to amend and supplement the prospectus contained therein, in order to permit such prospectus to be lawfully delivered by all persons subject to the prospectus delivery requirements of the Securities Act for such period of time as such persons must comply with such requirements in order to resell the Exchange Securities (the "RESALE PERIOD"); provided, however, that (i)

in the case where such prospectus and any amendment or supplement thereto must be delivered by an Exchanging Dealer or an Initial Purchaser, such period shall be the lesser of 180 days and the date on which all Exchanging Dealers and the Initial Purchasers give written notice to the Company that they have sold all Exchange Securities held by them (unless such period is extended pursuant to Section 3(j) below) and (ii) the Company and the Guarantors shall make such prospectus, and any amendment or supplement thereto, available to any broker-dealer for use in connection with any resale of any Exchange Securities for a period of not less than 90 days after the consummation of the Registered Exchange Offer.

If, upon consummation of the Registered Exchange Offer, any Initial Purchaser holds Initial Securities acquired by it as part of its initial distribution, the Company, simultaneously with the delivery of the Exchange Securities pursuant to the Registered Exchange Offer, shall issue and deliver to such Initial Purchaser upon the written request of such Initial Purchaser, in exchange (the "PRIVATE EXCHANGE") for the Initial Securities held by such Initial Purchaser, a like principal amount of debt securities of the Company, with guarantees endorsed thereon by the Guarantors, issued under the Indenture and identical in all material respects (including the existence of restrictions on transfer under the Securities Act and the securities laws of the several states of the United States, but excluding provisions relating to the matters described in Section 6 hereof) to the Initial Securities (the "PRIVATE EXCHANGE SECURITIES"). The Private Exchange Securities will be issued as evidence of the same continuing indebtedness of the Company and will not constitute the creation of new indebtedness. The Initial Securities, the Exchange Securities and the Private Exchange Securities are herein collectively called the "Securities".

In connection with the Registered Exchange Offer, the Company and the Guarantors shall:

(a) mail, or reasonably cause to be mailed, to each Holder a copy of the prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;

(b) keep the Registered Exchange Offer open for not less than 20 business days (or longer, if required by applicable law) after the date notice thereof is mailed to the Holders;

(c) utilize the services of a depository for the Registered Exchange Offer with an address in the Borough of Manhattan, The City of New York, which may be the Trustee or an affiliate of the Trustee;

(d) permit Holders to withdraw tendered Securities at any time prior to the close of business, New York time, on the last business day on which the Registered Exchange Offer shall remain open; and

(e) otherwise comply with all applicable laws.

As soon as practicable after the close of the Registered Exchange Offer or the Private Exchange, as the case may be, the Company and the Guarantors shall:

(x) accept for exchange all the Initial Securities validly tendered and not withdrawn pursuant to the Registered Exchange Offer and the Private Exchange, subject to the availability of prospectus exemptions under applicable Canadian securities laws in the case of Canadian resident holders of Initial Securities;

(y) deliver to the Trustee for cancellation all the Initial Securities so accepted for exchange; and

(z) cause the Trustee to authenticate and deliver promptly to each registered holder of the Initial Securities, Exchange Securities or Private Exchange Securities, as the case may be, equal in principal amount to the Initial Securities of such registered holder so accepted for exchange.

The Indenture will provide that the Exchange Securities will not be subject to the transfer restrictions set forth in the Indenture and that all the Securities will vote and consent together on all matters as one class and that none of the Securities will have the right to vote or consent as a class separate from one another on any matter.

Interest on each Exchange Security and Private Exchange Security issued pursuant to the Registered Exchange Offer and in the Private Exchange will accrue from the last interest payment date on which interest was paid on the Initial Securities surrendered in exchange therefor or, if no interest has been paid on the Initial Securities, from the date of original issue of the Initial Securities.

Each Holder participating in the Registered Exchange Offer shall be required to represent to the Company and the Guarantors that at the time of the consummation of the Registered Exchange Offer (i) any Exchange Securities received by such Holder will be acquired in the ordinary course of business, (ii) such Holder will have no arrangements or understanding with any person to participate in the distribution of the Securities or the Exchange Securities within the meaning of the Securities Act, (iii) such Holder is not an "affiliate," as defined in Rule 405 of the Securities Act, of the Company or any of the Guarantors or if it is an affiliate, such Holder will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable, (iv) if such Holder is not a broker-dealer, that it is not engaged in, and does not intend to engage in, and has no understanding or arrangement with any person to participate in, the distribution of the Exchange Securities, (v) if such Holder is a broker-dealer, that it will receive Exchange Securities for its own account in exchange for Initial Securities that were acquired as a result of market-making activities or other trading activities and that it will be required to acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities, (vi) if such Holder is a Canadian resident, that it is eligible to acquire the Exchange Securities pursuant to an available exemption from the prospectus requirements of the securities legislation of that Holder's province of residence and (vii) such Holder shall make such other representations as may be required under applicable Commission rules or regulations or interpretations of the staff of the Commission to render the use of the appropriate form under the Securities Act available or for the Exchange Offer Registration Statement to be declared effective.

Notwithstanding any other provisions hereof, the Company and the Guarantors will ensure that (i) any Exchange Offer Registration Statement and any amendment thereto and any prospectus forming part thereof and any supplement thereto complies in all material respects with the Securities Act and the rules and regulations thereunder, (ii) any Exchange Offer Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any prospectus forming part of any Exchange Offer Registration Statement, and any supplement to such prospectus, does not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

2. Shelf Registration. If, (i) because of any change in law or in applicable interpretations thereof by the staff of the Commission, the Company and the Guarantors are not permitted to effect a Registered Exchange Offer, as contemplated by Section 1 hereof, (ii) the Registered Exchange Offer is not consummated within 60 business days after the Exchange Offer Registration Statement is declared effective, (iii) any Initial Purchaser so requests in writing prior to the 20th business day following the consummation of the Registered Exchange Offer with respect to the Initial Securities (or the Private Exchange Securities) not eligible to be exchanged for Exchange Securities in the Registered Exchange Offer and held by it following consummation of the Registered Exchange Offer or (iv) any Holder (other than an Exchanging Dealer) is prohibited by law or Commission policy from participating in the Registered Exchange Offer or, in the case of any Holder (other than an Exchanging Dealer) that participates in the Registered Exchange Offer, such Holder does not receive freely tradeable Exchange Securities on the date of the exchange, the Company and each of the Guarantors shall take the following actions:

(a) The Company and each of the Guarantors shall, at its cost, as promptly as practicable (but in no event more than 60 days after so required or requested pursuant to this Section 2) file with the Commission and thereafter shall use its reasonable best efforts to cause to be declared effective a registration statement (the "SHELF REGISTRATION STATEMENT" and, together with the Exchange Offer Registration Statement, a "REGISTRATION STATEMENT") on an appropriate form under the Securities Act relating to the offer and sale of the Transfer Restricted Securities (as defined in Section 6 hereof) by the Holders thereof from time to time in accordance with the methods of distribution set forth in the Shelf Registration Statement and Rule 415 under the Securities Act (hereinafter, the "SHELF Registration"); provided, however, that no Holder (other than an Initial Purchaser) shall be entitled to have the Securities held by it covered by such Shelf Registration Statement unless such Holder agrees in writing to be bound by all the provisions of this Agreement applicable to such Holder.

(b) The Company and each of the Guarantors shall use its reasonable best efforts to keep the Shelf Registration Statement continuously effective in order to permit the prospectus included therein to be lawfully delivered by the Holders of the relevant Securities, for a period of two years (or for such longer period if extended pursuant to Section 3(j) below) from the date of its effectiveness or such shorter period that will terminate when all the Securities covered by the Shelf Registration Statement (i) have been sold pursuant thereto or (ii) are no longer restricted securities (as defined in Rule 144 under the Securities Act, or any successor rule thereof).

(c) Notwithstanding any other provisions of this Agreement to the contrary, the Company and each of the Guarantors shall cause the Shelf Registration Statement and the related prospectus and any amendment or supplement thereto, as of the effective date of the Shelf Registration Statement, amendment or supplement, (i) to comply in all material respects with the applicable requirements of the Securities Act and the rules and regulations of the Commission and (ii) other than with respect to information included therein in reliance upon or in conformity with written information furnished to the Company by or on behalf of any Holder specifically for use therein, not to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

3. Registration Procedures. In connection with any Shelf Registration contemplated by Section 2 hereof and, to the extent applicable, any Registered Exchange Offer contemplated by Section 1 hereof, the following provisions shall apply:

(a) The Company and each of the Guarantors shall (i) furnish to each Initial Purchaser, prior to the filing thereof with the Commission, a copy of the Registration Statement and each amendment thereof and each supplement, if any, to the prospectus included therein and, in the event that an Initial Purchaser (with respect to any portion of an unsold allotment from the original offering) is participating in the Registered Exchange Offer or the Shelf Registration Statement, the Company and each of the Guarantors shall provide each Initial Purchaser the opportunity to review and provide comments with respect to each such document and shall use its respective reasonable best efforts to reflect in each such document, when so filed with the Commission, such comments as such Initial Purchaser reasonably may propose; (ii) include substantially the information set forth in Annex A hereto on the cover, in Annex B hereto in the "Exchange Offer Procedures" section and the "Purpose of the Exchange Offer" section and in Annex C hereto in the "Plan of Distribution" section of the prospectus forming a part of the Exchange Offer Registration Statement and include substantially the information set forth in Annex D hereto in the Letter of Transmittal delivered pursuant to the Registered Exchange Offer; (iii) if requested by an Initial Purchaser, include the information required by Items 507 or 508 of Regulation S-K under the Securities Act, as applicable, in the prospectus forming a part of the Exchange Offer Registration Statement; (iv) include within the prospectus contained in the Exchange Offer Registration Statement a section entitled "Plan of Distribution," reasonably acceptable to the Initial Purchasers, which shall contain a summary statement of the positions taken or policies made by the staff of the Commission with respect to the potential "underwriter" status of any broker-dealer that is the beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT")) of Exchange Securities received by such broker-dealer in the Registered Exchange Offer (a "PARTICIPATING BROKER-DEALER"), whether such positions or policies have been publicly disseminated by the staff of the Commission or such positions or policies, in the reasonable judgment of the Initial Purchasers based upon advice of counsel (which may be in-house counsel), represent the prevailing views of the staff of the Commission; and (v) in the case of a Shelf Registration Statement, include the names of the Holders, who propose to sell Securities pursuant to the Shelf Registration Statement, as selling securityholders, provided such information is provided to the Company at least five business days prior to the filing thereof.

(b) The Company and the Guarantors shall give written notice to the Initial Purchasers, the registered holders of the Securities and any Participating Broker-Dealer from whom the Company has received prior written notice that it will be a Participating Broker-Dealer in the Registered Exchange Offer (which notice pursuant to clauses (i)-(v) hereof shall be accompanied by an instruction to suspend the use of the prospectus until the requisite changes have been made):

(i) when the Registration Statement or any amendment thereto has been filed with the Commission and when the Registration Statement or any post-effective amendment thereto has become effective;

(ii) of any request by the Commission for amendments or supplements to the Registration Statement or the prospectus included therein or for additional information;



(iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose;

(iv) of the receipt by the Company or any of the Guarantors or any of their respective legal counsel of any notification with respect to the suspension of the qualification of the Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(v) of the happening of any event that requires the Company or the Guarantors to make changes in the Registration Statement or the prospectus in order that the Registration Statement or the prospectus do not contain an untrue statement of a material fact nor omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the prospectus, in light of the circumstances under which they were made) not misleading.

(c) The Company and each of the Guarantors shall make every reasonable effort to obtain the withdrawal at the earliest possible time, of any order suspending the effectiveness of the Registration Statement.

(d) The Company and each of the Guarantors shall, during the Shelf Registration Period, deliver to each Holder of Securities included within the coverage of the Shelf Registration, without charge, as many copies of the prospectus (including each preliminary prospectus) included in the Shelf Registration Statement and any amendment or supplement thereto as such person may reasonably request. The Company and each of the Guarantors consent, subject to the provisions of this Agreement, to the use of the prospectus or any amendment or supplement thereto by each of the selling Holders of the Securities in connection with the offering and sale of the Securities covered by the prospectus, or any amendment or supplement thereto, included in the Shelf Registration Statement.

(e) Until the expiration of the Resale Period, the Company and each of the Guarantors shall deliver to each Initial Purchaser, any Exchanging Dealer, any Participating Broker-Dealer and such other persons required to deliver a prospectus following the Registered Exchange Offer, without charge, as many copies of the final prospectus included in the Exchange Offer Registration Statement and any amendment or supplement thereto as such persons may reasonably request. The Company and each of the Guarantors consent, subject to the provisions of this Agreement, to the use of the prospectus or any amendment or supplement thereto by any Initial Purchaser, if necessary, any Participating Broker-Dealer and such other persons required to deliver a prospectus following the Registered Exchange Offer in connection with the offering and sale of the Exchange Securities covered by the prospectus, or any amendment or supplement thereto, included in such Exchange Offer Registration Statement.

(f) Prior to any public offering of the Securities, pursuant to any Registration Statement, the Company and each of the Guarantors shall use its reasonable best efforts to arrange for the qualification of the Securities for offer and sale under the securities or "blue sky" laws of such states of the United States as a majority of the Holders designate in writing, shall cooperate with the Holders of the Securities included in any Registration Statement and their respective counsel in connection with such qualification and do any and all other acts or things necessary or

advisable to enable the offer and sale in such jurisdictions of the Securities covered by such Registration Statement; provided that the Company and each of the Guarantors shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any such state, which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

(g) The Company and each of the Guarantors shall cooperate with the registered holders of the Securities to facilitate the timely preparation and delivery of certificates representing the Securities to be sold pursuant to any Registration Statement free of any restrictive legends and in such denominations and registered in such names as the registered holders may request a reasonable period of time prior to sales of the Securities pursuant to such Registration Statement.

(h) Upon the occurrence of any event contemplated by paragraphs (ii) through (v) of Section 3(b) above during the period for which the Company and each of the Guarantors is required to maintain an effective Registration Statement, the Company and each of the Guarantors shall as promptly as practicable prepare and file a post-effective amendment to the Registration Statement or a supplement to the related prospectus and any other required document so that, as thereafter delivered to Holders of the Securities or purchasers of Securities, the prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Company notifies the Initial Purchasers, the Holders of the Securities and any known Participating Broker-Dealer in accordance with paragraphs (ii) through (v) of Section 3(b) above to suspend the use of the prospectus until the requisite changes to the prospectus have been made, then the Initial Purchasers, the Holders of the Securities and any such Participating Broker-Dealers shall suspend use of such prospectus, and the period of effectiveness of the Shelf Registration Statement provided for in Section 2(b) above and the Exchange Offer Registration Statement provided for in Section 1 above shall each be extended by the number of days from and including the date of the giving of such notice to and including the date when the Initial Purchasers, the Holders of the Securities and any known Participating Broker-Dealer shall have received such amended or supplemented prospectus pursuant to this Section 3(h).

(i) Not later than the effective date of the applicable Registration Statement, the Company and each of the Guarantors will provide a CUSIP number for the Initial Securities, the Exchange Securities or the Private Exchange Securities, as the case may be, and provide the applicable trustee with printed certificates for the Initial Securities, the Exchange Securities or the Private Exchange Securities, as the case may be, in a form eligible for deposit with The Depository Trust Company.

(j) The Company and each of the Guarantors will comply, in all material respects, with all rules and regulations of the Commission to the extent and so long as they are applicable to the Registered Exchange Offer or the Shelf Registration and will make generally available to its security holders (or otherwise provide in accordance with Section 11(a) of the Securities Act) an earnings statement satisfying the provisions of Section 11(a) of the Securities Act, no later than 45 days after the end of a 12-month period (or 90 days, if such period is a fiscal year) beginning with the first month of the Company's first fiscal quarter commencing after the effective date of the Registration Statement, which statement shall cover such 12-month period.

(k) The Company and the Guarantors shall cause the Indenture to be qualified under the Trust Indenture Act of 1939, as amended, no later than the effective date of any Registration Statement and containing such changes, if any, as shall be necessary for such qualification. In the event that such qualification would require the appointment of a new trustee under the Indenture, the Company shall appoint a new trustee thereunder pursuant to the applicable provisions of the Indenture.

(l) The Company and the Guarantors may require each Holder of Securities to be sold pursuant to the Shelf Registration Statement to furnish to the Company such information regarding the Holder and the distribution of the Securities as the Company may from time to time reasonably require for inclusion in the Shelf Registration Statement, and the Company may exclude from such registration the Securities of any Holder that unreasonably fails to furnish such information within a reasonable time after receiving such request. No such Holder is entitled to a copy of the prospectus until such requested information is given to the Company, unless such failure to furnish such information would not materially delay effectiveness of such Shelf Registration Statement.

(m) The Company and each of the Guarantors shall enter into such customary agreements (including, if requested, an underwriting agreement in customary form) and take all such other action, if any, as Holders of a majority in aggregate principal amount of the Transfer Restricted Securities at the time outstanding shall reasonably request in order to facilitate the disposition of the Securities pursuant to any Shelf Registration.

(n) In the case of any Shelf Registration, the Company and each of the Guarantors shall (i) make reasonably available for inspection by Holders of a majority in aggregate principal amount of the Transfer Restricted Securities at the time outstanding, any underwriter participating in any disposition pursuant to the Shelf Registration Statement and any attorney, accountant or other agent retained by such Holders or any such underwriter all relevant financial and other records, pertinent corporate documents and properties of the Company and the Guarantors and (ii) cause the Company's and the Guarantors' officers, directors, employees, accountants and auditors to supply all relevant information reasonably requested by Holders of a majority in aggregate principal amount of the Transfer Restricted Securities at the time outstanding or any such underwriter, attorney, accountant or agent in connection with the Shelf Registration Statement, in each case, as shall be reasonably necessary to enable such persons, to conduct a reasonable investigation within the meaning of Section 11 of the Securities Act; provided, however, that the foregoing inspection and information gathering shall be coordinated on behalf of the Initial Purchasers by you and shall be coordinated and conducted on behalf of the other parties by one counsel designated by and on behalf of such other parties as described in Section 4 hereof; provided that any such records, documents, properties and such information that is designated in writing by the Company, reasonably and in good faith, as confidential at the time of delivery of such records, documents, properties or information shall be kept confidential by any such attorney, accountant or agent. Each such person will be required to agree or acknowledge that information obtained by it as a result of such inspections shall be deemed confidential and shall not be used by it as the basis for any market transactions in the securities of the Company unless and until such is made generally available to the public through no fault or action of such person.

(o) In the case of any Shelf Registration, the Company and each of the Guarantors, if requested by the Holders of a majority in aggregate principal amount of the Transfer Restricted

Securities at the time outstanding covered thereby, shall cause (i) its counsel (which may be the general counsel of the Company) to deliver an opinion and updates thereof relating to the Securities in customary form addressed to such Holders and the managing underwriters, if any, thereof and dated, in the case of the initial opinion, the effective date of such Shelf Registration Statement (it being agreed that the matters to be covered by such opinion shall include, without limitation, the due incorporation and good standing of the Company and certain of its subsidiaries; the qualification of the Company and certain of its subsidiaries to transact business as foreign corporations; the due authorization, execution and delivery of the relevant agreement of the type referred to in Section 3(m) hereof; the due authorization, execution, authentication and issuance, and the validity and enforceability, of the applicable Securities; the absence of material legal or governmental proceedings involving the Company and certain of its subsidiaries; the absence of governmental approvals required to be obtained in connection with the Shelf Registration Statement, the offering and sale of the applicable Securities, or any agreement of the type referred to in Section 3(m) hereof; the compliance as to form of such Shelf Registration Statement and any documents incorporated by reference therein and of the Indenture, in all material respects, with the requirements of the Securities Act and the Trust Indenture Act, respectively; and, as of the date of the opinion and as of the effective date of the Shelf Registration Statement or most recent post-effective amendment thereto, as the case may be, the absence from such Shelf Registration Statement and the prospectus included therein, as then amended or supplemented, and from any documents incorporated by reference therein of an untrue statement of a material fact or the omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of any such documents, in the light of the circumstances existing at the time that such documents were filed with the Commission under the Exchange Act); (ii) its officers to execute and deliver all customary documents and certificates and updates thereof reasonably requested by any underwriters of the applicable Securities and (iii) its independent public accountants to provide to the selling Holders of the applicable Securities and any underwriter therefor a comfort letter in customary form and covering matters of the type customarily covered in comfort letters in connection with primary underwritten offerings, subject to receipt of appropriate documentation as contemplated, and only if permitted, by Statement of Auditing Standards No. 72.

(p) In the case of the Registered Exchange Offer, if requested by any Initial Purchaser or any known Participating Broker-Dealer, the Company and each of the Guarantors shall cause (i) its counsel to deliver to such Initial Purchaser or such Participating Broker-Dealer a signed opinion in the form to be agreed upon by the parties as customary in connection with the preparation of a Registration Statement and (ii) its independent public accountants to deliver to such Initial Purchaser or such Participating Broker-Dealer a comfort letter, in customary form; provided, however, that the obligation to provide a comfort letter pursuant to subsection (ii) above shall only arise once.

(q) if a Registered Exchange Offer or a Private Exchange is to be consummated, upon delivery of the Initial Securities by Holders to the Company (or to such other Person as directed by the Company) in exchange for the Exchange Securities or the Private Exchange Securities, as the case may be, the Company shall mark, or caused to be marked, on the Initial Securities so exchanged that such Initial Securities are being canceled in exchange for the Exchange Securities or the Private Exchange Securities, as the case may be; in no event shall the Initial Securities be marked as paid or otherwise satisfied.

(r) The Company and each of the Guarantors will use its reasonable best efforts to (a) if the Initial Securities have been rated prior to the initial sale of such Initial Securities, confirm such ratings will apply to the Securities covered by a Registration Statement, or (b) if the Initial Securities were not previously rated, cause the Securities covered by a Registration Statement to be rated with the appropriate rating agencies, if so requested by Holders of a majority in aggregate principal amount of Securities covered by such Registration Statement, or by the managing underwriters, if any.

(s) In the event that any broker-dealer registered under the Exchange Act shall underwrite any Securities or participate as a member of an underwriting syndicate or selling group or "assist in the distribution" (within the meaning of the Conduct Rules (the "RULES") of the National Association of Securities Dealers, Inc. ("NASD")) thereof, whether as a Holder of such Securities or as an underwriter, a placement or sales agent or a broker or dealer in respect thereof, or otherwise, the Company and each of the Guarantors will assist such broker-dealer in complying with the requirements of such Rules, including, without limitation, by (i) if such Rules, including Rule 2720, shall so require, engaging a "qualified independent underwriter" (as defined in Rule 2720) to participate in the preparation of the Registration Statement relating to such Securities, to exercise usual standards of due diligence in respect thereto and, if any portion of the offering contemplated by such Registration Statement is an underwritten offering or is made through a placement or sales agent, to recommend the yield of such Securities, (ii) indemnifying any such qualified independent underwriter to the extent of the indemnification of underwriters provided in Section 5 hereof and (iii) providing such information to such broker-dealer as may be required in order for such broker-dealer to comply with the requirements of the Rules.

(t) The Company and each Guarantor shall use its reasonable best efforts to take all other steps necessary to effect the registration of the Securities covered by a Registration Statement contemplated hereby.

4. Registration Expenses. The Company and the Guarantors shall bear all fees and expenses incurred in connection with the performance of its obligations under Sections 1 through 3 hereof (including the reasonable fees and expenses, if any, of Skadden, Arps, Slate, Meagher & Flom LLP, counsel for the Initial Purchasers, incurred in connection with the Registered Exchange Offer), whether or not the Registered Exchange Offer or a Shelf Registration is filed or becomes effective, and, in the event of a Shelf Registration, shall bear or reimburse the Holders of the Securities covered thereby for the reasonable fees and disbursements of one firm of counsel designated by the Holders of a majority in principal amount of the Initial Securities covered thereby to act as counsel for the Holders of the Initial Securities in connection therewith.

5. Indemnification. (a) The Company and each of the Guarantors agrees to indemnify and hold harmless each Holder of the Securities, any Participating Broker-Dealer and each person, if any, who controls such Holder or such Participating Broker-Dealer within the meaning of the Securities Act or the Exchange Act (each Holder, any Participating Broker-Dealer and such controlling persons are referred to collectively as the "INDEMNIFIED PARTIES") from and against any losses, claims, damages or liabilities, joint or several, or any actions in respect thereof (including, but not limited to, any losses, claims, damages, liabilities or actions relating to purchases and sales of the Securities) to which each Indemnified Party may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in a Registration Statement or prospectus contained therein or in any

amendment or supplement thereto or in any preliminary prospectus or final prospectus relating to a Shelf Registration, or arise out of, or are based upon, the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, and in the case of the prospectus, in light of the circumstances under which they were made, not misleading, and shall reimburse, as incurred, the Indemnified Parties for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action in respect thereof; provided, however, that (i) the Company and the Guarantors shall not be liable in any such case to the extent that such loss, claim, damage or liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in a Registration Statement or prospectus contained therein or in any amendment or supplement thereto or in any preliminary prospectus or final prospectus relating to a Shelf Registration in reliance upon and in conformity with written information pertaining to such Holder and furnished to the Company by or on behalf of such Holder specifically for inclusion therein, (ii) with respect to any untrue statement or omission or alleged untrue statement or omission made in any preliminary prospectus or final prospectus relating to a Shelf Registration Statement, the indemnity agreement contained in this subsection (a) shall not inure to the benefit of any Holder or Participating Broker-Dealer from whom the person asserting any such losses, claims, damages or liabilities purchased the Securities concerned, to the extent that a prospectus relating to such Securities was required to be delivered by such Holder or Participating Broker-Dealer under the Securities Act in connection with such purchase and any such loss, claim, damage or liability of such Holder or Participating Broker-Dealer results from the fact that there was not sent or given to such person, at or prior to the written confirmation of the sale of such Securities to such person, a copy of the final prospectus (as amended or supplemented) if the Company had previously furnished copies thereof to such Holder or Participating Broker-Dealer and (iii) the Company and the Guarantors shall not be liable in any such case to the extent that such loss, claim, damage or liability arises out of or is based upon the use of a Registration Statement after (x) a stop order has been issued by the Commission in respect of a Registration Statement or any proceedings for such purposes have been initiated or (y) a Registration Statement has been suspended, so long as in the case of (x) and (y), the Holders shall have received prior notice of such action from the Company; provided further, however, that this indemnity agreement will be in addition to any liability which the Company or the Guarantors may otherwise have to such Indemnified Party. The Company and the Guarantors shall also indemnify underwriters, their officers and directors and each person who controls such underwriters within the meaning of the Securities Act or the Exchange Act to the same extent as provided above with respect to the indemnification of the Holders of the Securities if requested by such Holders.

(b) Each Holder of the Securities, severally and not jointly, will indemnify and hold harmless the Company and the Guarantors and each person, if any, who controls the Company and the Guarantors within the meaning of the Securities Act or the Exchange Act, from and against any losses, claims, damages or liabilities or any actions in respect thereof, to which the Company or the Guarantors or any such controlling person may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in a Registration Statement or prospectus contained therein or in any amendment or supplement thereto or in any preliminary prospectus or final prospectus relating to a Shelf Registration, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein, and in the case of the prospectus, in light of the circumstances under which they were made, not misleading, but in each case only to the extent that the untrue statement or omission or alleged untrue statement or omission was made in reliance upon and in conformity with written information pertaining to such Holder and furnished to the Company by or on behalf of such Holder specifically for inclusion therein; and, subject to the limitation set forth immediately preceding this clause, shall reimburse, as incurred, the Company for any legal or other

expenses reasonably incurred by the Company or the Guarantors or any such controlling person in connection with investigating or defending any loss, claim, damage, liability or action in respect thereof. This indemnity agreement will be in addition to any liability which such Holder may otherwise have to the Company or any of the Guarantors or any of its controlling persons.

(c) Promptly after receipt by an indemnified party under this Section 5 of notice of the commencement of any action or proceeding (including a governmental investigation), such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 5, notify the indemnifying party of the commencement thereof; but the failure to notify the indemnifying party shall not relieve the indemnifying party from any liability that it may have under subsection (a) or (b) above except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided further that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof the indemnifying party will not be liable to such indemnified party under this Section 5 for any legal or other expenses, other than reasonable costs of investigation, subsequently incurred by such indemnified party in connection with the defense thereof. No indemnifying party shall, without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld), effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement (i) includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action, and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party. No indemnified party shall, without the prior written consent of the indemnifying party, effect any settlement or compromise of, or consent to the entry of any judgment with respect to any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnifying party from all liability on any claims that are the subject matter of such action and (ii) does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of any indemnifying party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by this Section 5(c), the indemnified party may effect a settlement or compromise of, or consent to the entry of any judgment with respect to any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder without the consent of the indemnifying party and the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement; provided that an indemnifying party shall not be liable for any such settlement effected without its consent if such indemnifying party, prior to the date of such settlement, (1) reimburses such indemnified party in accordance with such request for the amount of such fees and expenses of counsel as the indemnifying party believes in good faith to be reasonable, and (2) provides

written notice to the indemnified party that the indemnifying party disputes in good faith the reasonableness of the unpaid balance of such fees and expenses.

(d) If the indemnification provided for in this Section 5 is unavailable or insufficient to hold harmless an indemnified party under subsections (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party or parties on the one hand and the indemnified party on the other from the exchange of the Securities, pursuant to the Registered Exchange Offer, or (ii) if the allocation provided by the foregoing clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the indemnifying party or parties on the one hand and the indemnified party on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof) as well as any other relevant equitable considerations. The relative fault of the parties shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Guarantors on the one hand or such Holder or such other indemnified party, as the case may be, on the other, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding any other provision of this Section 5(d), the Holders of the Securities shall not be required to contribute any amount in excess of the amount by which the net proceeds received by such Holders from the sale of the Securities pursuant to a Registration Statement exceeds the amount of damages which such Holders have otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this paragraph (d), each person, if any, who controls such indemnified party within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as such indemnified party and each person, if any, who controls the Company or the Guarantors within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as the Company or the Guarantors.

(e) The agreements contained in this Section 5 shall survive the sale of the Securities pursuant to a Registration Statement and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any indemnified party.

6. Special Interest Under Certain Circumstances. (a) Special Interest (the "SPECIAL INTEREST") with respect to the indebtedness initially evidenced by the Initial Securities shall be payable as follows if any of the following events occur (each such event in clauses (i) through (vi) below a "REGISTRATION DEFAULT"):

(i) if the Company and the Guarantors fail to file an Exchange Offer Registration Statement with the Commission on or prior to the 90th day after the Issue Date of the Initial Securities;



(ii) if the Exchange Offer Registration Statement is not declared effective by the Commission on or prior to the 180th day after the Issue Date of the Initial Securities;

(iii) if the Exchange Offer is not consummated on or before the 60th business day after the Exchange Offer Registration Statement is declared effective;

(iv) if obligated to file the Shelf Registration Statement and the Company fails to file the Shelf Registration Statement with the Commission on or prior to the 60th day after such filing obligation arises;

(v) if obligated to file a Shelf Registration Statement and the Shelf Registration Statement is not declared effective on or prior to the 150th day after the obligation to file a Shelf Registration Statement arises, or

(vi) If after either the Exchange Offer Registration Statement or the Shelf Registration Statement is declared effective (A) such Registration Statement thereafter ceases to be effective; or (B) such Registration Statement or the related prospectus ceases to be usable (except as permitted in paragraph (b)) in connection with resales of Transfer Restricted Securities during the periods specified herein because either (1) any event occurs as a result of which the related prospectus forming part of such Registration Statement would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, or (2) it shall be necessary to amend such Registration Statement or supplement the related prospectus, to comply with the Securities Act or the Exchange Act or the respective rules thereunder.

Special Interest shall accrue on the indebtedness evidenced by the Initial Securities over and above the interest set forth in the title of the Securities from and including the date on which any such Registration Default shall occur to but excluding the date on which all such Registration Defaults have been cured, at a rate in an amount equal to \$0.05 per week per \$1,000 in principal amount of Transfer Restricted Securities held by such Holder for each week or portion thereof that the Registration Default continues for the first 90 day period immediately following the occurrence of such Registration Default (the "SPECIAL INTEREST RATE"). The Special Interest Rate shall increase by an additional \$0.05 per week per \$1,000 in principal amount of Transfer Restricted Securities with respect to each subsequent 90 day period until all Registration Defaults have been cured, up to a maximum Special Interest Rate of \$0.50 per week per \$1,000 in principal amount of Transfer Restricted Securities.

(b) A Registration Default referred to in Section 6(a)(iii)(B) hereof shall be deemed not to have occurred and be continuing in relation to a Shelf Registration Statement or the related prospectus if (i) such Registration Default has occurred solely as a result of (x) the filing of a post-effective amendment to such Shelf Registration Statement to incorporate annual audited financial information with respect to the Company and the Guarantors where such post-effective amendment is not yet effective and needs to be declared effective to permit Holders to use the related prospectus or (y) other material events, with respect to the Company and the Guarantors that would need to be described in such Shelf Registration Statement or the related prospectus and (ii) in the case of clause (y), the Company and the Guarantors are proceeding promptly and in good faith to amend or supplement such Shelf Registration Statement and related prospectus to describe such events; provided, however, that in any case if such Registration Default occurs for a continuous period in excess of 30 days, Special Interest shall be payable in accordance with the above paragraph from the day such Registration Default occurs until such Registration Default is cured.

(c) Any amounts of Special Interest due pursuant to clauses (i)-(vi) of Section 6(a) above will be payable in cash on the regular interest payment dates with respect to the Initial Securities. The amount of Special Interest will be determined by multiplying the applicable Special Interest Rate by the principal amount of the Initial Securities, multiplied by a fraction, the numerator of which is the number of days such Special Interest Rate was applicable during such period (determined on the basis of a 360-day year comprised of twelve 30-day months), and the denominator of which is 360. The Company shall not be required to pay Special Interest for more than one Registration Default at any given time. Following the cure of all Registration Defaults, the accrual of Special Interest will cease.

(d) "TRANSFER RESTRICTED SECURITIES" means each Security until (i) the date on which such Transfer Restricted Security has been exchanged by a person other than a broker-dealer for a freely transferable Exchange Security in the Registered Exchange Offer, (ii) following the exchange by a broker-dealer in the Registered Exchange Offer of a Initial Security for an Exchange Note, the date on which such Exchange Note is sold to a purchaser who receives from such broker-dealer on or prior to the date of such sale a copy of the prospectus contained in the Exchange Offer Registration Statement, (iii) the date on which such Initial Security has been effectively registered under the Securities Act and disposed of in accordance with the Shelf Registration Statement or (iv) the date on which such Initial Securities is distributed to the public pursuant to Rule 144 under the Securities Act or is saleable pursuant to Rule 144(k) under the Securities Act.

7. Rules 144 and 144A. The Company and each of the Guarantors shall use its respective reasonable best efforts to file the reports required to be filed by it under the Securities Act and the Exchange Act in a timely manner and, if at any time the Company or any of the Guarantors is not required to file such reports, it will, upon the request of any Holder of Initial Securities, make publicly available other information so long as necessary to permit sales of their securities pursuant to Rules 144 and 144A. The Company and each of the Guarantors covenant that it will take such further action as the Holders of a majority in aggregate principal amount of the Transfer Restricted Securities then outstanding may reasonably request, all to the extent required from time to time to enable such Holder to sell Initial Securities without registration under the Securities Act within the limitation of the exemptions provided by Rules 144 and 144A (including the requirements of Rule 144A(d)(4)). The Company and the Guarantors will provide a copy of this Agreement to prospective purchasers of Initial Securities identified to the Company by the Initial Purchasers upon request. Upon the request of Holders of a majority in aggregate principal amount of the Transfer Restricted Securities then outstanding, the Company and the Guarantors shall deliver to the Holders a written statement as to whether it has complied with such requirements. Notwithstanding the foregoing, nothing in this Section 7 shall be deemed to require the Company or the Guarantors to register any of its securities pursuant to the Exchange Act.

8. Underwritten Registrations. If any of the Transfer Restricted Securities covered by any Shelf Registration are to be sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will administer the offering ("Managing Underwriters") will be selected by the Holders of a majority in aggregate principal amount of such Transfer Restricted Securities to be included in such offering.

No person may participate in any underwritten registration hereunder unless such person (i) agrees to sell such person's Transfer Restricted Securities on the basis reasonably provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements and

(ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

9. Miscellaneous.

(a) Amendments and Waivers. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, except by the Company and the written consent of the Holders of a majority in principal amount of the Securities affected by such amendment, modification, supplement, waiver or consents.

(b) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, first-class mail, facsimile transmission, or air courier which guarantees overnight delivery:

(1) if to a Holder of the Securities, at the most current address given by such Holder to the Company.

(2) if to the Initial Purchasers;

Credit Suisse First Boston LLC  
Eleven Madison Avenue  
New York, NY 10010-3629  
Fax No.: (212) 325-8278  
Attention: Transactions Advisory Group

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP  
300 South Grand Avenue, Suite 3400  
Los Angeles, CA 90071  
Fax No.: (213) 687-5600  
Attention: Nicholas P. Saggese, Esq.

(3) if to the Company or the Guarantors, at its address as follows:

IMAX Corporation  
2525 Speakman Drive  
Sheridan Science and Technology Park  
Mississauga, Ontario L5K 1B1, Canada  
Fax No.: (905) 403-6468  
Attention: Deputy General Counsel.

with a copy to:

Shearman & Sterling LLP.  
Commerce Court West  
199 Bay Street #4405

P.O. Box 247  
Toronto, Ontario M5L 1E8, Canada  
Fax No.: (416) 360-2958  
Attention: Brice Voran

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; three business days after being deposited in the mail, postage prepaid, if mailed; when receipt is acknowledged by recipient's facsimile machine operator, if sent by facsimile transmission; and on the day delivered, if sent by overnight air courier guaranteeing next day delivery.

(c) No Inconsistent Agreements. The Company and each of the Guarantors has not, as of the date hereof, entered into, nor shall it, on or after the date hereof, enter into, any agreement with respect to its securities that is inconsistent with the rights granted to the Holders herein or otherwise conflicts with the provisions hereof.

(d) Successors and Assigns. This Agreement shall be binding upon the Company and each of the Guarantors and each of their respective successors and assigns.

(e) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(f) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(g) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(h) Severability. If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

(i) Securities Held by the Company. Whenever the consent or approval of Holders of a specified percentage of principal amount of Securities is required hereunder, Securities held by the Company or its affiliates (other than subsequent Holders of Securities if such subsequent Holders are deemed to be affiliates solely by reason of their holdings of such Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(j) Agent for Service; Submission to Jurisdiction; Waiver of Immunities. By the execution and delivery of this Agreement, the Company and each of the Guarantors (i) acknowledges that it has, by separate written instrument, irrevocably designated and appointed IMAX U.S.A., Inc. (and any successor entity), as its authorized agent upon which process may be served in any suit or proceeding arising out of or relating to this Agreement that may be instituted in any federal or state court in the State of New York or brought under federal or state securities laws, and acknowledges that IMAX U.S.A., Inc. has accepted such designation, (ii) submits to the nonexclusive jurisdiction of any such court in any such suit or proceeding, and (iii) agrees that service of process upon IMAX U.S.A., Inc. and written notice of said service to the

Company shall be deemed in every respect effective service of process upon it in any such suit or proceeding. The Company and each of the Guarantors further agrees to take any and all action, including the execution and filing of any and all such documents and instruments, as may be necessary to continue such designation and appointment of IMAX U.S.A., Inc. in full force and effect so long as any of the Initial Securities shall be outstanding. To the extent that the Company or any of the Guarantors may acquire any immunity from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, it hereby irrevocably waives such immunity in respect of this Agreement, to the fullest extent permitted by law.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the several Initial Purchasers and the Company and the Guarantors in accordance with its terms.

ISSUER:

IMAX Corporation

By /s/ G. Mary Ruby  
-----  
Name: G. Mary Ruby  
Title: Sr. Vice President, Legal Affairs

By /s/ Edward MacNeil  
-----  
Name: Edward MacNeil  
Title: Vice President Finance, Special Projects

GUARANTORS:

David Keighley Productions 70MM Inc.

By /s/ G. Mary Ruby  
-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
-----  
Name: Edward MacNeil  
Title: Vice President

IMAX II U.S.A. Inc.

By /s/ G. Mary Ruby  
-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Chicago Theatre LLC  
By its Managing Member  
IMAX Theatre Holding (California I) Co.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Forum Ride, Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Minnesota Holding Co.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Rhode Island Limited Partnership  
By its General Partner  
IMAX Providence General Partner Co.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Sandde Animation Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Scribe Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Space Ltd.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Holding Co.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President



IMAX Theatre Holdings (OEI) Inc.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Management Company

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Services Ltd.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX U.S.A. Inc.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

Miami Theatre LLC  
By its Managing Member  
IMAX Theatre Holding (California I) Co.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

Mitey Cinema Inc.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

Mountainview Theatre Management Ltd.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

Nyack Theatre LLC  
By its Managing Member  
IMAX Theatre Holding (Nyack I) Co.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

Ridefilm Corporation

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

Sacramento Theatre LLC  
By its Managing Member  
IMAX Theatre Holding (California I) Co.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

Sonics Associates, Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

Starboard Theatres Ltd.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

Tantus Films Ltd.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

Wire Frame Films Ltd.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

1329507 Ontario Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

924689 Ontario Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX (Titanica) Ltd.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX (Titanic) Inc.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Music Ltd.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Holding (Brossard) Inc.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Film Holding Co.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Indianapolis LLC

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Pictures Corporation

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

Immersive Entertainment Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Providence General Partner Co.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Providence Limited Partner Co.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Holding (California I) Co.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Holding (California II) Co.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Holding (Nyack I) Co.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Holding (Nyack II) Co.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Management (Scottsdale), Inc.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

Panda Productions Inc.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President



Strategic Sponsorship Corporation

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

Tantus II Films Ltd.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

RPM Pictures Ltd.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

The foregoing Registration Rights Agreement is hereby confirmed and accepted as of the date first above written.

CREDIT SUISSE FIRST BOSTON LLC  
JEFFERIES & COMPANY, INC.  
WACHOVIA CAPITAL MARKETS, LLC  
U.S. BANCORP PIPER JAFFRAY INC.

By: CREDIT SUISSE FIRST BOSTON LLC

By /s/ Thomas C. Davidov

-----  
Name: Thomas C. Davidov  
Title: Director

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Initial Securities where such Initial Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after the Expiration Date (as defined herein), it will make this Prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

Each broker-dealer that receives Exchange Securities for its own account in exchange for Securities, where such Initial Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. See "Plan of Distribution."

## PLAN OF DISTRIBUTION

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Initial Securities where such Initial Securities were acquired as a result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after the Expiration Date, it will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until , 200\_, all dealers effecting transactions in the Exchange Securities may be required to deliver a prospectus.(1)

The Company will not receive any proceeds from any sale of Exchange Securities by broker-dealers. Exchange Securities received by broker-dealers for their own account pursuant to the Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the Exchange Securities or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such Exchange Securities. Any broker-dealer that resells Exchange Securities that were received by it for its own account pursuant to the Exchange Offer and any broker or dealer that participates in a distribution of such Exchange Securities may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any such resale of Exchange Securities and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 180 days after the Expiration Date the Company will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any broker-dealer that requests such documents in the Letter of Transmittal. The Company has agreed to pay all expenses incident to the Exchange Offer (including the expenses of one counsel for the Holders of the Securities) other than commissions or concessions of any brokers or dealers and will indemnify the Holders of the Securities (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

- - - - -  
 (1) In addition, the legend required by Item 502(e) of Regulation S-K will appear on the back cover page of the Exchange Offer prospectus.

CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name: -----  
Address: -----  
-----

If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of Exchange Securities. If the undersigned is a broker-dealer that will receive Exchange Securities for its own account in exchange for Initial Securities that were acquired as a result of market-making activities or other trading activities, it acknowledges that it will deliver a prospectus in connection with any resale of such Exchange Securities; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

IMAX CORPORATION  
(as Issuer)

DAVID KEIGHLEY PRODUCTIONS 70MM INC.  
IMAX II U.S.A. INC.  
IMAX CHICAGO THEATRE LLC  
IMAX FORUM RIDE, INC.  
IMAX MINNESOTA HOLDING CO.  
IMAX RHODE ISLAND LIMITED PARTNERSHIP  
IMAX SANDDE ANIMATION INC.  
IMAX SCRIBE INC.  
IMAX SPACE LTD.  
IMAX THEATRE HOLDING CO.  
IMAX THEATRE HOLDINGS (OEI) INC.  
IMAX THEATRE MANAGEMENT COMPANY  
IMAX THEATRE SERVICES LTD.  
IMAX U.S.A. INC.  
MIAMI THEATRE LLC  
MITEY CINEMA INC.  
MOUNTAINVIEW THEATRE MANAGEMENT LTD.  
NYACK THEATRE LLC  
RIDEFILM CORPORATION  
SACRAMENTO THEATRE LLC  
SONICS ASSOCIATES, INC.  
STARBOARD THEATRES LTD.  
TANTUS FILMS LTD.  
WIRE FRAME FILMS LTD.  
1329507 ONTARIO INC.  
924689 ONTARIO INC.  
IMAX (TITANICA) LTD.  
IMAX (TITANIC) INC.  
IMAX MUSIC LTD.  
IMAX THEATRE HOLDING (BROSSARD) INC.  
IMAX FILM HOLDING CO.  
IMAX INDIANAPOLIS LLC  
IMAX PICTURES CORPORATION  
IMMERSIVE ENTERTAINMENT INC.  
IMAX PROVIDENCE GENERAL PARTNER CO.  
IMAX PROVIDENCE LIMITED PARTNER CO.  
IMAX THEATRE HOLDING (CALIFORNIA I) CO.  
IMAX THEATRE HOLDING (CALIFORNIA II) CO.  
IMAX THEATRE HOLDING (NYACK I) CO.  
IMAX THEATRE HOLDING (NYACK II) CO.  
IMAX THEATRE MANAGEMENT (SCOTTSDALE), INC.  
PANDA PRODUCTIONS INC.  
STRATEGIC SPONSORSHIP CORPORATION  
TANTUS II FILMS LTD.  
RPM PICTURES LTD.  
(each, a Guarantor)

9 5/8% Senior Notes due December 1, 2010

-----  
INDENTURE  
DATED AS OF DECEMBER 4, 2003  
-----  
U.S. BANK NATIONAL ASSOCIATION  
  
(as Trustee)

IMAX CORPORATION

Reconciliation and tie between Trust Indenture Act  
of 1939 and Indenture, dated as of December 4, 2003

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EXHIBIT F:	FORM OF SUPPLEMENTAL INDENTURE TO BE DELIVERED BY SUBSEQUENT GUARANTORS	

INDENTURE, dated as of December 4, 2003, between IMAX Corporation, a corporation duly organized and existing under the laws of the Canada (herein called the "Company"), having its principal office at 2525 Speakman Drive, Mississauga, Ontario, Canada, L5K 1B1, the Guarantors (as defined below) and U.S. Bank National Association, a national banking association, as Trustee (herein called the "Trustee").

RECITALS OF THE COMPANY

The Company has duly authorized the creation of an issue of its 9 5/8% Senior Notes due December 1, 2010 of substantially the tenor and amount hereinafter set forth, and to provide therefor the Company has duly authorized the execution and delivery of this Indenture.

All things necessary to make the Securities (as defined below), when executed by the Company and authenticated and delivered hereunder and duly issued by the Company, the valid obligations of the Company, and to make this Indenture a valid agreement of the Company, in accordance with their and its terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all of the Holders of the Series A 9 5/8% Senior Notes due 2010 (the "Series A Securities") and of all of the Holders of the Series B 5/8% Senior Notes due 2010 (the "Series B Securities," and together with the Series A Securities, the "Securities"), as follows:

ARTICLE I

Definitions and Other Provisions  
of General Application

Section 101 Definitions.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(2) "or" is not exclusive;

(3) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(4) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles (whether or not such is indicated herein);

(5) unless the context otherwise requires, any reference to an "Article" or a "Section", or to an "Annex" or a "Schedule", refers to an Article or Section of, or to an Annex or a Schedule attached to, this Indenture, as the case may be;

(6) "including" or "include" mean including or including without limitation;

(7) "interest" shall include Special Interest, if any;

(8) unless the context otherwise requires, any reference to a statute, rule or regulation refers to the same (including any successor statute, rule or regulation thereto) as it may be amended from time to time;

(9) unless otherwise specifically set forth herein, all calculations or determinations of a Person shall be performed or made on a consolidated basis in accordance with generally accepted accounting principles but shall not include the accounts of Unrestricted Subsidiaries, except to the extent of dividends and distributions actually paid to the Company, the Guarantors or one of their Wholly Owned Subsidiaries; and

(10) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

Certain terms, used principally in Article Six, are defined in that Article.

"144A Global Security" means one or more Global Security bearing the Private Placement Legend, that shall be issued in an aggregate amount of denominations equal in total to the outstanding principal amount of the Securities sold in reliance on Rule 144A.

"501 Global Security" means one or more Global Security bearing the Private Placement Legend that will be issued in an aggregate amount of denominations equal in total to the outstanding principal amount of the Securities sold to Institutional Accredited Investors.

"Acquired Indebtedness" means, with respect to a specified person, (i) Indebtedness or Disqualified Capital Stock of any person existing at the time such person becomes a Subsidiary of the specified person, including by designation, or is merged, amalgamated or consolidated into or with the specified person or one of its Subsidiaries and (ii) Indebtedness secured by a Lien encumbering any asset at the time such asset is acquired by such specified person; provided that Acquired Indebtedness shall not include any Indebtedness incurred or secured in connection with, or in contemplation of, such other person merging, amalgamating or consolidating with or into or becoming a Subsidiary of such specified person.

"Acquisition" means the purchase or other acquisition of any person or substantially all the assets of any person by any other person, whether by purchase, merger, amalgamation, consolidation, or other transfer, and whether or not for consideration.

"Additional Amounts" has the meaning specified in Section 1016.

"Additional Securities" means Securities that are issued under a supplemental indenture after the date that the Securities are first issued by the Company and authenticated by the Trustee under this Indenture, which will rank pari passu with the Securities initially issued in all respects (or in all respects except for the payment of interest accruing prior to the issue date of such Additional Securities or except for the first payment of interest following the issue date of such Additional Securities).

"Affiliate" of any specified person means any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person. For purposes of this definition, the term "control," as used with respect to any person, means the power to direct the management and policies of such person, directly or through one or more intermediaries, whether through the ownership of voting securities, by contract, or otherwise, provided that beneficial ownership of 10% or more of the total voting power normally entitled to vote in the election of directors, managers or trustees, as applicable, of a person shall for such purposes be deemed to constitute control.

"Agent Members" has the meaning specified in Section 305.

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in any Global Security, the rules and procedures of the Depository, Euroclear and Clearstream that apply to such transfer or exchange at the relevant time.

"Asset Sale" has the meaning specified in Section 1013.

"Asset Sale Offer" has the meaning specified in Section 1013.

"Asset Sale Offer Price" has the meaning specified in Section 1013.

"Attributable Value" means, as to any particular lease under which any person is at the time liable other than a Capitalized Lease Obligation, and at any date as of which the amount thereof is to be determined, the total net amount of rent required to be paid by such person under such lease during the remaining term thereof (whether or not such lease is terminable at the option of the lessee prior to the end of such term), including any period for which such lease has been, or may, at the option of the lessor, be extended, discounted from the last date of such term to the date of determination at a rate per annum equal to the discount rate which would be applicable to a Capitalized Lease Obligation with a like term in accordance with generally accepted accounting principles. The net amount of rent required to be paid under any lease for any such period shall be the aggregate amount of rent payable by the lessee with respect to such period after excluding amounts required to be paid on account of insurance, taxes, assessments, utility, operating and labor costs and similar charges. "Attributable Value" means, as to a Capitalized Lease Obligation under which any person is at the time liable and at any date as of which the amount thereof is to be determined, the discounted present value of the rental obligations of such person, as lessee, required to be capitalized on the balance sheet of such person in conformity with generally accepted accounting principles.

"Authenticating Agent" means any Person authorized by the Trustee pursuant to Section 614 to act on behalf of the Trustee to authenticate Securities.

"Average Life" means, as of the date of determination, with respect to any security or instrument, the quotient obtained by dividing (i) the sum of the products of (a) the number of years from the date of determination to the date or dates of each successive scheduled principal (or redemption) payment of such security or instrument and (b) the amount of each such respective principal (or redemption) payment by (ii) the sum of all such principal (or redemption) payments.

"Beneficial Owner" or "beneficial owner" has the meaning attributed to it in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date), whether or not applicable, except that a "person" shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time.

"Benefitted Party" has the meaning specified in Section 1301.

"Board of Directors" means either the board of directors of the Company or any duly authorized committee of that board authorized to act for it in respect thereof.

"Board Resolution" means a copy of a resolution certified by the General Counsel, Deputy General Counsel, Corporate Secretary or an Assistant Secretary of the Company, or an officer acting in a similar capacity, to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Broker-Dealer" means any broker-dealer that receives Exchange Securities for its own account in the Exchange Offer in exchange for Securities that were acquired by such broker-dealer as a result of market-making or other trading services.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York, New York, are authorized or obligated by law or executive order to close.

"Capital Stock" means (a) with respect to any person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of common stock and preferred stock of such person and (b) with respect to any person that is not a corporation, any and all partnership, membership or other equity interests of such person.

"Capitalized Lease Obligation" means, as applied to any person, any lease of any property (whether real, personal or mixed) of which the discounted present value of the rental obligations of such person, as lessee, in conformity with generally accepted accounting principles, is required to be capitalized on the balance sheet of such person.

"Cash Equivalent" means (a) marketable obligations of or obligations guaranteed by Canada or the United States of America or issued by any agency thereof and backed by the full faith and credit of the United States of America or Canada, in each case with a Duration of three years or less, (b) marketable direct obligations issued by any state of the United States of America, any province of Canada or any political subdivision thereof having the highest rating obtainable from either Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Ratings Services ("S&P") or Dominion Bond Rating Service, Limited ("DBRS") and having a Duration of three years or less, (c) commercial paper, bankers acceptances, notes, bonds, debentures, repurchase agreements, call loans, guaranteed investment certificates and other similar instruments, in each case having a rating of investment grade by Moody's, S&P or DBRS, and in each case (other than with respect to commercial paper) having a Duration of three years or less, (d) certificates of deposit with a Duration of three years or less issued by United States commercial banks of recognized standing with capital, surplus and undivided profits aggregating in excess of US\$100,000,000, (e) certificates of deposits issued or acceptances accepted by or guaranteed by a bank to which the Bank Act (Canada) applies or by any company licensed to carry on the business of a trust company in one or more provinces of Canada, in each case with capital, surplus and undivided profits aggregating in excess of C\$100,000,000, with a Duration of three years or less, (f) shares of money market funds that have assets in excess of US\$100,000,000 and that invest substantially all of their assets in Cash Equivalents of the kind described in clauses (a) through (e) above, (g) asset-backed securities rated AA or higher by Moody's, S&P or DBRS with a Duration of three years or less, and (h) mortgage-backed securities rated AA or higher by Moody's, S&P or DBRS with a Duration of 3 years or less; provided that an Investment in (a) through (h) of this definition shall not be considered to be a Cash Equivalent if, as a result of giving effect thereto, (A) more than 20% of the aggregate Investments made pursuant to clauses (a) through (h) of this definition are rated "BBB" or below or (B) more than 10% of the aggregate Investments made pursuant to clauses (a) through (h) of this definition are made pursuant to clause (h) of this definition.

"Change of Control" has the meaning specified in Section 1015.

"Clearstream" means Clearstream Banking Luxembourg, societe anonyme, or any successor securities clearing agency.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"Common Stock" of any Person means Capital Stock of such Person that does not rank prior, as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of such Person, to shares of Capital Stock of any other class of such Person.

"Company Request" or "Company Order" means a written request or order signed in the name of the Company by its Chairman of the Board (or Co-Chairman), Chief Executive Officer (or Co-Chief Executive Officer), its President or a Vice President, and by its Chief Financial Officer, Treasurer, an Assistant Treasurer, the Corporate Controller, the General Counsel, Deputy General Counsel, its Secretary or an Assistant Secretary, and delivered to the Trustee.

"Company" means the Person named as the "Company" in the first paragraph of this instrument until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor Person.

"Consolidated Coverage Ratio" of any person on any date of determination (the "Transaction Date") means the ratio, on a pro forma basis, of (a) the aggregate amount of Consolidated EBITDA of such person (exclusive of amounts attributable to operations and businesses permanently discontinued or disposed of) for the Reference Period to (b) the aggregate Consolidated Fixed Charges of such person (exclusive of amounts attributable to operations and businesses permanently discontinued or disposed of, but only to the extent that the obligations giving rise to such Consolidated Fixed Charges would no longer be obligations contributing to such person's Consolidated Fixed Charges subsequent to the Transaction Date) during the Reference Period; provided, that for purposes of such calculation, (i) Acquisitions which occurred during the Reference Period or subsequent to the Reference Period and on or prior to the Transaction Date shall be assumed to have occurred on the first day of the Reference Period and any Operating Expense or Cost Reduction with respect to such Acquisition shall be accounted for in such calculation, (ii) transactions giving rise to the need to calculate the Consolidated Coverage Ratio shall be assumed to have occurred on the first day of the Reference Period, (iii) the incurrence of any Indebtedness or issuance of any Disqualified Capital Stock during the Reference Period or subsequent to the Reference Period and on or prior to the Transaction Date (and the application of the proceeds therefrom to the extent used to refinance or retire other Indebtedness) shall be assumed to have occurred on the first day of such Reference Period, and (iv) the Consolidated Fixed Charges of such person attributable to interest on any Indebtedness or dividends on any Disqualified Capital Stock bearing a floating interest (or dividend) rate shall be computed on a pro forma basis as if the average rate in effect from the beginning of the Reference Period to the Transaction Date had been the applicable rate for the entire period, unless such person or any of its Subsidiaries is a party to an Interest Swap and Hedging Obligation (which shall remain in effect for the 12-month period immediately following the Transaction Date) that has the effect of fixing the interest rate on the date of computation, in which case such rate (whether higher or lower) shall be used.

"Consolidated EBITDA" means, with respect to any person, for any period, the Consolidated Net Income of such person for such period adjusted to add thereto (to the extent deducted from net revenues in determining Consolidated Net Income), without duplication, the sum of (i) consolidated income tax expense, (ii) consolidated depreciation and amortization expense (including any non-cash charges related to impairment of goodwill, other intangible assets and film assets, but excluding pre-paid cash expenses that were paid in a prior period), (iii) other non-recurring non-cash charges of such person and its Subsidiaries reducing Consolidated Net Income for such period and (iv) Consolidated Fixed Charges.

"Consolidated Fixed Charges" of any person means, without duplication, for any period, as applied to any person, (A) the sum of (a) the aggregate of the interest expense on Indebtedness of such person and its consolidated Subsidiaries for such period, on a consolidated basis, including, without limitation, (i) amortization of debt discount, (ii) the net cost under Interest Swap and Hedging Obligations (including amortization of discounts), (iii) the interest portion of any deferred payment obligation and (iv) accrued interest, plus (b) the interest component of the Capitalized Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such person and its consolidated Subsidiaries during such period minus (B) the cash interest income (exclusive of deferred financing fees) of such person and its consolidated subsidiaries during such period, in each case as determined in accordance with generally accepted accounting principles consistently applied.



"Consolidated Net Income" means, with respect to any person for any period, the net income (or loss) of such person and its Subsidiaries (determined on a consolidated basis in accordance with generally accepted accounting principles) for such period, adjusted to exclude (only to the extent included in computing such net income (or loss) and without duplication): (a) net gains or losses in respect of dispositions of assets other than in the ordinary course of business, (b) any gains or losses from currency exchange transactions not in the ordinary course of business consistent with past practice, (c) any gains (but not losses) attributable to any extraordinary items not covered by clause (a) of this definition, (d) the net income, if positive, of any person, other than a Subsidiary, in which such person or any of its Subsidiaries has an interest, except to the extent of the amount of any dividends or distributions actually paid in cash or Cash Equivalents to such person or a Subsidiary of such person during such period, but in any case not in excess of such person's pro rata share of such person's net income for such period, (e) the net income or loss of any person acquired in a pooling of interests transaction for any period prior to the date of such acquisition, (f) the net income, if positive, of any of such person's Subsidiaries to the extent that the declaration or payment of dividends or similar distributions is not at the time permitted by operation of the terms of its charter or bylaws or any other agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Subsidiary, (g) the cumulative effects of accounting changes, (h) deductions resulting from the amortization of purchase accounting adjustments (i) any write-offs or write-downs of investments in film assets existing on the Issue Date and of assets comprising the Company's or its Subsidiaries' motion simulation and attractions business and (j), for purposes of Section 1009, any expense attributable to warrants, options or rights to purchase Qualified Capital Stock issued in consideration for goods or services provided to the Company or its Subsidiaries.

"Corporate Trust Office" means the office of the affiliate of the Trustee in The City of New York, New York at which at any particular time its corporate trust business may be administered.

"Credit Agreement" means any credit agreement in existence on or entered into after the Issue Date, by and among the Company, certain of its Subsidiaries, certain financial institutions, providing for term loan facilities and/or revolving credit facilities, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, as such credit agreement and/or related documents may be amended, restated, supplemented, renewed, replaced or otherwise modified from time to time whether or not with the same agent, trustee, representative lenders or holders, and, subject to the proviso to the next succeeding sentence, irrespective of any changes in the terms and conditions thereof. Without limiting the generality of the foregoing, the term "Credit Agreement" shall include agreements in respect of Interest Swap and Hedging Obligations with lenders (or Affiliates thereof) party to the Credit Agreement and shall also include any amendment, amendment and restatement, renewal, extension, restructuring, supplement or modification to any Credit Agreement and all refundings, refinancings and replacements of any Credit Agreement, including any credit agreement:

(1) extending the maturity of any Indebtedness incurred thereunder or contemplated thereby,

(2) adding or deleting borrowers or guarantors thereunder, so long as borrowers and issuers include one or more of the Company and its Subsidiaries and their respective successors and assigns,

(3) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder; provided, that on the date such Indebtedness is incurred it would not be prohibited by Section 1008 hereof, or

(4) otherwise altering the terms and conditions thereof in a manner not prohibited by the terms of the Indenture.

"Default" means any event, occurrence or condition that is or with the passage of time or the giving of notice or both would be an Event of Default.

"Defaulted Interest" has the meaning specified in Section 307.

"defeasance" has the meaning specified in 1202.

"Definitive Securities" means one or more certificated Securities registered in the name of the Holder thereof and issued in accordance with Section 305 hereof, substantially in the form of Exhibit A hereto except that such Security shall not include the information called for by footnotes 1 and 3 thereof.

"Depository" means The Depository Trust Company or, if The Depository Trust Company shall cease to be a clearing agency registered under the Exchange Act, any other clearing agency registered under the Exchange Act that is designated as the successor Depository in a Company Order delivered to the Trustee.

"Disqualified Capital Stock" means (a) except as set forth in clause (b) of this definition, with respect to any person, any Equity Interest of such person that, by its terms or by the terms of any security into which it is convertible, exercisable or exchangeable, is, or upon the happening of an event or the passage of time would be, required to be redeemed or repurchased (including at the option of the holder thereof) by such person or any of its Subsidiaries, in whole or in part, on or prior to the Stated Maturity of the Securities and (b) with respect to any Subsidiary of such person (including with respect to any Subsidiary of the Company), any Equity Interest other than any common equity with no preference, privileges, or redemption or repayment provisions; provided that any Equity Interest that would not constitute Disqualified Capital Stock but for provisions thereof giving holders thereof the right to require such person to repurchase or redeem such Equity Interest upon the occurrence of an "asset sale" or "change of control" occurring prior to the Stated Maturity of the Securities shall not constitute Disqualified Capital Stock if the "asset sale" or "change of control" provisions applicable to such Equity Interest are no more favorable to the holders of such Equity Interest than the provisions contained in Section 1013 and Section 1015 and such Equity Interest specifically provides that (i) such person will not repurchase or redeem any such Equity Interest pursuant to such provision prior to the Company's repurchase of such Securities as are required to be repurchased pursuant to Section 1013 and Section 1015 and (ii) in the case of an Asset Sale Offer, such repurchase or redemption shall not exceed such Excess Proceeds, less the principal amount of Securities tendered in such Asset Sale Offer.

"Distribution Compliance Period" means the 40-day restricted period as defined in Regulation S.

"Dollars", "US\$" and "\$" means such coins or currency of the United States of America which is legal tender for payment of public and private debts and "Canadian Dollars" and "C\$" means such coins or currency of Canada which is legal tender for payment of public and private debts.

"Duration" means, with respect to any given financial instrument, (i) the weighted average of the time to payment of each payment required to be made on a date certain with respect to such financial instrument, the weights being the present value of each such payment (calculated at the financial instrument's yield as of the date of acquisition by the Company or any Subsidiary) as a percentage of the total present value all such payments (calculated at the financial instrument's yield as of the date of acquisition by the Company or any Subsidiary) divided by (ii) one plus the yield (as of the date of acquisition by the Company or any Subsidiary) of such financial instrument.

"Equity Interest" of any person means Capital Stock of such person and all warrants, options or other rights to acquire Capital Stock of such person (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock (and which is not otherwise Capital Stock)).

"Euroclear" means Euroclear Bank, S.A/N.V., as operator of the Euroclear System, or any successor securities clearing agency.

"Event of Default" has the meaning specified in Section 501.

"Event of Loss" means, with respect to any property or asset, any (i) loss, destruction or damage of such property or asset or (ii) any condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, of such property or asset, or confiscation or requisition of the use of such property or asset.

"Excess Proceeds" has the meaning specified in Section 1013.

"Exchange Act" refers to the Securities Exchange Act of 1934 as it may be amended and any successor act thereto.

"Exchange Offer" means an offer that may be made by the Company and the Guarantors pursuant to the Registration Rights Agreement to exchange the Series B Securities for the Series A Securities.

"Exchange Offer Registration Statement" shall have the meaning set forth in the Registration Rights Agreement.

"Exchange Securities" means the Series B Securities, issued pursuant to an Exchange Offer and identical in all material respects to, and evidencing the same indebtedness as that evidenced by, the Series A Securities (including with respect to the Guarantees), except (i) that such securities shall have been registered pursuant to an effective registration statement under the Securities Act, (ii) that such securities shall not contain a restrictive legend thereon, (iii) that such securities shall not contain provisions relating to the accrual or payment of Special Interest and (iv) Interest on each Exchange Security shall accrue from the last Interest Payment Date on which Interest was paid on the Securities surrendered in exchange therefor or, if no Interest has been paid on the Securities, from the date of original issue of the Securities.

"Excluded Holder" has the meaning specified in Section 1016.

"Excluded Person" means Messrs. Bradley J. Wechsler and Richard L. Gelfond, or their Related Parties.

"Exempted Affiliate Transaction" means (a) reasonable fees and compensation paid and indemnity provided pursuant to (including issuances of securities or other payments, awards or grants in cash, securities or otherwise) customary employee compensation arrangements (including, without limitation, stock option and stock ownership plans) approved by a majority of independent (as to such transactions) members of the Board of Directors of the Company, (b) Restricted Payments permitted to be made under the Indenture, (c) transactions solely between the Company and any of its Subsidiaries or solely among Subsidiaries of the Company, (d) the payment of reasonable and customary fees to and the provision of indemnity on behalf of directors of the Company who are not employees of the Company, (e) payments pursuant to any agreement in effect as of the Issue Date or any amendment thereto or any transaction contemplated thereby (including pursuant to any amendment thereto) in any replacement agreement thereto so long as any such amendment or replacement agreement is not more disadvantageous to the Company or its Subsidiaries, as the case may be, than the original agreement as in effect on the Issue Date, (f) loans advanced to employees and officers of the Company and its Subsidiaries not in excess of \$1,000,000 at any time outstanding, and (g) sales or other transfers of Qualified Capital Stock.

"First Currency" has the meaning specified in Section 116.

"Foreign Subsidiary" means any Subsidiary of the Company that is not a North American Subsidiary.

"Fully Traded Common Stock" means common stock issued by any corporation if (A) such common stock is listed on either The New York Stock Exchange, The American Stock Exchange, The Toronto Stock Exchange, or is included for trading privileges in the Nasdaq National Market; and (B) such common stock

does not constitute more than 15% of the issued and outstanding common stock of such corporation held by Persons other than 10% holders of such common stock and Affiliates and insiders of such corporation.

"generally accepted accounting principles" means, as at any date of determination, generally accepted accounting principles in the United States and which are applicable as of the date of determination.

"Global Security" means a Security that evidences all or part of the Securities and bears the legend set forth in Section 205.

"Guarantee" means, as to any person, a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness of another person. When used with respect to the Securities, a "Guarantee" means a guarantee by the Guarantors of all or any part of the Securities, in accordance with Article XIII hereof.

"Guarantee Obligations" has the meaning specified in Section 1301.

"Guarantors" means:

- (1) each direct or indirect North American Subsidiary of the Company on the date of this Indenture; and
- (2) any other Subsidiary;

that executes a Guarantee in accordance with the provisions of this Indenture and their respective successors and assigns until released from their obligations under their Guarantees and the Indenture in accordance with the terms of this Indenture.

"Holder" means a Person in whose name a Security is registered in the Security Register.

"incur" shall mean to issue, assume, guaranty, incur, become directly or indirectly liable with respect to (including as a result of an Acquisition), or otherwise become responsible for, contingently or otherwise, any Indebtedness (and, as appropriate, an "incurrence" shall have a correlative meaning). Notwithstanding the foregoing, the accretion or amortization of original issue discount and any accruals of interest on any Indebtedness shall not be deemed an incurrence of Indebtedness.

"Indebtedness" of any person means, without duplication, (a) all liabilities and obligations, contingent or otherwise, of such person, to the extent such liabilities and obligations would appear as a liability upon the consolidated balance sheet of such person in accordance with generally accepted accounting principles, (i) in respect of borrowed money (whether or not the recourse of the lender is to the whole of the assets of such person or only to a portion thereof), (ii) evidenced by bonds, notes, debentures or similar instruments, (iii) representing the balance deferred and unpaid of the purchase price of any property or services, except those incurred in the ordinary course of its business that would constitute ordinarily a trade payable or account payable to trade creditors that are not more than 120 days past their original due date or which are being contested in good faith by appropriate proceeding, (iv) evidenced by bankers' acceptances or similar instruments issued or accepted by banks, (v) relating to any Capitalized Lease Obligation, or (vi) evidenced by a letter of credit or a reimbursement obligation of such person with respect to any letter of credit; (b) all net obligations of such person under Interest Swap and Hedging Obligations; (c) all liabilities and obligations of others of the kind described in the preceding clause (a) or (b) that such person has guaranteed or that is otherwise its legal liability or which are secured by any assets or property of such person; (d) any and all deferrals, renewals, extensions, refinancing and refundings (whether direct or indirect) of, or amendments, modifications or supplements to, any liability of the kind described in any of the preceding

clauses (a), (b) or (c), or this clause (d), whether or not between or among the same parties; and (e) all Disqualified Capital Stock of such person (measured at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued and unpaid dividends). For purposes hereof, the "maximum fixed repurchase price" of any Disqualified Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Capital Stock as if such Disqualified Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to this Indenture, and if such price is based upon, or measured by, the fair market value of such Disqualified Capital Stock, such fair market value to be determined in good faith by the board of directors of the issuer (or managing general partner of the issuer) of such Disqualified Capital Stock. Indebtedness shall not include any (1) obligation of any person arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business, provided that such obligations are extinguished within five business days, or (2) liability for federal, provincial, state, local or other taxes except to the extent otherwise included in the definition of "Indebtedness." Guarantees of (or obligations with respect to letters of credit supporting) Indebtedness otherwise included in the determination of the aggregate amount of Indebtedness incurred shall not also be included in such determination.

"Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

"Indirect Participant" means an entity that, with respect to The Depository Trust Company, clears through or maintains a direct or indirect, custodial relationship with a Participant.

"Initial Purchasers" means Credit Suisse First Boston LLC, Jefferies & Company, Inc., Wachovia Capital Markets, LLC and U.S. Bancorp Piper Jaffray Inc.

"Institutional Accredited Investor" means an institution that is an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act, who is not a QIB.

"Interest Payment Date" means June 1 and December 1 of each year to the Stated Maturity.

"Interest Swap and Hedging Obligation" means any obligation of any person pursuant to any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate exchange agreement, currency exchange agreement or any other agreement or arrangement designed to protect against fluctuations in interest rates or currency values, including, without limitation, any arrangement whereby, directly or indirectly, such person is entitled to receive from time to time periodic payments calculated by applying either a fixed or floating rate of interest on a stated notional amount in exchange for periodic payments made by such person calculated by applying a fixed or floating rate of interest on the same notional amount.

"Investment" by any person in any other person means (without duplication) (a) the acquisition (whether by purchase, merger, consolidation or otherwise) by such person (whether for cash, property, services, securities or otherwise) of capital stock, bonds, notes, debentures, partnership or other ownership interests or other securities, including any options or warrants, of such other person; (b) the making by such person of any deposit with, or advance, loan or other extension of credit to, such other person (including the purchase of property from another person subject to an understanding or agreement, contingent or otherwise, to resell such property to such other person) or any commitment to make any such advance, loan or extension (but excluding accounts receivable or deposits arising in the ordinary course of business); (c) other than guarantees of Indebtedness of the Company or any Guarantor to the extent permitted by Section 1008, the entering into by such person of any guarantee of, or other credit support or contingent obligation with respect to, Indebtedness or other liability of such other person; and (d) the making of any capital contribution by such person to such other person. Any property transferred to an Unrestricted Subsidiary from the Company or a Subsidiary shall be deemed an Investment valued at its fair market

value at the time of such transfer, provided, however, if in any such case such fair market value exceeds \$1,000,000, such determination of fair market value shall be certified in an Officers' Certificate.

"Issue Date" means the date of first issuance of the Securities under this Indenture.

"Judgment Currency" has the meaning specified in Section 115.

"Lien" means any mortgage, charge, pledge, lien (statutory or otherwise), privilege, security interest, hypothecation or other encumbrance upon or with respect to any property of any kind, real or personal, movable or immovable, now owned or hereafter acquired.

"Net Cash Proceeds" means the aggregate amount of cash or Cash Equivalents received by the Company in the case of a sale of Qualified Capital Stock and by the Company and its Subsidiaries in respect of an Asset Sale or Event of Loss plus, in the case of an issuance of Qualified Capital Stock upon any exercise, exchange or conversion of securities (including options, warrants, rights and convertible or exchangeable debt) of the Company that were issued for cash on or after the Issue Date, the amount of cash originally received by the Company upon the issuance of such securities (including options, warrants, rights and convertible or exchangeable debt) less, in each case, the sum of all payments, fees, commissions and expenses (including, without limitation, the fees and expenses of legal counsel and investment banking fees and expenses) incurred in connection with such Asset Sale, Event of Loss or sale of Qualified Capital Stock, and, in the case of an Asset Sale only, less the amount (estimated reasonably and in good faith by the Company) of income, franchise, sales and other applicable taxes required to be paid by the Company or any of its respective Subsidiaries in connection with such Asset Sale and amounts required to be applied to the repayment of Indebtedness secured by a Lien on the asset or assets that were the subject of such Asset Sale and amounts deemed, in good faith, appropriate by the Board of Directors of the Company to be provided as a reserve, in accordance with generally accepted accounting principles, against any liabilities associated with such assets that are the subject of such Asset Sale.

"Non-U.S. Person" means any Person other than a U.S. Person.

"North American Subsidiary" means any Subsidiary of the Company, as defined in clauses (i) and (ii) only of the definition of Subsidiary, that was formed under the laws of the United States or any state of the United States or the District of Columbia or under the laws of Canada or any province or territory thereof, excluding Big Frame Theatre Limited Partnership so long as that entity is not a Subsidiary as defined in clause (i) of the definition of Subsidiary.

"Notes Custodian" means the Trustee, as custodian with respect to the Securities in global form, or any successor entity thereto.

"Offer to Purchase" means an Asset Sale Offer pursuant to Section 1013 and/or a Change of Control Offer pursuant to Section 1015, as applicable.

"Offering Circular" means the final offering circular, dated November 19, 2003, relating to the offer and sale of the Series A Securities.

"Officers' Certificate" means a certificate signed on behalf of the Company or any Guarantor by two officers of the Company or such Guarantor, one of whom must be a principal executive officer, a principal financial officer, a treasurer or a principal accounting officer of the Company or such Guarantor, that meets the requirements of Section 102 hereof, and delivered to the Trustee.

"Operating Expense or Cost Reduction" means with respect to the calculation of a Consolidated Coverage Ratio, an operating expense or cost reduction with respect to an Acquisition, which, in the good faith

estimate of management, will be realized as a result of such Acquisition, provided that the foregoing eliminations of operating expenses and realizations of cost reductions shall be of the types permitted to be given effect to in accordance with Article 11 of Regulation S-X under the Exchange Act as in effect on the Issue Date.

"Opinion of Counsel" means a written opinion of counsel, who may be an employee of or counsel for the Company, and who shall be acceptable to the Trustee.

"Other Currency" has the meaning specified in Section 116.

"Outstanding," when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(i) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Securities for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities; provided that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;

(iii) Securities, except to the extent provided in Sections 1202 and 1203, with respect to which the Company has effected defeasance and/or covenant defeasance as provided in Article XII; and

(iv) Securities which have been paid pursuant to Section 306 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a protected purchaser (as defined in Article 8 of the Uniform Commercial Code) in whose hands such Securities are valid obligations of the Company;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which the Trustee knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor.

"Participant" means, with respect to the Depository, Euroclear or, Clearstream, a Person who has an account with the Depository, Euroclear or Clearstream respectively (and, with respect to The Depository Trust Company, shall include Euroclear and Clearstream).

"Paying Agent" means any Person authorized by the Company to pay the principal of (and premium, if any) or interest on any Securities on behalf of the Company.

"Permitted Indebtedness" means any of the following:

(a) Indebtedness of the Company and the Guarantors evidenced by the Securities and related Guarantees and represented by this Indenture, issued on the Issue Date;

(b) Indebtedness of the Company and its Subsidiaries (including pursuant to a Credit Agreement and including any Indebtedness issued to refinance, refund or replace such Indebtedness) provided that the aggregate principal amount of such Indebtedness outstanding at any time does not exceed the greater of (a) \$30,000,000 minus the amount of any such Indebtedness retired with Net Cash Proceeds from any Asset Sale or assumed by a transferee in an Asset Sale and (b) 15% of Total Assets of the Company;

(c) Refinancing Indebtedness with respect to (i) any Indebtedness described in clause (a) of this definition, (ii) incurred under the Debt Incurrence Ratio test of Section 1008, (iii) incurred under this clause (c) or (iv) which is outstanding on the Issue Date so long as such Refinancing Indebtedness, if secured, is secured only by the assets that secured the Indebtedness so refinanced;

(d) Interest Swap and Hedging Obligations of the Company and its Subsidiaries that are incurred for the purpose of fixing or hedging interest rate or currency risk of the Company and its Subsidiaries and not incurred for the purpose of speculation;

(e) Indebtedness of the Company and its Subsidiaries solely in respect of performance, surety or appeal bonds (to the extent that such incurrence does not result in the incurrence of any obligation to repay any obligation relating to borrowed money of others), and letters of credit and letters of guarantee, all incurred in the ordinary course of business in accordance with customary industry practices, in amounts and for the purposes customary in the Company's industry;

(f) Indebtedness of the Company to any Wholly Owned Subsidiary, and Indebtedness of a Subsidiary to any other Wholly Owned Subsidiary or to the Company; provided that, in the case of Indebtedness of the Company, such obligations shall be unsecured and subordinated in all respects to the Company's obligations pursuant to the Securities and the date of any event that causes such Subsidiary or Guarantor to no longer be a Wholly Owned Subsidiary shall be an Incurrence Date;

(g) Indebtedness of the Company and its Subsidiaries arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from guarantees or letters of credit, surety bonds or performance bonds securing any obligations of the Company or any Subsidiary pursuant to such agreements, in any case incurred in connection with the disposition of any business, assets or Subsidiary, other than guarantees of Indebtedness incurred by any person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition or, in the case of performance bonds, incurred in connection with the sale or leasing of systems in the ordinary course of business;

(h) additional Indebtedness of the Company or any Guarantor not to exceed \$35,000,000 in aggregate principal amount at any one time outstanding; and

(i) Indebtedness of the Company and its Subsidiaries existing on the Issue Date not to exceed the amount outstanding on such date.



"Permitted Investment" means (a) Investments in any of the Securities; (b) Investments in Cash Equivalents; (c) Investments in intercompany notes to the extent permitted to be incurred under clause (f) of the definition of "Permitted Indebtedness"; (d) any Investment in a Subsidiary of the Company, any Investment in the Company so long as the Company receives the proceeds of such Investment, or any Investment in a person in a Related Business, which, after such Investment, becomes a Subsidiary of the Company; (e) loans or advances to employees of the Company or a Subsidiary made in the ordinary course of business, (f) stock obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Subsidiary or in satisfaction of judgments, (g) Investments received in connection with an Asset Sale in accordance with Section 1013, (h) Investments of the Company or any Subsidiary in effect on the Issue Date, (i) Investments in securities of trade creditors or customers received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers, (j) Investments the payment for which consists exclusively of Qualified Capital Stock of the Company, (k) other Investments in any Person or Persons, provided, that after giving pro forma effect to each such Investment, the aggregate amount of all such Investments made on and after the Issue Date pursuant to this clause (k) that are outstanding (after giving effect to any such Investments that are returned to the Company or the Subsidiary that made such prior Investment, without restriction, in cash or consideration similar to the consideration originally used to make such Investment on or prior to the date of any such calculation, but only up to the amount of the Investment made under this clause (k) in such Person) at any time does not in the aggregate exceed \$25,000,000 (measured by the value attributed to the Investment at the time made), and (l) Investments in Permitted Joint Ventures pursuant to this clause (l), provided that either (1)(i) the Company or its Subsidiaries have the ability to liquidate their Investment in such Permitted Joint Venture, without penalty to the Company or its Subsidiaries, within three years of giving notice of their intention to do so, (ii) in the good faith opinion of an executive officer of the Company, each of the other holders of Equity Interests in the Permitted Joint Venture is contributing consideration to the Permitted Joint Venture in relation to such holder's economic interest in the Permitted Joint Venture which is at least equal to the consideration being contributed to the Permitted Joint Venture by the Company or a Subsidiary in relation to its economic interest in the Permitted Joint Venture (provided, that in making his or her determination pursuant to this clause (ii), such executive officer may take into account better than normal profits which may be derived from the Company's other businesses as a result of such Investment), and (iii) the Consolidated Coverage Ratio of the Company for the Reference Period immediately preceding the date of such Investment, after giving effect on a pro forma basis to such Investment, would be at least 2.0 to 1 or (2) the Consolidated Coverage Ratio of the Company for the Reference Period immediately preceding the date of such Investment, after giving effect on a pro forma basis to such Investment, would be at least 3.0 to 1.

"Permitted Joint Venture" means any joint venture arrangement (which may be structured as an unincorporated joint venture, corporation, partnership, association or limited liability company) (i) in which the Company and its Subsidiaries own at least 20% but less than 50% of the ownership interest thereof and (ii) which engages only in a Related Business.

"Permitted Lien" means (a) Liens created in connection with the incurrence of Indebtedness permitted by clause (b) of the definition "Permitted Indebtedness"; (b) Liens existing on the Issue Date; (c) Liens imposed by governmental authorities for taxes, assessments or other charges not yet subject to penalty or which are being contested in good faith and by appropriate proceedings, if adequate reserves with respect thereto are maintained on the books of the Company in accordance with generally accepted accounting principles; (d) statutory Liens of carriers, warehousemen, mechanics, materialmen, landlords, repairmen or other like Liens arising by operation of law in the ordinary course of business provided that (i) the underlying obligations are not overdue for a period of more than 30 days, or (ii) such Liens are being contested in good faith and by appropriate proceedings and adequate reserves with respect thereto are maintained on the books of the Company in accordance with generally accepted accounting principles; (e) Liens securing the performance of bids, trade contracts (other than borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business; (f) easements, rights-of-way, zoning, similar restrictions and other similar encumbrances or title defects which, singly or in the aggregate, do not in any case materially detract from the value of the property subject thereto (as such property is used by the Company or any of its Subsidiaries) or

interfere with the ordinary conduct of the business of the Company or any of its Subsidiaries; (g) Liens arising by operation of law in connection with judgments, only to the extent, for an amount and for a period not resulting in an Event of Default with respect thereto; (h) pledges or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security legislation; (i) Liens securing the Securities; (j) Liens securing Indebtedness of a person existing at the time such person becomes a Subsidiary or is merged with or into the Company or a Subsidiary or Liens securing Indebtedness incurred in connection with an Acquisition, provided that such Liens were in existence prior to the date of such acquisition, merger or consolidation, were not incurred in anticipation thereof, and do not extend to any assets other than those acquired; (k) leases or subleases granted to other persons in the ordinary course of business not materially interfering with the conduct of the business of the Company or any of its Subsidiaries or materially detracting from the value of the relative assets of the Company or any Subsidiary; (l) Liens arising from precautionary Uniform Commercial Code financing statement or similar filings regarding operating leases entered into by the Company or any of its Subsidiaries in the ordinary course of business; (m) Liens securing Refinancing Indebtedness incurred to refinance any Indebtedness that was previously so secured in a manner no more adverse to the Holders of the Securities than the terms of the Liens securing such refinanced Indebtedness provided that the Indebtedness secured is not increased and the Lien is not extended to any additional assets or property, (n) Liens in favor of the Company or any Subsidiary, (o) Liens securing obligations under Interest Swap and Hedging Obligations permitted to be incurred under this Indenture, (p) Liens created or deposits made to secure the performance of tenders, bids, leases, statutory obligations, government contracts, performance bonds and other obligations of a like nature incurred in the ordinary course of business, (q) Liens in favor of customs and revenue authorities, arising as a matter of law to secure payment of customs duties in connection with the importation of goods, and (r) Liens in connection with securitizations of accounts receivable under long term system leases.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"Private Placement Legend" means the legend set forth in Section 305 hereof to be placed on all Securities issued under this Indenture except where specifically stated otherwise by the provisions of this Indenture.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Qualified Capital Stock" means any Capital Stock of the Company that is not Disqualified Capital Stock.

"Qualified Equity Offering" means any offering of Qualified Capital Stock of the Company for cash of which the gross proceeds to the Company are at least \$30,000,000.

"Qualified Exchange" means any legal defeasance, redemption, retirement, repurchase or other acquisition of Capital Stock or Indebtedness of the Company with the Net Cash Proceeds received by the Company from the substantially concurrent sale (other than from or to a Subsidiary or from or to an employee stock ownership plan financed by loans from the Company or a Subsidiary of the Company) of Qualified Capital Stock or any exchange of Qualified Capital Stock for any Capital Stock or Indebtedness of the Company.

"rate(s) of exchange" has the meaning specified in Section 115.

"Redemption Date", when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

"Reference Period" with regard to any person means the most recently ended four full fiscal quarters, for which financial statements are available immediately preceding any date upon which any determination is to be made pursuant to the terms of the Securities or this Indenture.

"Refinancing Indebtedness" means Indebtedness or Disqualified Capital Stock (a) issued in exchange for, or the proceeds from the issuance and sale of which are used substantially concurrently to repay, redeem, defease, refund, refinance, discharge or otherwise retire for value, in whole or in part, or (b) constituting an amendment, modification or supplement to, or a deferral or renewal ((a) and (b) above are, collectively, a "Refinancing") of any Indebtedness or Disqualified Capital Stock in a principal amount or, in the case of Disqualified Capital Stock, liquidation preference, not to exceed (after deduction of reasonable and customary fees and expenses incurred in connection with the Refinancing) the (A) lesser of (i) the principal amount or, in the case of Disqualified Capital Stock, liquidation preference, of the Indebtedness or Disqualified Capital Stock so Refinanced and (ii) if such Indebtedness being Refinanced was issued with an original issue discount, the accreted value thereof (as determined in accordance with generally accepted accounting principles) at the time of such Refinancing, plus (B) the amount of any premium required to be paid in connection with such Refinancing pursuant to the terms of the Indebtedness being so refinanced or the amount of any premium reasonably determined by the Company as necessary to accomplish such Refinancing by means of a tender offer or privately negotiated repurchase and plus (C) the expenses of the Company or the Subsidiary, as the case may be, incurred in connection with such Refinancing; provided, that (A) such Refinancing Indebtedness of any Subsidiary of the Company shall only be used to refinance outstanding Indebtedness or Disqualified Capital Stock of such Subsidiary, (B) such Refinancing Indebtedness shall (x) not have an Average Life shorter than the Indebtedness or Disqualified Capital Stock to be so refinanced at the time of such Refinancing and (y) in all respects, be no less subordinated or junior, if applicable, to the rights of Holders of the Securities than was the Indebtedness or Disqualified Capital Stock to be refinanced and (C) such Refinancing Indebtedness shall have a final stated maturity or redemption date, as applicable, no earlier than the final stated maturity or redemption date, as applicable, of the Indebtedness or Disqualified Capital Stock to be so refinanced.

"Reg S Temporary Global Security" means one or more temporary Global Securities bearing the Private Placement Legend and the Reg S Temporary Global Security Legend, issued in an aggregate amount of denominations equal in total to the outstanding principal amount of the Securities initially sold in reliance on Rule 903 of Regulation S.

"Reg S Temporary Global Security Legend" means the legend set forth in Section 305(g)(iii) hereof, which is required to be placed on all Reg S Temporary Global Securities issued under this Indenture.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of December 4, 2003, by and among the Company, the Guarantors and the Initial Purchasers.

"Regular Record Date" for the interest payable on any Interest Payment Date means the November 15 or May 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date.

"Related Business" means the business conducted (or proposed to be conducted) by the Company and its Subsidiaries as of the Issue Date and any and all businesses that in the good faith judgment of the Board of Directors of the Company are related, similar or ancillary businesses.

"Related Party" means: (1) the spouse or an immediate family member, estate or heir of Bradley J. Wechsler or Richard L. Gelfond; or (2) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners, owners or Persons beneficially holding an 80% or more controlling interest of which consist

of Bradley J. Wechsler, Richard L. Gelfond and/or such other Persons referred to in the immediately preceding clause (1).

"Responsible Officer", when used with respect to the Trustee, means the chairman or any vice-chairman of the board of directors, the chairman or any vice-chairman of the executive committee of the board of directors, the chairman of the trust committee, the president, any vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer or assistant trust officer, the controller or any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Restricted Definitive Security" means one or more Definitive Securities bearing the Private Placement Legend, issued under this Indenture.

"Restricted Global Security" means one or more Global Securities bearing the Private Placement Legend, issued under this Indenture; provided, that in no case shall an Exchange Security issued in accordance with this Indenture and the terms of the Registration Rights Agreement be a Restricted Global Security.

"Restricted Payment" means, with respect to any person, (a) the declaration or payment of any dividend or other distribution in respect of Equity Interests of such person or any parent or Subsidiary of such person, (b) any payment on account of the purchase, redemption or other acquisition or retirement for value of Equity Interests of such person or any Subsidiary or direct or indirect parent of such person (other than any such Equity Interests owned by such person or any Subsidiary), (c) other than with the proceeds from the substantially concurrent sale of, or in exchange for, Refinancing Indebtedness, any purchase, redemption, or other acquisition or retirement for value of, any payment in respect of any amendment of the terms of or any defeasance of, any Subordinated Indebtedness, directly or indirectly, by such person or a parent or Subsidiary of such person prior to the scheduled maturity, any scheduled repayment of principal, or scheduled sinking fund payment, as the case may be, of such Indebtedness and (d) any Investment by such person, other than a Permitted Investment; provided, however, that the term "Restricted Payment" does not include (i) any dividend, distribution or other payment on or with respect to Equity Interests of an issuer to the extent payable solely in shares of Qualified Capital Stock or in options, warrants or other rights to acquire Qualified Capital Stock of such issuer; or (ii) any dividend, distribution or other payment to the Company or any of its Subsidiaries, by the Company or any of its Subsidiaries (or, in the case of payment by any non-Wholly Owned Subsidiary, to any other holder of Equity Interests of such non-Wholly Owned Subsidiary on a pro rata basis). If (x) the Company or a Subsidiary of the Company issues, transfers, conveys, leases or otherwise disposes of any shares of Capital Stock of a Subsidiary of the Company or securities convertible or exchangeable into, or options, warrants, rights or any other interest with respect to, Capital Stock of a Subsidiary of the Company, and as a result of such transaction or as a result of the exercise, conversion or exchange of such securities, options, warrants, rights or other interest such Subsidiary would cease to be a Subsidiary, or (y) the Company or a Subsidiary of the Company issues, transfers, conveys, leases or otherwise disposes of any shares of Capital Stock or ownership interests of a Permitted Joint Venture which complies with the provisions of clauses (1)(1)(i) or (1)(2) of the definition of Permitted Investment or securities convertible or exchangeable into, or options, warrants, rights or any other interest with respect to, Capital Stock or ownership interests of a Permitted Joint Venture, or permits such a Permitted Joint Venture to issue any shares of Capital Stock or ownership interests of such Permitted Joint Venture or securities convertible or exchangeable into, or options, warrants, rights or any other interest with respect to Capital Stock of or ownership interests, in such Permitted Joint Venture, the Company shall be deemed to have made a Restricted Payment in an amount equal to its net investment in such Subsidiary or Permitted Joint Venture unless, after giving effect to such issuance, transfer, conveyance, lease or disposition, the former Subsidiary shall be or the Permitted Joint Venture shall continue to be, a Permitted Joint Venture which complies with the provisions of clauses (1)(1)(i) or (1)(2) of the definition of Permitted Investment.

"Rule 144" means Rule 144 promulgated under the Securities Act, as it may be amended from time to time, and any successor provision thereto.

"Rule 144A" means Rule 144A promulgated under the Securities Act, as it may be amended from time to time, and any successor provision thereto.

"Rule 903" means Rule 903 promulgated under the Securities Act, as it may be amended from time to time, and any successor provision thereto.

"Rule 904" means Rule 904 promulgated under the Securities Act, as it may be amended from time to time, and any successor provision thereto.

"Sale and Leaseback Transaction" of any Person means an arrangement with any lender or investor or to which such lender or investor is a party providing for the leasing by such Person of any property or asset of such Person which has been or is being sold or transferred by such Person more than 90 days after the acquisition thereof or the completion of construction or commencement of operation thereof to such lender or investor or to any person to whom funds have been or are to be advanced by such lender or investor on the security of such property or asset.

"Securities" means securities designated in the last paragraph of the RECITALS OF THE COMPANY.

"Securities Act" means the U.S. Securities Act of 1933 and (unless the context otherwise requires) includes the rules and regulations of the Commission promulgated thereunder.

"Security Registrar" has the meaning specified in Section 305.

"Shelf Registration Statement" shall have the meaning set forth in the Registration Rights Agreement.

"Special Interest" means all additional interest, if any, then owing in respect of the Series A Securities pursuant to the Registration Rights Agreement.

"Special Record Date" for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 307.

"Stated Maturity," when used with respect to any Security means December 1, 2010.

"Subordinated Indebtedness" means Indebtedness of the Company that is subordinated in right of payment to the Securities in any respect.

"Subsidiary" means, with respect to any person, (i) any corporation, association or other business entity of which more than 50% of the total voting power of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such person or one or more of the other Subsidiaries of that person (or a combination thereof), (ii) any partnership (a) the sole general partner or the managing general partner of which is such person or a Subsidiary of such person or (b) the only general partners of which are such person or of one or more Subsidiaries of such person (or any combination thereof) or (iii) any other person not described in clauses (i) and (ii) above in which such person, or one more other Subsidiaries of such person or such person and one or more other Subsidiaries thereof, directly or indirectly, has a 50% ownership and the power, pursuant to a written contract or agreement, to direct the policies and management or the financial and other affairs thereof. Notwithstanding the

foregoing, an Unrestricted Subsidiary shall not be a Subsidiary of the Company or of any Subsidiary of the Company.

"Taxes" has the meaning specified in Section 1016.

"Total Assets" means, with respect to any person, as of any date, the consolidated total assets of such person less the amount by which the goodwill of such person exceeds 10% of total assets of such person, each as determined in accordance with generally accepted accounting principles.

"Total Common Equity" of any person means, as of any of determination, the product of (i) the aggregate number of outstanding primary shares of Capital Stock of such person on such day (which shall not include any options or warrants on, or securities convertible or exchangeable into, shares of Capital Stock of such person) and (ii) the average Closing Price of such Capital Stock over the 20 consecutive Trading Days immediately preceding such day. If no such Closing Price exists with respect to shares of any such class, the value of such shares for purposes of clause (ii) of the preceding sentence shall be determined by the Board of Directors of the Company in good faith and evidenced by a resolution of the Board of Directors filed with the Trustee.

"Trust Indenture Act" means the Trust Indenture Act of 1939 as in force at the date as of which this instrument was executed, except as provided in Section 905; provided, however, that in the event the U.S. Trust Indenture Act of 1939 is amended after such date, "Trust Indenture Act" means, to the extent required by any such amendment, the U.S. Trust Indenture Act of 1939 as so amended.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor Trustee.

"Unrestricted Definitive Security" means one or more Definitive Security that do not bear and are not required to bear the Private Placement Legend, issued under this Indenture.

"Unrestricted Global Security" means one or more permanent Global Security representing a series of Securities that does not bear and is not required to bear the Private Placement Legend, issued under this Indenture.

"Unrestricted Subsidiary" means (i) any Subsidiary designated by the Board of Directors of the Company as an Unrestricted Subsidiary and (ii) any Subsidiary of an Unrestricted Subsidiary. An Unrestricted Subsidiary may be designated pursuant to an Officers' Certificate (including any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary so long as (1) neither the Company nor any Subsidiary (a) provides credit support for, or guarantee of, and Indebtedness of such Subsidiary or any Subsidiary of such Subsidiary, (including any undertaking or agreement in respect of such debt) or (b) is directly or indirectly liable for any Indebtedness of such Subsidiary or any Subsidiary of such Subsidiary, (ii) no default with respect to any Indebtedness of such Subsidiary or any Subsidiary of such Subsidiary would permit (upon notice, lapse of time or otherwise) any holder of any other Indebtedness of the Company or any Subsidiary to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity, (iii) any Investment in such Subsidiary made as a result of designating such Subsidiary an Unrestricted Subsidiary will not violate the provisions of Section 1009, (iv) neither the Company nor any Subsidiary has a contract, agreement, arrangement, understanding or obligation of any kind, whether written or oral, with such Subsidiary other than those that might be obtained at the time from persons who are not Affiliates of the Company, and (v) neither the Company nor any other Subsidiary, has any obligation (a) to subscribe for additional Equity Interests in such Subsidiary, or (b) to maintain or preserve such Subsidiary's financial condition or to cause such Subsidiary to achieve certain levels of operating results. Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing a certified resolution with the Trustee giving effect to such designation. The Board of Directors of the Company may designate any Unrestricted Subsidiary as a Subsidiary if, immediately after giving effect to such

designation, there would be no Default or Event of Default under this Indenture and the Company could incur \$1.00 of additional Indebtedness pursuant to the Debt Incurrence Ratio test under Section 1008.

"U.S. Government Obligations" means direct non-callable obligations of the United States of America for the payment of which the full faith and credit of the United States is pledged.

"U.S. Person" means a U.S. person as defined in Rule 902(o) under the Securities Act.

"Vice President", when used with respect to the Company or the Trustee, means any vice president, whether or not designated by a number or a word or words added before or after the title "vice president."

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment, by (ii) the then outstanding principal amount of such Indebtedness.

"Wholly Owned Subsidiary" means a Subsidiary all the Equity Interests of which are owned by the Company or one or more wholly owned Subsidiaries of the Company.

#### Section 102 Compliance Certificates and Opinions.

Upon any application or request by the Company or any Guarantor to the Trustee to take any action under any provision of this Indenture, the Company or any Guarantor shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture (including any covenant compliance with which constitutes a condition precedent) relating to the proposed action have been complied with and an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent, if any, have been complied with, except that, in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include

(1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(3) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with which, in the case of an Opinion of Counsel, may be limited to reliance on an Officers' Certificate as to matters of fact; and

(4) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

#### Section 103 Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company or Guarantor may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or opinion of counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Any certificate or opinion of an officer of the Company or a Guarantor or of counsel may be based, insofar as it relates to accounting matters, upon a certificate or opinion of, or representations by, an accountant or firm of accountants in the employ of the Company or Guarantor, unless such officer or counsel, as the case may be, knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the accounting matters upon which such certificate or opinion may be based are erroneous. Any certificate or opinion of any independent firm of chartered accountants filed with the Trustee shall contain a statement that such firm is independent.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

#### Section 104 Record Date.

The Trustee may set any day as a record date for the purpose of determining the Holders of Outstanding Securities entitled to join in the giving or making of (i) any Notice of Default, (ii) any declaration of acceleration referred to in Section 502, (iii) any request to institute proceedings referred to in Section 507(2) or (iv) any direction referred to in Section 512. If any record date is set pursuant to this paragraph, the Holders of Outstanding Securities on such record date, and no other Holders, shall be entitled to join in such notice, declaration, request or direction, whether or not such Holders remain Holders after such record date. Nothing in this paragraph shall be construed to prevent the Trustee from setting a new record date for any action for which a record date has previously been set pursuant to this paragraph (whereupon the record date previously set shall automatically and with no action by any Person be cancelled and of no effect), and nothing in this paragraph shall be construed to render ineffective any action taken by Holders of the requisite principal amount of Outstanding Securities on the date such action is taken. Promptly after any record date is set pursuant to this paragraph, the Trustee, at the Company's expense, shall cause notice of such record date and the proposed action by Holders to be given to the Company in writing and to each Holder of Securities in the manner set forth in Section 106.

Any request, demand, authorization, direction, notice, consent or waiver of the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

The Company may set any day as a record date for the purpose of determining the Holders of Outstanding Securities entitled to give, make or take any request, demand, authorization, direction, notice, consent, waiver or other action provided or permitted by this Indenture to be given, made or taken by Holders of Securities,



provided that the Company may not set a record date for, and the provisions of this paragraph shall not apply with respect to, the giving or making of any notice, declaration, request or direction referred to in the first paragraph of this Section 104. If not set by the Company prior to the first solicitation of a Holder made by any Person in respect of any such matter referred to in the foregoing sentence, the record date for any such matter shall be the 30th day (or, if later, the date of the most recent list of Holders required to be provided pursuant to Section 701) prior to such first solicitation. If any record date is set pursuant to this paragraph, the Holders of Outstanding Securities on such record date, and no other Holders, shall be entitled to take the relevant action, whether or not such Holders remain Holders after such record date; provided that no such action shall be effective hereunder unless taken on or prior to the applicable expiration date by Holders of the requisite principal amount of Outstanding Securities on such record date. Nothing in this paragraph shall be construed to prevent the Company from setting a new record date for any action for which a record date has previously been set pursuant to this paragraph (whereupon the record date previously set shall automatically and with no action by any Person be cancelled and of no effect), and nothing in this paragraph shall be construed to render ineffective any action taken by Holders of the requisite principal amount of Outstanding Securities on the date such action is taken. Promptly after any record date is set pursuant to this paragraph, the Company, at its own expense, shall cause notice of such record date, the proposed action by Holders and the applicable expiration date to be given to the Trustee in writing and to each Holder of Securities in the manner set forth in Section 106.

Without limiting the foregoing, a Holder entitled hereunder to take any action hereunder with regard to any particular Security may do so with regard to all or any part of the principal amount of such Security or by one or more duly appointed agents each of which may do so pursuant to such appointment with regard to all or any part of such principal amount.

Section 105 Notices. Etc., to Trustee and Company.

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Holder or by the Company shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Office or to it at U.S. Bank National Association, 60 Livingston Avenue, St. Paul, Minnesota 55107-2292, or

(2) the Company by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Company, Attention: General Counsel, addressed to it at the address of its principal office specified in the first paragraph of this instrument or at any other address previously furnished in writing to the Trustee by the Company.

Section 106 Notice to Holders: Waiver.

Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at his address as it appears in the Security Register, not later than the latest date (if any), and not earlier than the earliest date (if any), prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause, it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

Section 107 Conflict with Trust Indenture Act.

If, and to the extent, any provision hereof limits, qualifies or conflicts with a provision of the Trust Indenture Act included in the Indenture by operation of Sections 310 to 318, inclusive, of the Trust Indenture Act incorporated herein, the latter provision shall control. If any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the latter provision shall be deemed to apply to this Indenture as so modified or to be excluded, as the case may be.

Section 108 Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 109 Successors and Assigns.

All covenants and agreements in this Indenture by the Company and Guarantors shall bind its successors and assigns, whether so expressed or not.

Section 110 Separability Clause.

In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 111 Benefits of Indenture.

Nothing in this Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, and the Holders of Securities, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 112 Governing Law.

THIS INDENTURE AND THE SECURITIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Section 113 Legal Holidays.

In any case where any Interest Payment Date, Redemption Date, Purchase Date or Stated Maturity of any Security shall not be a Business Day, then (notwithstanding any other provision of this Indenture or of the Securities) payment of interest or principal (and premium, if any) need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the Interest Payment Date, Redemption Date or Purchase Date, or at the Stated Maturity of any Security, provided that no interest shall accrue for the period from and after such Interest Payment Date, Redemption Date or Purchase Date or Stated Maturity of any Security, as the case may be.

Section 114 Consent to Service; Jurisdiction.

The Company and the Trustee agree that any legal suit, action or proceeding arising out of or relating to this Indenture, and the Company agrees that any legal suit, action or proceeding arising out of or relating to the Securities, may be instituted in any federal or state court in the Borough of Manhattan, The City of New York, waives any objection which it may now or hereafter have to the laying of the venue of any such legal suit, action or proceeding, waives any immunity from jurisdiction or to service of process in respect of any such suit, action or proceeding, and irrevocably submits to the non-exclusive jurisdiction of any such court in any such suit, action or proceeding. The Company further submits to the non-exclusive jurisdiction of the courts of its own corporate domicile in any legal suit, action or proceeding arising out of or relating to this Indenture or the Securities. The Company hereby designates and appoints Imax U.S.A. Inc., 110 E. 59th Street, Suite 2100, New York, New York 10022 as its authorized agent upon which process may be served in any legal suit, action or proceeding arising out of or relating to this Indenture or the Securities which may be instituted in any federal or state court in the Borough of Manhattan, The City of New York, New York, and agrees that service of process upon such agent, and written notice of said service to the Company by the Person serving the same, shall be deemed in every respect effective service of process upon the Company in any such suit, action or proceeding and further designates its domicile, the domicile of Imax U.S.A. Inc. specified above and any domicile Imax U.S.A. Inc. may have in the future as its domicile to receive any notice hereunder (including service of process). If for any reason Imax U.S.A. Inc. (or any successor agent for this purpose) shall cease to act as agent for service of process as provided above, the Company will promptly appoint a successor agent for this purpose reasonably acceptable to the Trustee. The Company agrees to take any and all actions as may be necessary to maintain such designation and appointment of such agent in full force and effect.

#### Section 115 Conversion of Currency.

The Company covenants and agrees that the following provisions shall apply to conversion of currency in the case of the Securities and this Indenture.

(a) (i) If for the purpose of obtaining judgment in, or enforcing the judgment of, any court in any country, it becomes necessary to convert into any other currency (the "judgment currency") an amount due in Dollars, then the conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which the judgment is given or the order of enforcement is made, as the case may be (unless a court shall otherwise determine).

(ii) If there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment is given or an order of enforcement is made, as the case may be (or such other date as a court shall determine), and the date of receipt of the amount due, the Company will pay such additional (or, as the case may be, such lesser) amount, if any, as may be necessary so that the amount paid in the judgment currency when converted at the rate of exchange prevailing on the date of receipt will produce the amount in Dollars originally due.

(b) In the event of the winding-up of the Company at any time while any amount or damages owing under the Securities and this Indenture, or any judgment or order rendered in respect thereof, shall remain outstanding, the Company shall indemnify and hold the Holders and the Trustee harmless against any deficiency arising or resulting from any variation in rates of exchange between (1) the date as of which the equivalent of the amount in Dollars due or contingently due under the Securities and this Indenture (other than under this Subsection (b)) is calculated for the purposes of such winding-up and (2) the final date for the filing of proof of claim in such winding-up. For the purpose of this Subsection (b), the final date for the filing of proofs of claim in the winding-up of the Company shall be the date fixed by the liquidator or otherwise in accordance with the relevant provisions of applicable law as being the latest practicable date as at which liabilities of the Company may be ascertained for such winding-up prior to payment by the liquidator or otherwise in respect thereto.

(c) The obligations contained in Subsections (a)(ii) and (b) of this Section 115 shall constitute separate and independent obligations of the Company from its other obligations under the Securities and this Indenture, shall give rise to separate and independent causes of action against the Company, shall apply irrespective of any waiver or extension granted by any Holder or the Trustee or any of them from time to time and shall continue in full force and effect notwithstanding any judgment or order or the filing of any proof of claim in the winding-up of the Company for a liquidated sum in respect of amounts due hereunder (other than under Subsection (b) above) or under any such judgment or order. Any such deficiency as aforesaid shall be deemed to constitute a loss suffered by the Holders and no proof or evidence of any actual loss shall be required by the Company or the liquidator or otherwise or any of them. In the case of Subsection (b) above, the amount of such deficiency shall not be deemed to be increased or reduced, as the case may be, by any variation in rates of exchange occurring between the said final date and the date of any liquidating distribution.

(d) The term "rate(s) of exchange" shall mean the noon spot rate of exchange for Canadian interbank transactions applied in converting any other currency into Dollars published by the Bank of Canada for the date of determination, and includes any premiums and costs of exchange payable.

#### Section 116 Currency Equivalent.

Except as provided in Section 115, for purposes of the construction of the terms of this Indenture or of the Securities, in the event that any amount is stated herein in the currency of one nation (the "First Currency"), as of any date such amount shall also be deemed to represent the amount in the currency of any other relevant nation (the "Other Currency") which is required to purchase such amount in the First Currency at the noon spot rate of exchange for Canadian interbank transactions applied in converting the Other Currency into the First Currency published by the Bank of Canada for the date of determination.

#### Section 117 Shareholders, Officers and Directors Exemption from Individual Liability.

No recourse under or upon any obligation, covenant or agreement contained in this Indenture, or in any Security or Guarantee, or because of any indebtedness evidenced thereby, shall be had against any past, present or future shareholder, partner, manager, officer or director, as such, of the Company or of any successor or of a Guarantor, either directly or through the Company or any successor or a Guarantor, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Securities and the Guarantees by the Holders thereof and as part of the consideration for the issue of the Securities and the Guarantees.

## ARTICLE II

### Security Forms

#### Section 201 Forms Generally.

(a) Securities and the Trustee's certificates of authentication shall be substantially in the forms set forth in Exhibit A, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution of the Securities.

(b) Securities issued in global form shall be substantially in the form of Exhibit A attached hereto (including the Global Security Legend thereon and the "Schedule of Exchanges of Interests in the Global

Security" attached thereto). Securities issued in definitive form shall be substantially in the form of Exhibit A attached hereto (but without the Global Security Legend thereon and without the "Schedule of Exchanges of Interests in the Global Security" attached thereto). Each Global Security shall represent such of the outstanding Securities as shall be specified therein and each shall provide that it shall represent the aggregate principal amount of outstanding Securities from time to time endorsed thereon and that the aggregate principal amount of outstanding Securities represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Security to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Securities represented thereby shall be made by the Trustee or the Notes Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 305 hereof.

(c) The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream Banking Luxembourg" and "Customer Handbook" of Clearstream in effect at the relevant time shall be applicable to transfers of beneficial interests in the Regulation S Global Securities that are held by Participants through Euroclear or Clearstream.

### ARTICLE III

#### The Securities

##### Section 301 Title and Terms.

The aggregate principal amount of Securities and Additional Securities which may be authenticated and delivered under this Indenture will be unlimited in aggregate principal amount. The Securities shall be known and designated as the "9 5/8% Senior Notes due 2010" of the Company. Their stated maturity shall be December 1, 2010 and they shall bear interest at the rate of 9 5/8% per annum, from December 4, 2003 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, as the case may be, payable semi-annually on each Interest Payment Date, commencing June 1, 2004, until the principal thereof is paid or made available for payment.

The principal of, and premium, if any, and interest on the Securities shall be payable at the office or agency of the Company in The City of New York, New York maintained for such purpose and at any other office or agency maintained by the Company for such purpose; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or by wire transfer of immediately available funds pursuant to wire transfer instructions provided by a Holder to the Company or the Paying Agent.

The Securities shall be subject to repurchase by the Company pursuant to an Offer to Purchase as provided in Section 1013 or 1015.

Additional Securities ranking pari passu with the Securities issued the date hereof may be created and issued from time to time subject to Section 1008 by the Company without notice or consent to the Holders and shall be consolidated with and form a single series with the Securities initially issued and shall vote together as one series on all matters with respect to the Securities and shall have the same terms as to status, redemption or otherwise as the Securities originally issued; any Additional Securities shall be issued pursuant to an indenture supplemental to this Indenture.

The Securities shall be redeemable as provided in Article XI.

The Securities shall be subject to defeasance at the option of the Company as provided in Article XII.

Section 302 Denominations.

The Securities shall be issuable only in registered form without coupons and only in denominations of \$1,000 and any integral multiple thereof.

Section 303 Execution, Authentication, Delivery and Dating.

The Securities shall be executed on behalf of the Company by its Chairman of the Board (or Co-Chairman of the Board), Chief Executive Officer (or Co-Chief Executive Officer), its President or one of its Vice Presidents. The signature of any of these officers on the Securities may be manual or facsimile and may be imprinted or otherwise reproduced on the Securities. A Security shall not be valid until authenticated by the manual signature of the Trustee.

Securities bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities; and the Trustee in accordance with such Company Order shall authenticate and deliver such Securities as provided in this Indenture and not otherwise.

Each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture.

In case the Company, pursuant to Article VIII, shall be amalgamated, consolidated or merged with or into any other Person or shall convey, transfer, lease or otherwise dispose of substantially all of its properties and assets to any Person, and the successor Person resulting from such amalgamation, consolidation, or surviving such merger, or into which the Company shall have been merged, or the successor Person which shall have received a conveyance, transfer, lease or other disposition as aforesaid, shall have executed an indenture supplemental hereto with the Trustee pursuant to Article VIII, any of the Securities authenticated or delivered prior to such amalgamation, consolidation, merger, conveyance, transfer, lease or other disposition may, from time to time, at the request of the successor Person, be exchanged for other Securities executed in the name of the successor Person with such changes in phraseology and form as may be appropriate, but otherwise in substance of like tenor as the Securities surrendered for such exchange and of like principal amount; and the Trustee upon Company Order of the successor Person, shall authenticate and deliver replacement Securities as specified in such request for the purpose of such exchange. If replacement Securities shall at any time be authenticated and delivered in any new name of a successor Person pursuant to this Section in exchange or substitution for or upon registration of transfer of any Securities, such successor Person, at the option of any Holder but without expense to such Holder, shall provide for the exchange of all Securities at the time outstanding held by such Holder for Securities authenticated and delivered in such new name.

#### Section 304 Temporary Securities.

Pending the preparation of definitive Securities, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities.

If temporary Securities are issued, the Company will cause definitive Securities to be prepared without unreasonable delay. After the preparation of definitive Securities, the temporary Securities shall be exchangeable for definitive Securities upon surrender of the temporary Securities at any office or agency of the Company designated pursuant to Section 1002, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Securities of authorized denominations. Until so exchanged the temporary Securities shall in all respects be entitled to the same benefits under this Indenture as definitive Securities.

#### Section 305 Transfer and Exchange; Registration.

(a) Transfer and Exchange of Global Securities. A Global Security may not be transferred except as a whole by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. An entire Global Security may be exchanged by the Company for Definitive Securities if (i) the Company delivers to the Trustee notice from the Depositary that (x) the Depositary is unwilling or unable to continue to act as Depositary for the Global Securities, or (y) the Depositary has ceased to be a clearing agency registered under the Exchange Act, and in either case, the Company fails to appoint a successor depositary within 120 days of such notice from the Depositary, (ii) the Company, in the Company's sole discretion, determines that the Global Securities (in whole but not in part) should be exchanged for Definitive Securities and delivers a written notice to such effect to the Trustee or (iii) there shall have occurred and be continuing an Event of Default with respect to the Securities; provided, that in no event shall the Reg S Temporary Global Security be exchanged by the Company for Definitive Securities prior to (x) the expiration of the Distribution Compliance Period and (y) the receipt by the Security Registrar of any certificate identified by the Company and the Company's counsel to be required pursuant to Rule 903 or Rule 904 under the Securities Act. Upon the occurrence of any of the preceding events in (i), (ii) or (iii) above, Definitive Securities shall be issued in such names as the Depositary shall instruct the Trustee. Global Securities also may be exchanged or replaced, in whole or in part, as provided in Sections 304 and 306 hereof. Every Security authenticated and delivered in exchange for, or in lieu of, a Global Security or any portion thereof, pursuant to this Section 305 or Section 304 or 306 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Security. A Global Security may not be exchanged for another Security other than as provided in this Section 305(a), however, beneficial interests in a Global Security may be transferred and exchanged as provided in Section 305(b), (c) or (f) hereof.

(b) Transfer and Exchange of Beneficial Interests in the Global Securities. The transfer and exchange of beneficial interests in the Global Securities shall be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Securities shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Securities also shall require compliance with either subparagraph (1) or (2) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(1) Transfer of Beneficial Interests in the Same Global Security. Beneficial interests in any Restricted Global Security may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Security in accordance with the transfer restrictions set forth in the Private

Placement Legend; provided, however, that prior to the expiration of the Distribution Compliance Period, transfers of beneficial interests in the Reg S Temporary Global Security may not be made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Beneficial interests in any Unrestricted Global Security may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Security. No written orders or instructions shall be required to be delivered to the Security Registrar to effect the transfers described in this Section 305(b)(1), but the Company or the Trustee may request an Opinion of Counsel.

(2) All Other Transfers and Exchanges of Beneficial Interests in Global Securities (including for Definitive Securities). In connection with all transfers and exchanges of beneficial interests that are not subject to Section 305(b)(1) above, the transferor of such beneficial interest must deliver to the Security Registrar either (A) (1) a written order from a Participant or an Indirect Participant, in each case, given to the Depository in accordance with the Applicable Procedures directing the Depository to credit or cause to be credited a beneficial interest in another Global Security in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase or (B) (1) a written order from a Participant or an Indirect Participant, in each case, given to the Depository in accordance with the Applicable Procedures directing the Depository to cause to be issued a Definitive Security in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given by the Depository to the Security Registrar containing information regarding the Person in whose name such Definitive Security shall be registered to effect the transfer or exchange referred to in (B)(1) above; provided, that in no event shall Definitive Securities be issued upon the transfer or exchange of beneficial interests in the Reg S Temporary Global Security prior to (x) the expiration of the Distribution Compliance Period and (y) the receipt by the Security Registrar of any certificates identified by the Company or the Company's counsel to be required pursuant to Rule 903 and Rule 904 under the Securities Act. Upon consummation of an Exchange Offer by the Company in accordance with Section 305(f) hereof, the requirements of this Section 305(b)(2) shall be deemed to have been satisfied upon receipt by the Security Registrar of the instructions contained in the Letter of Transmittal delivered by the Holder of such beneficial interests in the Restricted Global Securities. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Securities contained in this Indenture and the Securities or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Security(s) pursuant to Section 305(h) hereof.

(3) Transfer of Beneficial Interests to Another Restricted Global Security. A beneficial interest in any Restricted Global Security may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Security if the transfer complies with the requirements of Section 305(b)(2) above and the Security Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Security, then the transferor must deliver a certificate in the form of Exhibit C hereto, including the certifications in item (1) thereof;

(B) if the transferee will take delivery in the form of a beneficial interest in the 501 Global Security, then the transferor must deliver a certificate in the form of Exhibit C hereto, including the certifications in item (3)(d) thereof; or

(C) if the transferee will take delivery in the form of a beneficial interest in the Reg S Temporary Global Security or the Reg S Permanent Global Security, then the transferor must deliver a certificate in the form of Exhibit C hereto, including the certifications in item (2) thereof.

(4) Transfer and Exchange of Beneficial Interests in a Restricted Global Security for Beneficial Interests in an Unrestricted Global Security. A beneficial interest in any Restricted Global Security may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Security or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Security if the exchange or transfer complies with the requirements of Section 305(b)(2) above and:



(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and Section 305(f) hereof, and the holder of the beneficial interest to be transferred, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a Broker-Dealer, (2) a Person participating in the distribution of the Exchange Securities or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement and a certificate to the effect set forth in Exhibit C hereto, including the certifications in item (3)(c) thereof, is delivered by the transferor;

(C) such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement and a certificate to the effect set forth in Exhibit C hereto, including the certifications in item (3)(c) thereof, is delivered by the transferor; or

(D) the Security Registrar receives the following: (1) if the holder of such beneficial interest in a Restricted Global Security proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Security, a certificate from such holder in the form of Exhibit D hereto, including the certifications in item (1)(a) thereof; or (2) if the holder of such beneficial interest in a Restricted Global Security proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Security, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (4) thereof; and, in each such case set forth in this subparagraph (D), an Opinion of Counsel in form, and from legal counsel, reasonably acceptable to the Security Registrar and the Company to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subparagraph (B) or (D) above at a time when an Unrestricted Global Security has not yet been issued, the Company shall issue and, upon receipt of a Company Order in accordance with Section 303 hereof, the Trustee shall authenticate one or more Unrestricted Global Securities in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to subparagraph (B) or (D) above. Beneficial interests in an Unrestricted Global Security cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Security without any certification.(c) Transfer and Exchange of Beneficial Interests for Definitive Securities. Transfer and exchange of beneficial interests in the Global Securities for Definitive Securities shall be made subject to compliance with this Section 305(c), and the requesting Holder shall provide any certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 305(c). Upon receipt of such applicable documentation, the Trustee shall cause the aggregate principal amount of the applicable Restricted Global Security or Unrestricted Global Security, as applicable, to be reduced accordingly pursuant to Section 305(h) hereof, and the Company shall execute and, upon receipt of a Company Order pursuant to Section 303, the Trustee shall authenticate and deliver to the Person designated in the instructions a Restricted Definitive Security or an Unrestricted Definitive Security, as applicable, in the appropriate principal amount. Any Definitive Security issued in exchange for a beneficial interest in a Global Security pursuant to this Section 305(c) shall be registered in such name or names and in such authorized denomination or denominations as the Holder of such beneficial interest shall instruct the Security Registrar through instructions from the Depository and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Securities to the Persons in whose names such Definitive Securities are so registered.

(2) Beneficial Interests in Restricted Global Securities to Restricted Definitive Securities. If any holder of a beneficial interest in a Restricted Global Security proposes to exchange such beneficial interest for a Restricted Definitive Security or to transfer such beneficial interest to a Person who takes delivery thereof in the

form of a Restricted Definitive Security, then, upon receipt by the Security Registrar of the following documentation:

(A) if the holder of such beneficial interest in a Restricted Global Security proposes to exchange such beneficial interest for a Restricted Definitive Security, a certificate from such holder in the form of Exhibit D hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit C hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit C hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) and (C) above, a certificate to the effect set forth in Exhibit C hereto, including the certifications, certificates and Opinion of Counsel required by item (3)(d) thereof, if applicable;

(E) if such beneficial interest is being transferred to the Company or any of the Company's Subsidiaries, a certificate to the effect set forth in Exhibit C hereto, including the certifications in item (3)(b) thereof; or

(F) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate substantially in the form of Exhibit C hereto, including the certifications in item (3)(a) thereof.

Any Restricted Definitive Security issued in exchange for a beneficial interest in a Restricted Global Security pursuant to this Section 305(c)(1) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(3) Beneficial Interests in Restricted Global Securities to Unrestricted Definitive Securities. A holder of a beneficial interest in a Restricted Global Security may exchange such beneficial interest for an Unrestricted Definitive Security or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Security only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and Section 305(f) hereof, and the holder of such beneficial interest, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a Broker-Dealer, (2) a Person participating in the distribution of the Exchange Securities or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement and a certificate to the effect set forth in Exhibit C hereto, including the certifications in item (3)(c) thereof, is delivered by the transferor;

(C) such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement and a certificate to the effect set forth in Exhibit C hereto, including the certifications in item (3)(c) thereof, is delivered by the transferor; or

(D) the Security Registrar receives the following: (1) if the holder of such beneficial interest in a Restricted Global Security proposes to exchange such beneficial interest for an Unrestricted Definitive Security, a certificate from such holder in the form of Exhibit D hereto, including the certifications in item (1)(b) thereof; or (2) if the holder of such beneficial interest in a Restricted Global Security proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Security, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (4) thereof; and, in each such case set forth in this subparagraph (D), an Opinion of Counsel in form, and from legal counsel, reasonably acceptable to the Security Registrar and the Company to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Beneficial interests in an Unrestricted Global Security cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a Restricted Definitive Security.

(4) Beneficial Interests in Unrestricted Global Securities to Unrestricted Definitive Securities. If any holder of a beneficial interest in an Unrestricted Global Security proposes to exchange such beneficial interest for an Unrestricted Definitive Security or to transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Security, then such holder shall satisfy the applicable conditions set forth in Section 305(b)(2) hereof. Any Unrestricted Definitive Security issued in exchange for a beneficial interest pursuant to this Section 305(c)(3) shall not bear the Private Placement Legend.

(5) Transfer or Exchange of Reg S Temporary Global Securities. Notwithstanding the other provisions of this Section 305, a beneficial interest in the Reg S Temporary Global Security may not be (A) exchanged for a Definitive Security prior to (x) the expiration of the Distribution Compliance Period (unless such exchange is approved by the Company, does not require an investment decision on the part of the Holder thereof and does not violate the provisions of Regulation S) and (y) the receipt by the Security Registrar of any certificates identified by the Company or their counsel to be required pursuant to Rule 903(b)(3)(ii)(B) under the Securities Act or (B) transferred to a Person who takes delivery thereof in the form of a Definitive Security prior to the events set forth in clause (A) above or unless the transfer is pursuant to an exemption from the registration requirements of the Securities Act other than Rule 903 or Rule 904.

(d) Transfer and Exchange of Definitive Securities for Beneficial Interests. Transfer and exchange of Definitive Securities for beneficial interests in the Global Securities shall be made subject to compliance with this Section 305(d), and the requesting Holder shall provide any certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 305(d). Upon receipt from such Holder of such applicable documentation and the surrender to the Security Registrar of the Definitive Securities duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Security Registrar, duly executed by such Holder or by its attorney, duly authorized in writing, the Security Registrar shall register the transfer or exchange of the Definitive Securities. The Trustee shall cancel such Definitive Securities so surrendered and cause the aggregate principal amount of the applicable Restricted Global Security or Unrestricted Global Security, as applicable, to be increased accordingly pursuant to Section 305(h) hereof.

(6) Restricted Definitive Securities to Beneficial Interests in Restricted Global Securities. If any Holder of a Restricted Definitive Security proposes to exchange such Security for a beneficial interest in a Restricted Global Security or to transfer such Restricted Definitive Securities to a Person who takes delivery thereof

in the form of a beneficial interest in a Restricted Global Security, then, upon receipt by the Security Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Security proposes to exchange such Security for a beneficial interest in a Restricted Global Security, a certificate from such Holder in the form of Exhibit D hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Security is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit C hereto, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Security is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit C hereto, including the certifications in item (2) thereof; or

(D) if such Restricted Definitive Security is being transferred to an Institutional Accredited Investor in accordance with Regulation D under the Securities Act, a certificate to the effect set forth in Exhibit C hereto, including the certifications in item (3)(d) thereof;

(E) if such Restricted Definitive Security is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate substantially in the form of Exhibit C hereto, including the certifications in item (3)(a) thereof; or

(F) if such Restricted Definitive Security is being transferred to the Company or any of its Subsidiaries, a certificate substantially in the form of Exhibit C hereto, including the certifications in item (3)(b) thereof;

the Trustee shall cancel the Restricted Definitive Security and increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the appropriate Restricted Global Security, in the case of clause (B) above, the 144A Global Security, in the case of clause (C) above, the Regulation S Global Security and in the case of clause (D) above, the 501 Global Security.

(7) Restricted Definitive Securities to Beneficial Interests in Unrestricted Global Securities. A Holder of a Restricted Definitive Security may exchange such Security for a beneficial interest in an Unrestricted Global Security or transfer such Restricted Definitive Security to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Security only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and Section 305(f) hereof, and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a Broker-Dealer, (2) a Person participating in the distribution of the Exchange Securities or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement and a certificate to the effect set forth in Exhibit C hereto, including the certifications in item (3)(c) thereof, is delivered by the transferor;

(C) such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement and a certificate to the

effect set forth in Exhibit C hereto, including the certifications in item (3)(c) thereof, is delivered by the transferor;

(D) the Security Registrar receives the following: (1) if the Holder of such Restricted Definitive Securities proposes to exchange such Securities for a beneficial interest in the Unrestricted Global Security, a certificate from such Holder in the form of Exhibit D hereto, including the certifications in item (1)(c) thereof; or (2) if the Holder of such Restricted Definitive Securities proposes to transfer such Securities to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Security, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (4) thereof; and, in each such case set forth in this subparagraph (D), an Opinion of Counsel in form, and from legal counsel, reasonably acceptable to the Security Registrar and the Company to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(8) Unrestricted Definitive Securities to Beneficial Interests in Unrestricted Global Securities. A Holder of an Unrestricted Definitive Security may exchange such Security for a beneficial interest in an Unrestricted Global Security or transfer such Definitive Securities to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Security at any time.

If any such exchange or transfer from a Definitive Security to a beneficial interest is effected pursuant to subparagraphs (2)(B), (2)(D) or (3) of this Section 305(d) at a time when an Unrestricted Global Security has not yet been issued, the Company shall issue and, upon receipt of a Company Order in accordance with Section 303 hereof, the Trustee shall authenticate one or more Unrestricted Global Securities in an aggregate principal amount equal to the principal amount of Definitive Securities so transferred.

(e) Transfer and Exchange of Definitive Securities for Definitive Securities. Upon request by a Holder of Definitive Securities and such Holder's compliance with the provisions of this Section 305(e), the Security Registrar shall register the transfer or exchange of Definitive Securities. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Security Registrar the Definitive Securities duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Security Registrar duly executed by such Holder or by its attorney, duly authorized in writing. The Trustee shall cancel any such Definitive Securities so surrendered, and the Company shall execute and, upon receipt of a Company Order pursuant to Section 303, the Trustee shall authenticate and deliver to the Person designated in the instructions a Restricted Definitive Security or an Unrestricted Definitive Security, as applicable, in the appropriate principal amount. Any Definitive Security issued pursuant to this Section 305(e) shall be registered in such name or names and in such authorized denomination or denominations as the Holder shall instruct the Security Registrar in such written instruction. The Trustee shall deliver such Definitive Securities to the Persons in whose names such Definitive Securities are so registered. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 305(e).

(1) Restricted Definitive Securities to Restricted Definitive Securities. Any Restricted Definitive Security may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Security if the Security Registrar receives the following:

(A) if the transfer will be made to a QIB pursuant to Rule 144A, then the transferor must deliver a certificate in the form of Exhibit C hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit C hereto, including the certifications in item (2) thereof;

(C) if such beneficial interest is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (A) and (B) above, then the transferor must deliver a certificate to the effect set forth in Exhibit C hereto, including the certifications, certificates and Opinion of Counsel required by item (3)(d) thereof, if applicable;

(D) if such beneficial interest is being transferred to the Company or any of the Company's Subsidiaries, a certificate to the effect set forth in Exhibit C hereto, including the certifications in item (3)(b) thereof, must be delivered by the transferor; or

(E) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit C hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(2) Restricted Definitive Securities to Unrestricted Definitive Securities. Any Restricted Definitive Security may be exchanged by the Holder thereof for an Unrestricted Definitive Security or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Security if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and Section 305(f) hereof, and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a Broker-Dealer, (2) a Person participating in the distribution of the Exchange Securities or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement and a certificate to the effect set forth in Exhibit C hereto, including the certifications in item (3)(c) thereof, is delivered by the transferor;

(C) any such transfer is effected by a Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement and a certificate to the effect set forth in Exhibit C hereto, including the certifications in item (3)(c) thereof, is delivered by the transferor; or

(D) the Security Registrar receives the following: (1) if the Holder of such Restricted Definitive Securities proposes to exchange such Securities for an Unrestricted Definitive Security, a certificate from such Holder in the form of Exhibit D hereto, including the certifications in item (1)(d) thereof; or (2) if the Holder of such Restricted Definitive Securities proposes to transfer such Securities to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Security, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (4) thereof; and, in each such case set forth in this subparagraph (D), an Opinion of Counsel in form, and from legal counsel, reasonably acceptable to the Security Registrar and the Company to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(3) Unrestricted Definitive Securities to Unrestricted Definitive Securities. A Holder of Unrestricted Definitive Securities may transfer such Securities to a Person who takes delivery thereof in the form of an Unrestricted Definitive Security. Upon receipt of a request to register such a transfer, the Security Registrar shall register the Unrestricted Definitive Securities pursuant to the instructions from the Holder thereof.

(f) Exchange Offer. Upon the occurrence of the Exchange Offer in accordance with the Registration Rights Agreement, the Company shall issue and, upon receipt of a Company Order in accordance with Section 303 and an Opinion of Counsel delivered to the Trustee as to matters customarily covered in connection with an exchange offer, the Trustee shall authenticate (i) one or more Unrestricted Global Securities in an aggregate principal amount equal to the sum of (A) the principal amount of the beneficial interests in the Restricted Global Securities exchanged or transferred for beneficial interests in Unrestricted Global Securities in connection with the Exchange Offer pursuant to Section 305(b)(4) and (B) the principal amount of Restricted Definitive Securities exchanged or transferred for beneficial interests in Unrestricted Global Securities in connection with the Exchange Offer pursuant to Section 305(d)(2), in each case tendered for acceptance by Persons that certify in the applicable Letters of Transmittal that (x) they are not Broker-Dealers, (y) they are not participating in a distribution of the Exchange Securities and (z) they are not affiliates (as defined in Rule 144) of the Company, and accepted for exchange in the Exchange Offer, and (ii) Unrestricted Definitive Securities in an aggregate principal amount equal to the sum of (A) the principal amount of the Restricted Definitive Securities exchanged or transferred for Unrestricted Definitive Securities in connection with the Exchange Offer pursuant to Section 305(e)(2) and (B) Restricted Global Securities exchanged or transferred for Unrestricted Definitive Securities in connection with the Exchange Offer pursuant to Section 305(c)(2), in each case tendered for acceptance by Persons that certify in the applicable Letters of Transmittal that (x) they are not Broker-Dealers, (y) they are not participating in a distribution of the Exchange Securities and (z) they are not affiliates (as defined in Rule 144) of the Company, and accepted for exchange in the Exchange Offer. Concurrently with the issuance of such Securities, the Trustee shall cancel any Definitive Securities so surrendered and shall cause the aggregate principal amount of the applicable Restricted Global Securities to be reduced accordingly, and the Company shall execute and, upon receipt of a Company Order pursuant to Section 303, the Trustee shall authenticate and deliver to the Persons designated by the Holders of Definitive Securities so accepted Definitive Securities in the appropriate principal amount.

Any Securities that remain outstanding after the consummation of the Exchange Offer, and Exchange Securities issued in connection with the Exchange Offer, shall be treated as a single class of securities under this Indenture.

(g) Legends. The following legends shall appear on the face of all Global Securities and Definitive Securities issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(i) Private Placement Legend.

(B) Except as permitted by subparagraph (B) below, each Global Security and each Definitive Security (and all Securities issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THIS SECURITY (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), AND THIS SECURITY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THIS SECURITY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) THIS SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) TO THE COMPANY OF ANY OF ITS SUBSIDIARIES, (II) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING FOR ITS OWN INDIVIDUAL ACCOUNT OR FOR THE ACCOUNT OF A

QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (III) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (IV) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), (V) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (V) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (VI) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE."

(C) Notwithstanding the foregoing, any Global Security or Definitive Security issued pursuant to subparagraphs (b)(4), (c)(2), (c)(3), (d)(2), (d)(3), (e)(2), (e)(3) or (f) to this Section 305 (and all Securities issued in exchange therefor or substitution thereof) shall not bear the Private Placement Legend.

(ii) Global Security Legend. To the extent required by the Depositary, each Global Security shall bear legends in substantially the following forms:

"THIS GLOBAL SECURITY IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS SECURITY) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 305 OF THE INDENTURE, (II) THIS GLOBAL SECURITY MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 305(a) OF THE INDENTURE, (III) THIS GLOBAL SECURITY MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 309 OF THE INDENTURE AND (IV) THIS GLOBAL SECURITY MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY."

"UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR



OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

(iii) Reg S Temporary Global Security Legend. To the extent required by the Depositary, each Reg S Temporary Global Security shall bear a legend in substantially the following form:

"THIS SECURITY IS A REGULATION S TEMPORARY GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE. TRANSFERS OF BENEFICIAL INTERESTS IN THIS REGULATION S TEMPORARY GLOBAL SECURITY MAY NOT BE MADE TO A U.S. PERSON OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON (OTHER THAN THE INITIAL PURCHASERS). THE CONDITIONS AND PROCEDURES GOVERNING TRANSFERS AND EXCHANGES OF BENEFICIAL INTERESTS HEREIN ARE SET FORTH IN THE INDENTURE."

(h) Cancellation and/or Adjustment of Global Securities. At such time as all beneficial interests in a particular Global Security have been exchanged for Definitive Securities or a particular Global Security has been redeemed, repurchased or cancelled in whole and not in part, each such Global Security shall be returned to or retained and cancelled by the Trustee in accordance with Section 309 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Security is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Security or for Definitive Securities, the principal amount of Securities represented by such Global Security shall be reduced accordingly and an endorsement will be made on such Global Security by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Security, such other Global Security shall be increased accordingly and an endorsement will be made on such Global Security by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(i) General Provisions Relating to Transfers and Exchanges.

(A) To permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate Global Securities and Definitive Securities upon receipt of a Company Order.

(B) No service charge shall be made to a holder of a beneficial interest in a Global Security or to a Holder of a Definitive Security for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 304, 1015 and 1107 hereof).

(C) The Security Registrar shall not be required to register the transfer of or exchange any Security selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

(D) All Global Securities and Definitive Securities issued upon any registration of transfer or exchange of Global Securities or Definitive Securities shall be the valid obligations of the Company, evidencing the same Indebtedness, and entitled to the same benefits under this Indenture, as the Global Securities or Definitive Securities surrendered upon such registration of transfer or exchange.

(E) The Company shall not be required (x) to issue, to register the transfer of or to exchange any Securities during a period beginning at the opening of business 15 days before the day of any selection of Securities for redemption under Section 1104 hereof and ending at the close of business on the day of selection, (y) to register the transfer of or to exchange any Security so selected for redemption in whole or

in part, except the unredeemed portion of any Security being redeemed in part or (z) to register the transfer of or to exchange a Security between a Regular Record Date and the next succeeding Interest Payment Date.

(F) Prior to due presentment for the registration of a transfer of any Security, the Trustee, any agent and the Company may deem and treat the Person in whose name any Security is registered as the absolute owner of such Security for the purpose of receiving payment of principal of and interest on such Securities and for all other purposes, and none of the Trustee, any Agent or the Company shall be affected by notice to the contrary.

(G) The Trustee shall authenticate Global Securities and Definitive Securities in accordance with the provisions of Section 303 hereof.

(H) All certifications, certificates and Opinions of Counsel required to be submitted to the Security Registrar pursuant to this Section 305 to effect a registration of transfer or exchange may be submitted by facsimile.

Notwithstanding anything herein to the contrary, as to any certifications and certificates delivered to the Security Registrar pursuant to this Section 305, the Security Registrar's duties shall be limited to confirming that any such certifications and certificates delivered to it are in the form of Exhibits A, B, C, D and E attached hereto. The Security Registrar shall not be responsible for confirming the truth or accuracy of representations made in any such certifications or certificates.

(j) The Company shall cause to be kept at the Corporate Trust Office of the Trustee a register (the register maintained in such office and in any other office or agency designated pursuant to Section 1002 being herein sometimes collectively referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Trustee is hereby initially appointed "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided. The Company shall have the right to remove and replace from time to time the Security Registrar for the Securities; provided that, no such removal or replacement shall be effective until a successor Security Registrar with respect to the Securities shall have been appointed by the Company and shall have accepted such appointment by the Company. In the event that the Trustee shall not be or shall cease to be the Security Registrar with respect to the Securities, it shall have the right to examine the Security Register at all reasonable times. There shall be only one Security Register for the Securities.

Upon surrender for registration of transfer of any Security at an office or agency of the Company designated pursuant to Section 1002 for such purpose, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of any authorized denominations and of a like aggregate principal amount.

At the option of the Holder, Securities may be exchanged for other Securities of any authorized denominations and of a like aggregate principal amount, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Security Registrar) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed, by the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 906 or 1107 or in accordance with any Offer to Purchase pursuant to Section 1013 or 1015 not involving any transfer.

The Company shall not be required (i) to issue, register the transfer of or exchange any Security during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Securities selected for redemption under Section 1104 and ending at the close of business on the day of such mailing, or (ii) to register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

The provisions of Clauses (1), (2), (3) and (4) below shall apply only to Global Securities:

(1) Each Global Security authenticated under this Indenture shall be registered in the name of the Depositary or a nominee thereof and delivered to the Depositary or a nominee thereof or custodian therefor, and each such Global Security shall constitute a single Security for all purposes of this Indenture.

(2) Notwithstanding any other provision in this Indenture or the Securities, no Global Security may be exchanged in whole or in part for Securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any Person other than the Depositary or a nominee thereof unless (A) such Depositary (i) has notified the Company that it is unwilling or unable to continue as Depositary for such Global Security or (ii) has ceased to be a clearing agency registered under the Exchange Act, and in either case, the Company thereupon fails to appoint a successor depositary within 120 days of such notice from the Depositary, (B) the Company, at its option, executes and delivers to the Trustee a Company Order that such Global Security shall be exchanged in whole for Securities that are not Global Securities, or (C) there shall have occurred and be continuing an Event of Default with respect to such Global Security.

(3) Securities issued in exchange for a Global Security or any portion thereof pursuant to clause (2) above shall be issued in definitive, fully registered form, without interest coupons, shall have an aggregate principal amount equal to that of such Global Security or portion thereof to be so exchanged, shall be registered in such names and be in such authorized denominations as the Depositary shall designate and shall bear any legends required hereunder. Any Global Security to be exchanged in whole shall be surrendered by the Depositary to the Trustee, as Security Registrar. With regard to any Global Security to be exchanged in part, either such Global Security shall be so surrendered for exchange or, if the Trustee is acting as custodian for the Depositary or its nominee with respect to such Global Security, the principal amount thereof shall be reduced, by an amount equal to the portion thereof to be so exchanged, by means of an appropriate adjustment made on the records of the Trustee. Upon any such surrender or adjustment, the Trustee shall authenticate and deliver the Security issuable on such exchange to or upon the order of the Depositary or an authorized representative thereof.

(4) In the event of the occurrence of any of the events specified in clause (2) above, the Company will promptly make available to the Trustee a reasonable supply of certificated Securities in definitive, fully registered form, without interest coupons.

(5) Neither any members of, or participants in, the Depositary ("Agent Members") nor any other Persons on whose behalf Agent Members may act shall have any rights under this Indenture with respect to any Global Security, or under any Global Security, and the Depositary or such nominee, as the case may

be, may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner and Holder of such Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depository or such nominee, as the case may be, or impair, as between the Depository, its Agent Members and any other person on whose behalf an Agent Member may act, the operation of customary practices of such Persons governing the exercise of the rights of a Holder of any Security.

#### Section 306 Mutilated, Destroyed, Lost and Stolen Securities.

If any mutilated Security is surrendered to the Trustee, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (i) evidence to their satisfaction of the mutilation, destruction, loss or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security has been acquired by a protected purchaser (as defined in Article 8 of the Uniform Commercial Code), the Company shall execute and upon its request the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of like tenor and principal amount and bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security issued pursuant to this Section in lieu of any mutilated, destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

#### Section 307 Payment of Interest; Interest Rights Preserved.

Interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest.

Any interest on any Security which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date by virtue of having been such Holder, and such Defaulted Interest, which shall be 1% per annum above the applicable interest rate on the Securities, may be paid by the Company, at its election in each case, as provided in Clause (1) or (2) below:

(1) The Company (or a Guarantor, as the case may be), may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities (or their respective Predecessor Securities)

are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company (or a Guarantor, as the case may be) shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security and the date of the proposed payment, and at the same time the Company (or a Guarantor, as the case may be) shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this Clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company (or a Guarantor, as the case may be) of such Special Record Date and, in the name and at the expense of the Company (or a Guarantor, as the case may be), shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder at his address as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following Clause (2).

(2) The Company (or a Guarantor, as the case may be) may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company (or a Guarantor, as the case may be) to the Trustee of the proposed payment pursuant to this Clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

#### Section 308 Persons Deemed Owners.

Prior to due presentment of a Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of principal of (and premium, if any) and (subject to Sections 305 and 307) interest on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

#### Section 309 Cancellation.

All Securities surrendered for payment, redemption, registration of transfer or exchange or for credit against any Offer to Purchase pursuant to Section 1013 or 1015 shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly cancelled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly cancelled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Securities held by the Trustee shall be disposed of by the Trustee in accordance with its customary procedures and certification of their disposal delivered to the Company unless by Company Order the Company shall direct that cancelled Securities be returned to it. Upon request by the Company, the Trustee shall provide the Company with a list of all Securities that have been canceled from time to time.

Section 310 Computation of Interest.

Interest on the Securities shall be computed on the basis of a 360-day year of twelve 30-day months. For disclosure purposes under the Interest Act (Canada), if applicable hereto, whenever in this Indenture or in any Securities issued hereunder, interest at a specified rate is to be calculated on the basis of a period less than a calendar year, the yearly rate of interest to which such rate is equivalent is such rate multiplied by the actual number of days in the relevant calendar year and divided by the number of days in such period.

ARTICLE IV

Satisfaction and Discharge

Section 401 Satisfaction and Discharge of Indenture.

This Indenture shall cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Securities herein expressly provided for), and the Trustee, upon a Company Order, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture (including, but not limited to Article Twelve hereof), when

(1) either

(A) all Securities theretofore authenticated and delivered (other than (i) Securities which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 306 and (ii) Securities for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 1003) have been delivered to the Trustee for cancellation; or

(B) all such Securities not theretofore delivered to the Trustee for cancellation

(i) have become due and payable, or

(ii) will become due and payable at their Stated Maturity within one year, or

(iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company,

and the Company, in the case of (i), (ii) or (iii) above, has deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose an amount sufficient to pay and discharge the entire indebtedness on such Securities not theretofore delivered to the Trustee for cancellation, for principal (and premium, if any) and interest to the date of such deposit (in the case of Securities which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be;

(2) the Company has paid or caused to be paid all other sums payable hereunder by the Company; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for in this Indenture relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture pursuant to this Article IV, the obligations of the Company to the Trustee under Section 607 and, if money shall have been deposited with the Trustee pursuant to subclause (B) of Clause (1) of this Section, the obligations of the Trustee under Section 402 and the last paragraph of Section 1003 shall survive. After the conditions of this Section 401 are satisfied, the Trustee upon written request shall acknowledge in writing the discharge of all of the Company's and Guarantors' obligations under this Indenture except for those specified in this Section 401.

#### Section 402 Application of Trust Money.

Subject to the provisions of the last paragraph of Section 1003, all money deposited with the Trustee pursuant to Section 401 shall be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money has been deposited with the Trustee.

### ARTICLE V

#### Remedies

##### Section 501 Events of Default.

"Event of Default", wherever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) the failure by the Company to pay any installment of interest on the Securities as and when the same becomes due and payable and the continuance of any such failure for 30 days;

(2) the failure by the Company to pay all or any part of the principal, or premium, if any, on the Securities when and as the same becomes due and payable at maturity, redemption, by acceleration or otherwise, including, without limitation, payment of the Change of Control Purchase Price or the Asset Sale Offer Price, or otherwise;

(3) the failure by the Company or any Subsidiary to observe or perform any other covenant or agreement contained in the Securities or this Indenture and the continuance of such failure for a period of 30 days after written notice is given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the Securities outstanding (except in the case of a failure to make an offer pursuant to Section 1015, which shall constitute an Event of Default with such notice requirement but without such passage of time requirement);

(4) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the Company or any Subsidiary in an involuntary case or proceeding under any applicable U.S. Federal or State, Canadian federal or provincial or other applicable bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudging the Company or any Subsidiary a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company or any Subsidiary under any applicable U.S. federal or state, Canadian federal or provincial

or other applicable law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or any Subsidiary or of any substantial part of the property of the Company or any Subsidiary, or ordering the winding up or liquidation of the affairs of the Company or any Subsidiary, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive days; the commencement by the Company or any Subsidiary of a voluntary case or proceeding under any applicable U.S. federal or state, Canadian federal or provincial or other applicable bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by the Company or any Subsidiary to the entry of a decree or order for relief in respect of the Company or Subsidiary in an involuntary case or proceeding under any applicable U.S. federal or state, Canadian federal or provincial or other applicable bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Company or Subsidiary, or the filing by the Company or any Subsidiary of a petition or answer or consent seeking reorganization or relief under any applicable U.S. federal or state, Canadian federal or provincial or other applicable law, or the consent by the Company or any Subsidiary to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Company or any Subsidiary or of any substantial part of the property of the Company or Subsidiary, or the making by the Company or any Subsidiary of an assignment for the benefit of creditors, or the admission by the Company or any Subsidiary in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Company or any Subsidiary in furtherance of any such action.

(5) failure to perform or comply with the provisions described in Article VIII;

(6) a default in Indebtedness of the Company or any of its Subsidiaries with an aggregate principal amount in excess of \$10,000,000 (a) resulting from the failure to pay principal or interest (after any applicable grace period) or (b) as a result of which the maturity of such Indebtedness has been accelerated prior to its stated maturity;

(7) final unsatisfied judgments not covered by insurance aggregating in excess of \$10,000,000, at any one time rendered against the Company or any of its Subsidiaries and not stayed, bonded or discharged within 60 days; and

(8) if any Guarantee of a Guarantor shall be held in any judicial proceeding to be unenforceable or invalid, or shall cease for any reason to be in full force and effect, or any Guarantor or person acting on behalf of any Guarantor, shall deny or disaffirm its Guarantee Obligations under its Guarantee.

#### Section 502 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing (other than an Event of Default specified in Section 501(4) relating to the Company or any Subsidiary), then in every such case, unless the principal of all of the Securities shall have already become due and payable, either the Trustee or the Holders of 25% in aggregate principal amount of the Securities then outstanding, by notice in writing to the Company (and to the Trustee if given by Holders) (an "Acceleration Notice"), may declare all principal and premium, if any, determined as set forth below, and accrued interest thereon to be due and payable immediately. If an Event of Default specified in Section 501(4) relating to the Company or any Subsidiary occurs, all principal and premium, if any, and accrued interest thereon will be immediately due and payable on all outstanding Securities without any declaration or other act on the part of the Trustee or the Holders.

In the case of any Event of Default occurring by reason of any willful action (or inaction) taken (or not taken) by or on behalf of the Company with the intention of avoiding payment of the premium that the Company would have had to pay if the Company then had elected to redeem the Securities pursuant to the optional redemption provisions of the Indenture, an equivalent premium shall also become and be immediately due and payable to the extent permitted by law upon the acceleration of the Securities.



At any time after such a declaration of acceleration has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of a majority in aggregate principal amount of Securities, by written notice to the Company and the Trustee, at the time outstanding generally are authorized to rescind such acceleration if

(1) the Company has paid or deposited with the Trustee a sum sufficient to pay

(A) all overdue interest on all Securities,

(B) the principal of (and premium, if any, on) any Securities which have become due otherwise than by such declaration of acceleration (including any Securities required to have been purchased on the Purchase Date pursuant to an Offer to Purchase made by the Company) and, to the extent that payment of such interest is lawful, interest thereon at the rate provided by the Securities,

(C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate provided by the Securities, and

(D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel;

and

(2) all existing Events of Default, other than the non-payment of the principal of, premium, if any, and interest on the Securities which have become due solely by such acceleration, have been cured or waived, except on default with respect to any provision requiring the approval of the Holder of each outstanding Security affected to amend.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

Section 503 Collection of Indebtedness and Suits for Enforcement by Trustee.

If an Event of Default occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

Section 504 Trustee May File Proofs of Claim.

In case of any judicial proceeding relative to the Company (or any other obligor upon the Securities), its property or its creditors, the Trustee shall be entitled and empowered, by intervention in such proceeding or otherwise, to take any and all actions authorized under the Trust Indenture Act in order to have claims of the Holders and the Trustee allowed in any such proceeding. In particular, the Trustee shall be authorized to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607.

No provision of this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 505 Trustee May Enforce Claims Without Possession of Securities.

All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

Section 506 Application of Money Collected.

Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal, or premium, if any, or interest, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 607; and

SECOND: To the payment of the amounts then due and unpaid for principal of, and premium, if any, and interest on the Securities in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal, and premium, if any, and interest, respectively; and

THIRD: The balance, if any, to the Company.

Section 507 Limitation on Suits.

No Holder of any Security shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

(1) such Holder has previously given written notice to the Trustee of a continuing Event of Default;

(2) the Holders of not less than 25% in principal amount of the Outstanding Securities shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(3) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities;

it being understood and intended that no one or more Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders.

Section 508 Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of, and premium, if any, and (subject to Section 307) interest on such Security on the respective Stated Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date or in the case of an Offer to Purchase made by the Company and required to be accepted as to such Security, on the Purchase Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

Section 509 Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

Section 510 Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 511 Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder of any Security to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

Section 512 Control by Holders.

Subject to all provisions of the Indenture and applicable law, the Holders of a majority in aggregate principal amount of the Outstanding Securities shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, provided that such direction shall not be in conflict with any rule of law or with this Indenture, and the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

Section 513 Waiver of Past Defaults.

Prior to the declaration of acceleration of the maturity of the Securities, the Holders of a majority in aggregate principal amount of the Outstanding Securities may waive on behalf of all Holders any default, except a default

(1) with respect to any provision requiring a supermajority approval to amend, which default may only be waived by such a supermajority;

(2) in the payment of principal of or interest on any Security not yet cured; or

(3) with respect to any covenant or provision which cannot be modified or amended without the consent of the Holder of each outstanding Security affected.

Upon any such waiver, such default shall cease to exist and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but not such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

#### Section 514 Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, a court may require any party litigant in such suit to file an undertaking to pay the costs of such suit, and may assess costs against any such party litigant, in the manner and to the extent provided in the Trust Indenture Act; provided, that neither this Section nor the Trust Indenture Act shall be deemed to authorize any court to require such an undertaking or to make such an assessment in any suit instituted by the Company.

#### Section 515 Waiver of Stay or Extension Laws.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage or any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

### ARTICLE VI

#### The Trustee

#### Section 601 Certain Duties and Responsibilities.

The duties and responsibilities of the Trustee shall be as provided by the Trust Indenture Act. Notwithstanding the foregoing, no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

#### Section 602 Notice of Defaults.

Within 90 days after the occurrence of any default hereunder, the Trustee shall give the Holders notice of any default hereunder as and to the extent provided by the Trust Indenture Act; provided, however, that in the case of any default of the character specified in Section 501(3), no such notice to Holders shall be given until at least 30 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 603 Certain Rights of Trustee.

Subject to the provisions of Section 601:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, Officers' Certificate or any other certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate, including (i) as evidence of the truth of any statements of fact, and (ii) to the effect that any particular dealing or transaction or step or thing is, in the opinion of the Officers so certifying, expedient, as evidence that it is expedient; provided that the Trustee may in its sole discretion require from the Company or otherwise further evidence or information before acting or relying on such certificate

(d) the Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(h) except with respect to Section 1001 hereof, the Trustee shall have no duty to inquire as to the performance of the Company's covenants in Article X hereof. In addition, the Trustee shall not be deemed to have knowledge of any Default or Event of Default except (i) any Event of Default occurring pursuant to Sections 501(1), 501(2) or 1001 hereof or (ii) any Default of Event of Default of which the Trustee shall have

received written notification in the manner set forth in this Indenture or an officer in the corporate trust administration of the Trustee shall have obtained actual knowledge. Delivery of reports, information and documents to the Trustee under Section 1019 hereof is for informational purposes only and the Trustee's receipt of the foregoing shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's and Guarantors' compliance with any of their covenants thereunder (as to which the Trustee is entitled to rely exclusively on an Officers' Certificate).

Section 604 Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Securities, except the Trustee's certificate of authentication, shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities except that the Trustee represents that it is duly authorized to execute and deliver this Indenture, authenticate the Securities and perform its obligations hereunder and that the statements made by it in a Statement of Eligibility on Form T-1 to be supplied to the Company will be true and accurate, subject to the qualifications set forth therein. The Trustee shall not be accountable for the use or application by the Company of Securities or the proceeds thereof.

Section 605 May Hold Securities.

The Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 608 and 613, may otherwise deal with the Company with the same rights it would have if it were not Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

Section 606 Money Held in Trust.

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Company.

Section 607 Compensation and Reimbursement.

The Company agrees:

(1) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(3) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses (including the reasonable fees and expenses of its agents and counsel) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

Section 608 Corporate Trustee Required; Eligibility.

If the Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act, the Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Indenture.

Section 609 Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder which shall be a Person that is eligible pursuant to the Trust Indenture Act to act as such. Any successor Trustee shall have a combined capital and surplus of at least \$50,000,000. If such Person publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 610 Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 611.

(b) The Trustee may resign at any time by giving written notice thereof to the Company. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time by consent of the Holders of a majority in principal amount of the Outstanding Securities, delivered to the Trustee and to the Company.

(d) If at any time:

(1) the Trustee shall fail to comply with Section 608 after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months;

(2) the Trustee shall cease to be eligible under Section 609 and shall fail to resign after written request therefor by the Company or by any such Holder; or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case, (i) the Company by a Board Resolution may remove the Trustee, or (ii) subject to Section 514, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Company, by a Board Resolution, shall promptly appoint a successor Trustee. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by consent of the Holders of a majority in principal amount of the

Outstanding Securities delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Company. If no successor Trustee shall have been so appointed by the Company or the Holders and accepted appointment in the manner hereinafter provided, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The Company shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee to all Holders in the manner provided in Section 106. Each notice shall include the name of the successor Trustee and the address of its Corporate Trust Office.

#### Section 611 Acceptance of Appointment by Successor.

Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder. Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

#### Section 612 Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

#### Section 613 Preferential Collection of Claims Against Company.

If and when the Trustee shall be or become a creditor of the Company (or any other obligor upon the Securities), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Company (or any such other obligor).

#### Section 614 Appointment of Authenticating Agent.

The Trustee may appoint an Authenticating Agent or Agents which shall be authorized to act on behalf of the Trustee to authenticate Securities issued upon original issue and upon exchange, registration of transfer, partial conversion or partial redemption or pursuant to Section 306, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and



delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than \$50,000,000 and subject to supervision or examination by Federal or State authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions to this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such corporation shall otherwise be eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company and shall mail written notice of such appointment by first-class mail, postage prepaid, to all Holders as their names and addresses appear in the Security Register. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Trustee agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section, and the Trustee shall be entitled to be reimbursed for such payments, subject to the provisions of Section 607.

If an appointment is made pursuant to this Section, the Securities may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternative certificate of authentication in the following form:

This is one of the Securities described in the within-mentioned Indenture.

U.S. Bank National Association  
As Trustee

By \_\_\_\_\_  
As Authenticating Agent

By \_\_\_\_\_  
Authorized Officer

ARTICLE VII

Holders' Lists and Reports by Trustee and Company

Section 701 Company to Furnish Trustee Names and Addresses of Holders.

The Company will furnish or cause to be furnished to the Trustee:

(a) semi-annually, not more than 15 days after each Regular Record Date, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders as of such Regular Record Date, and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished;

excluding from any such list names and addresses received by the Trustee in its capacity as Security Registrar.

Section 702 Preservation of Information; Communications to Holders.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 701 and the names and addresses of Holders received by the Trustee in its capacity as Security Registrar. The Trustee may destroy any list furnished to it as provided in Section 701 upon receipt of a new list so furnished.

(b) The rights of Holders to communicate with other Holders with respect to their rights under this Indenture or under the Securities and the corresponding rights and duties of the Trustee, shall be provided by the Trust Indenture Act.

(c) Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any agent of either of them shall be held accountable by reason of any disclosure of information as to the names and addresses of Holders made pursuant to Section 312 of the Trust Indenture Act regardless of the source from which such information was derived.

Section 703 Reports by Trustee.

(a) Within 60 days of May 15, the Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto.

(b) A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each stock exchange upon which the Securities are listed (if so listed), with the Commission and with the Company (Attention: General Counsel). The Company will notify the Trustee when the Securities are listed on any stock exchange.

ARTICLE VIII

Limitation on Merger, Sale or Consolidation

Section 801 Company May Consolidate, Etc. Only on Certain Terms.

The Company shall not, directly or indirectly, consolidate or amalgamate with or merge with or into another person or sell, lease, transfer or otherwise convey all or substantially all of its assets (computed on a consolidated basis), whether in a single transaction or a series of related transactions, to another person or group of affiliated persons or adopt a Plan of Liquidation, unless (i) either (a) the Company is the continuing entity or (b) the resulting, surviving or transferee entity or, in the case of a Plan of Liquidation, the entity which receives the greatest value from such Plan of Liquidation is a corporation organized under the laws of the United States of America, or any state thereof or the District of Columbia, or Canada or any province or territory thereof and expressly assumes by supplemental indenture all of the obligations of the Company in connection with the Securities and this Indenture; (ii) no Default or Event of Default shall exist or shall occur immediately after giving effect on a pro forma basis to such transaction; and (iii) immediately after giving effect to such transaction on a pro forma basis, the consolidated resulting, surviving or transferee entity or, in the case of a Plan of Liquidation, the entity which receives the greatest value from such Plan of Liquidation would immediately thereafter be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Debt Incurrence Ratio set forth in Section 1008 hereof.

Notwithstanding the previous paragraph, any Subsidiary may consolidate or amalgamate with, merge into or transfer all or part of its property and assets to the Company or another Guarantor.

Section 802 Successor Substituted.

Upon any consolidation, amalgamation or merger or any transfer of all or substantially all of the assets of the Company or consummation of a Plan of Liquidation in accordance with Section 801, the successor corporation formed by such consolidation or amalgamation or into which the Company is merged or to which such transfer is made or, in the case of a Plan of Liquidation, the entity which receives the greatest value from such Plan of Liquidation shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor corporation had been named therein as the Company, and the Company shall be released from the obligations under the Securities and this Indenture except with respect to any obligations that arise from, or are related to, such transaction.

For purposes of Sections 801 and 802, the transfer (by lease, assignment, sale or otherwise) of all or substantially all of the properties and assets of one or more Subsidiaries, the Company's interest in which constitutes all or substantially all of the properties and assets of the Company shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

ARTICLE IX

Supplemental Indentures

Section 901 Supplemental Indentures Without Consent of Holders.

Without the consent of any Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(1) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities;

(2) to cure any ambiguity or defect to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture which shall not be inconsistent with the provisions of this Indenture, provided such action pursuant to this Clause (2) shall not adversely affect the interests of the Holders in any material respect;

(3) to provide for additional Guarantors as set forth in Section 1020 or for the release or assumption of a Guarantee in compliance with this Indenture;

(4) to comply with the requirements of the Commission in connection with the qualification of the Indenture under the Trust Indenture Act;

(5) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trust hereunder by more than one Trustee, pursuant to the requirements of Section 611;

(6) to provide for the issue of Additional Securities as provided in Section 301;

(7) to provide for the issue uncertificated Securities in addition to certificated Securities;

(8) to comply with the requirements of the Trustee or the Depositary;

(9) make any change that does not adversely affect the rights of any Holder in any material respect or that, in the good faith judgment of the Board of Directors of the Company, would provide any additional benefit or rights to the Holders; or

(10) to comply with the provisions under the Article VIII and Article XIII of this Indenture.

#### Section 902 Supplemental Indentures with Consent of Holders.

With the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities, by consent of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders under this Indenture; provided, however, that without the consent of the Holder of each Outstanding Security affected thereby, the Indenture shall not be amended or supplemented:

(1) to change the Stated Maturity on any Security, or reduce the principal amount thereof or the rate (or extend the time for payment) of interest thereon or any premium payable upon the redemption thereof, or change the place of payment where, or the coin or currency in which, any Security or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date), or reduce the Change of Control Purchase Price or the Asset Sale Offer Price or alter the provisions (including the defined terms used therein) regarding the right of the Company to redeem the Securities in a manner adverse to the Holders, or

(2) to reduce the percentage in principal amount of the Outstanding Securities, the consent of whose Holders is required for any such amendment, supplemental indenture or waiver provided for in this Indenture, or

(3) to modify any of the provision of this Section, Section 513 or Section 1021, except to increase any required percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby,

(4) cause the Securities to become subordinate in right of payment to any other Indebtedness, or

(5) except in accordance with this Indenture, release any Guarantor from its Guarantee Obligations under its Guarantee.

It shall not be necessary for the consent of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

#### Section 903 Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized by the Company or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

#### Section 904 Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

#### Section 905 Conformity with Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act.

#### Section 906 Reference in Securities to Supplemental Indentures.

Securities authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities.

#### Section 907 Notice of Supplemental Indentures.

Promptly after the execution by the Company and the Trustee of any supplemental indenture pursuant to the provisions of Section 902, the Company shall give notice thereof to the Holders of each Outstanding Security affected, in the manner provided for in Section 106, setting forth in general terms the substance of such supplemental indenture.

ARTICLE X

Covenants

Section 1001 Payment of Principal, Premium and Interest.

The Company will duly and punctually pay the principal of, and premium, if any, and interest on the Securities in accordance with the terms of the Securities and this Indenture.

Section 1002 Maintenance of Office or Agency.

The Company will maintain in the Borough of Manhattan, The City of New York, an office or agency where Securities may be presented or surrendered for payment, where Securities may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Company in respect of the Securities and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

The Company may also from time to time designate one or more other offices or agencies (in or outside the Borough of Manhattan, The City of New York) where the Securities may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, The City of New York, for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

Section 1003 Money for Security Payments to be Held in Trust.

If the Company shall at any time act as its own Paying Agent, it will, on or before each due date of the principal of, and premium, if any, or interest on any of the Securities, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal, and premium, if any, or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and will promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents, it will, prior to each due date of the principal of, and premium, if any, or interest on any Securities, deposit with a Paying Agent a sum sufficient to pay the principal, and premium, if any, or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

The Company will cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will:

(1) hold all sums held by it for the payment of the principal of, and premium, if any, or interest on Securities in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(2) give the Trustee notice of any default by the Company (or any other obligor upon the Securities) in the making of any payment of principal, and premium, if any, or interest; and

(3) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, and premium, if any, or interest on any Security and remaining unclaimed for two years after such principal, and premium, if any, or interest has become due and payable shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in The City of New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company.

#### Section 1004 Existence.

Subject to Article VIII and Section 1013 the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises; provided, however, that the Company shall not be required to preserve any such right or franchise if the Board of Directors in good faith shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and that the loss thereof is not disadvantageous in any material respect to the Holders.

#### Section 1005 Maintenance of Properties.

The Company will cause all properties used or useful in the conduct of its business or the business of any Subsidiary of the Company to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Company may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this Section shall prevent the Company from discontinuing the operation or maintenance of any of such properties if such discontinuance is judged by the Company to be desirable in the conduct of its business or the business of any Subsidiary and not disadvantageous in any material respect to the Holders.

#### Section 1006 Payment of Taxes and Other Claims

The Company will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (1) all taxes, assessments and governmental charges levied or imposed upon the Company or any of its Subsidiaries or upon the income, profits or property of the Company or any of its Subsidiaries, and (2) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon the property of the

Company or any of its Subsidiaries; provided, however, that the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

Section 1007 Maintenance of Insurance.

The Company shall, and shall cause its Subsidiaries to, keep at all times all of their properties which are of an insurable nature insured against loss or damage with insurers believed by the Company to be responsible to the extent that property of similar character is usually so insured by corporations similarly situated and owning like properties in accordance with good business practice. The Company shall, and shall cause its Subsidiaries to, use the proceeds from any such insurance policy to repair, replace or otherwise restore the property to which such proceeds relate.

Section 1008 Limitation on Incurrence of Additional Indebtedness.

Except as set forth in this covenant, the Company shall not and shall not permit any of its Subsidiaries to incur, directly or indirectly, any Indebtedness (including Acquired Indebtedness) other than Permitted Indebtedness.

The immediately preceding paragraph will not prohibit the Company or any Guarantor from incurring Indebtedness if (i) no Default or Event of Default shall have occurred and be continuing at the time of, or would occur after giving effect on a pro forma basis to, such incurrence of Indebtedness and (ii) on the date of incurrence of such Indebtedness (the "Incurrence Date"), after giving effect on a pro forma basis to such incurrence and the use of proceeds thereof (including, if applicable, the Investment of such proceeds in Cash Equivalents), the Consolidated Coverage Ratio of the Company for the Reference Period immediately preceding the Incurrence Date would be at least 2.0 to 1.0 (the "Debt Incurrence Ratio").

For purpose of determining compliance with this Section 1008, in the event an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness, or is entitled to be incurred pursuant to the second paragraph of this Section 1008, the Company will be permitted to classify such item of Indebtedness on the date of its incurrence and to reclassify such item of Indebtedness as of the date of such reclassification in any manner that complies with this Indenture.

Section 1009 Limitation on Restricted Payments.

The Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, make any Restricted Payment if, after giving effect to such Restricted Payment on a pro forma basis, (1) a Default or an Event of Default shall have occurred and be continuing, (2) the Company is not permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Debt Incurrence Ratio set forth in Section 1008 hereof, or (3) the aggregate amount of all Restricted Payments made by the Company and its Subsidiaries, including after giving effect to such proposed Restricted Payment, from and after the Issue Date, would exceed the sum of (a) 50% of the aggregate Consolidated Net Income of the Company and its Subsidiaries for the period (taken as one accounting period), commencing on the first day of the first full fiscal quarter commencing after the Issue Date, to and including the last day of the fiscal quarter ended immediately prior to the date of each such calculation (or, in the event Consolidated Net Income for such period is a deficit, then minus 100% of such deficit), (b) the aggregate Net Cash Proceeds received by the Company from the sale of its Qualified Capital Stock (including Qualified Capital Stock issued upon the exercise of options, warrants, or rights to purchase Qualified Capital Stock) or options, warrants or rights to purchase Qualified Capital Stock or of debt securities of the Company that have been converted into Qualified Capital Stock (other than (i) to a Subsidiary of the Company or (ii) to the extent applied in connection with a Qualified Exchange) after the Issue Date, (c) an amount equal to the net reduction in Investments (including by way of dividends, dispositions or repayments, or the release of a guarantee constituting a Restricted Payment) by the



Company and its Subsidiaries subsequent to the Issue Date in any Unrestricted Subsidiary, but only to the extent such amount is not included in Consolidated Net Income, and (d) \$20,000,000.

The immediately preceding paragraph, however, shall not prohibit (w) so long as no Default or Event of Default shall have occurred and be continuing or should occur as a consequence thereof, any Refinancing of Indebtedness otherwise permitted by clause (c) of the definition of "Permitted Indebtedness"; (x) the repurchase of Capital Stock of the Company or options to purchase Capital Stock of the Company from employees of the Company or any Subsidiary of the Company pursuant to the forms of agreements under which employees may purchase or are granted the option to purchase, shares of Capital Stock of the Company, (y) a Qualified Exchange, or (z) the payment of any dividend on Capital Stock within 60 days after the date of its declaration if such dividend could have been made on the date of such declaration in compliance with the foregoing provisions. The full amount of any payment made pursuant to clauses (x), and (z) (but not pursuant to clauses (w) or (y)) of the immediately preceding sentence will be treated as Restricted Payments for purposes of calculating the aggregate amount of Restricted Payments made pursuant to the immediately preceding paragraph.

#### Section 1010 Limitation on Dividends and Other Payment Restrictions Affecting Subsidiaries.

The Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, create, assume or suffer to exist any consensual restriction on the ability of any Subsidiary of the Company to pay dividends or make other distributions to or on behalf of, or to pay any obligation to or on behalf of, or otherwise to transfer assets or property to or on behalf of, or make or pay loans or advances to or on behalf of, the Company or any Subsidiary of the Company, except (a) restrictions imposed by the Securities or this Indenture or any other instrument governing debt securities of the Company incurred in compliance with Section 1008 that are not materially more restrictive, taken as a whole, than those contained in the Securities and this Indenture, (b) restrictions imposed by applicable law, (c) existing restrictions under Indebtedness outstanding on the Issue Date, (d) restrictions under any Acquired Indebtedness not incurred in violation of this Indenture or any agreement relating to any property, asset, or business acquired by the Company or any of its Subsidiaries, which restrictions are not applicable to any person, other than the person acquired, or to any property, asset or business, other than the property, assets and business so acquired, (e) any such restriction or requirement imposed by Indebtedness incurred under paragraph (b) of the definition of "Permitted Indebtedness" provided such restrictions are not materially more restrictive, taken as a whole, than customary provisions in comparable financings, (f) restrictions with respect solely to a Subsidiary of the Company imposed pursuant to a binding agreement which has been entered into for the sale or disposition of all or substantially all of the Equity Interests or assets of such Subsidiary, provided such restrictions apply solely to the Equity Interests or assets of such Subsidiary which are being sold, (g) customary restrictions on transfers of property contained in any security agreement (including a Capital Lease Obligation) securing Indebtedness of the Company or a Subsidiary otherwise permitted under this Indenture, (h) in connection with and pursuant to permitted Refinancings, replacements of restrictions imposed pursuant to clauses (a), (c) or (d) of this paragraph that are not more restrictive than those being replaced and do not apply to any other person or assets than those that would have been covered by the restrictions in the Indebtedness so refinanced, and (i) customary limitations on dispositions or distributions of assets or property that are subject to joint venture agreements or similar arrangements. Notwithstanding the foregoing, neither (a) customary provisions restricting subletting or assignment of any lease entered into in the ordinary course of business, consistent with industry practice, nor (b) Liens permitted under the terms of this Indenture shall in and of themselves be considered a restriction on the ability of the applicable Subsidiary to transfer such agreement or assets, as the case may be.

#### Section 1011 Limitation on Liens Securing Indebtedness.

The Company shall not, and shall not permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Lien of any kind, other than Permitted Liens, upon any of their respective assets now owned or acquired on or after the Issue Date or upon any income or profits therefrom, unless the Company provides, and causes its Subsidiaries to provide, concurrently therewith, that the Securities are equally and ratably so secured. Any

such Lien thereby created in favor of the Securities will be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien to which it relates.

#### Section 1012 Limitation on Sale and Leaseback Transactions.

The Company shall not, and shall not permit any Subsidiary to, directly or indirectly, enter into any Sale and Leaseback Transaction unless (a) immediately after giving pro forma effect to such Sale and Leaseback Transaction (the Attributable Value of such Sale and Leaseback Transaction being deemed to be Indebtedness of the Company, if not otherwise treated so pursuant to the definition of Indebtedness), the Company could incur at least \$1.00 of additional Indebtedness pursuant to the Debt Incurrence Ratio set forth set forth in Section 1008 hereof, (b) such Sale and Leaseback Transaction complies with Section 1013 hereof and (c) the Company or such Subsidiary could incur a Lien to secure Indebtedness in the amount of the Attributable Value of the Sale and Leaseback Transaction without equally and ratably securing the Securities.

#### Section 1013 Limitation on Sale of Assets.

The Company shall not, and shall not permit any of its Subsidiaries to, convey, sell, transfer, assign or otherwise dispose of, directly or indirectly, any of its property, business or assets, including by merger or consolidation (in the case of a Subsidiary of the Company), and including any sale or other transfer or issuance of any Equity Interests of any Subsidiary of the Company, whether by the Company or a Subsidiary or through the issuance, sale or transfer of Equity Interests by a Subsidiary of the Company, and including any Sale and Leaseback Transaction, in a single transaction or through a series of related transactions, for an aggregate consideration net of out-of-pocket costs relating thereto (including without limitation, legal, accounting and investment banking fees and sales commissions), in excess of \$1,000,000 (any of the foregoing, an "Asset Sale"), unless (1) within 12 months after the date of such Asset Sale, an amount equal to the Net Cash Proceeds therefrom is (a) applied to the optional redemption of the Securities in accordance with the terms of this Indenture, (b) applied to the repurchase of the Securities pursuant to an irrevocable, unconditional cash offer (the "Asset Sale Offer") to repurchase Securities at a purchase price of 100% of the principal amount thereof (the "Asset Sale Offer Price") together with accrued and unpaid interest to the date of payment and to the repurchase or repayment of any Indebtedness that ranks pari passu with the Securities that has similar provisions requiring the repurchase or repayment of such Indebtedness as a result of the Asset Sale; provided that the offer to repurchase the Securities and the repurchase and repayment of such other Indebtedness shall be on a pro rata basis based upon the aggregate principal amount of Securities and such other Indebtedness then outstanding or (c) (i) invested in assets and property (other than notes, bonds, obligations and securities, except in connection with the acquisition of a Subsidiary) which in the good faith reasonable judgment of the Board of Directors will immediately constitute or be a part of a Related Business of the Company or such Subsidiary (if it continues to be a Subsidiary) immediately following such transaction or (ii) used to permanently reduce Indebtedness permitted pursuant to paragraph (b) of the definition "Permitted Indebtedness" (including that in the case of a revolver or similar arrangement that makes credit available, such commitment is also permanently reduced by such amount), (2) at least 75% of the total consideration received for such Asset Sale or series of related Asset Sales consists of cash or Cash Equivalents; provided that the Company and its Subsidiaries may engage in Asset Sales for consideration not in the form of cash or Cash Equivalents in amounts in excess of that permitted in this clause (2), so long as (x) such excess consideration is in the form of Fully Traded Common Stock, (y) the aggregate market value of such Fully Traded Common Stock received by the Company and its Subsidiaries (measured as of the date of receipt) from all Asset Sales in reliance on this proviso since the date of this Indenture that has not been converted into cash or Cash Equivalents does not exceed \$10,000,000 and (z) any Fully Traded Common Stock that is converted into cash or Cash Equivalents shall be applied as provided in this Section, (3) no Default or Event of Default shall have occurred and be continuing at the time of, or would occur after giving effect, on a pro forma basis, to, such Asset Sale, and (4) the Board of Directors of the Company determines in good faith that the Company or such Subsidiary, as applicable, receives fair market value for such Asset Sale.

An acquisition of Securities pursuant to an Asset Sale Offer may be deferred beyond the 12-month period stipulated in this Section until the accumulated Net Cash Proceeds from Asset Sales not applied to the uses

set forth in clause (1)(b) of the immediately preceding paragraph (the "Excess Proceeds") exceeds \$10,000,000 and that each Asset Sale Offer shall remain open for 20 Business Days following its commencement (the "Asset Sale Offer Period"). Upon expiration of the Asset Sale Offer Period, the Company shall apply the Excess Proceeds plus an amount equal to accrued and unpaid interest to the purchase of all Securities and other Indebtedness properly tendered (on a pro rata basis if the Excess Proceeds are insufficient to purchase all Securities and other Indebtedness so tendered) at the Asset Sale Offer Price (together with accrued interest) (or other applicable price for other Indebtedness). To the extent that the aggregate amount of Securities tendered pursuant to an Asset Sale Offer and other Indebtedness tendered pursuant to a similar offer is less than the Excess Proceeds, the Company may use any remaining Net Cash Proceeds for general corporate purposes as otherwise permitted by this Indenture and following each Asset Sale Offer the Excess Proceeds amount shall be reset to zero. For purposes of clause (2) of the immediately preceding paragraph, total consideration received means the total consideration received for such Asset Sales minus the amount of (a) Indebtedness which is not Subordinated Indebtedness assumed by a transferee which assumption permanently reduces the amount of Indebtedness outstanding on the Issue Date or permitted pursuant to paragraph (b) of the definition "Permitted Indebtedness" (including that in the case of a revolver or similar arrangement that makes credit available, such commitment is so reduced by such amount) and (b) property that within 30 days of such Asset Sale is converted into cash or Cash Equivalents.

The Company and its Subsidiaries may undertake the following actions without complying with the prior two paragraphs:

(i) the Company and its Subsidiaries may, in the ordinary course of business, convey, sell, transfer, assign or otherwise dispose of inventory, receivables and notes receivable acquired and held for resale in the ordinary course of business;

(ii) the sale, lease, transfer or other conveyance of all or substantially all of the assets of the Company, on a consolidated basis, will be governed by the provisions described under Section 1015 and Section 801 and Section 802 and not by the provisions of this Section;

(iii) the Company and its Subsidiaries may sell or dispose of damaged, worn out or other obsolete property in the ordinary course of business so long as such property is no longer necessary for the proper conduct of the business of the Company or such Subsidiary, as applicable;

(iv) the Company and its Subsidiaries may convey, sell, transfer, assign or otherwise dispose of assets to the Company or a Subsidiary;

(v) the Company and its Subsidiaries may securitize their accounts receivable under long term system leases;

(vi) the Company and its Subsidiaries may simultaneously exchange property or assets for other property or assets, provided that the property or assets received by the Company or Subsidiary have at least substantially equal fair market value to the Company or Subsidiary as the property or assets exchanged (as determined by the Board of Directors evidenced by a Board Resolution filed with the Trustee) and will immediately constitute or be part of a Related Business of the Company or such Subsidiary;

(vii) a Subsidiary may issue Equity Interests of such Subsidiary;

(viii) the Company may sell, lease, transfer or otherwise convey, including by means of a merger or consolidation, all or any part of its motion simulation and attractions

business, provided that it complies with the requirements of clause (4) of the first paragraph of this Section;

(ix) the Company and its Subsidiaries may sell or liquidate Cash Equivalents; and

(x) the Company and its Subsidiaries may make Investments in Permitted Joint Ventures that qualify as Permitted Investments pursuant to clause (1) of the definition of Permitted Investments.

All Net Cash Proceeds from an Event of Loss shall be invested, used for prepayment of Indebtedness, or used to repurchase Securities, all within the period and as otherwise provided above in clause 1(a) or 1(b) of the first paragraph of this Section.

Any Asset Sale Offer shall be made in compliance with all applicable laws, rules, and regulations, including, if applicable, Regulation 14E of the Exchange Act and the rules and regulations thereunder and all other applicable Federal and state securities laws. To the extent that the provisions of any securities laws or regulations conflict with the terms hereof, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations hereunder by virtue thereof.

#### Section 1014 Limitation on Transactions with Affiliates.

Neither the Company nor any of its Subsidiaries shall on or after the Issue Date enter into or suffer to exist any contract, agreement, arrangement or transaction with any Affiliate (an "Affiliate Transaction"), or any series of related Affiliate Transactions, (other than Exempted Affiliate Transactions) (i) unless it is determined that the terms of such Affiliate Transaction are fair and reasonable to the Company, and no less favorable to the Company than could have been obtained in an arm's length transaction with a non-Affiliate and, (ii) if involving consideration to either party in excess of \$2,000,000, unless such Affiliate Transaction(s) is evidenced by an Officers' Certificate addressed and delivered to the Trustee certifying that such Affiliate Transaction(s) has been approved by a majority of the members of the Board of Directors that are disinterested in such transaction and (iii) if involving consideration to either party in excess of \$10,000,000, unless in addition the Company, prior to the consummation thereof, obtains a written favorable opinion as to the fairness of such transaction to the Company from a financial point of view from an independent investment banking firm of national reputation in the United States.

#### Section 1015 Offer to Repurchase Securities Upon A Change of Control.

In the event that a Change of Control has occurred, the Company shall make an irrevocable and unconditional offer (the "Change of Control Offer"), to repurchase all or any part of such Holder's Securities then outstanding (provided, that the principal amount of such Securities must be \$1,000 or an integral multiple thereof) on a date (the "Change of Control Purchase Date") that is no later than 60 Business Days after the occurrence of such Change of Control, at a cash price equal to 101% of the principal amount thereof (the "Change of Control Purchase Price"), together with accrued and unpaid interest to the Change of Control Purchase Date. The Change of Control Offer shall be made within 10 Business Days following a Change of Control and shall remain open for 30 Business Days following its commencement (the "Change of Control Offer Period"). Upon expiration of the Change of Control Offer Period, the Company promptly shall purchase all Securities properly tendered in response to the Change of Control Offer.

"Change of Control" means (i) any merger, amalgamation or consolidation of the Company with or into any person or any sale, lease transfer or other conveyance, whether direct or indirect, of all or substantially all of the assets of the Company, on a consolidated basis, in one transaction or a series of related transactions, if,

immediately after giving effect to such transaction(s), any "person" or "group" (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act, whether or not applicable) (other than an Excluded Person) is or becomes the "beneficial owner," directly or indirectly, of more than 50% of the total voting power in the aggregate normally entitled to vote in the election of directors, managers, or trustees, as applicable, of the transferee(s) or surviving entity or entities, (ii) any "person" or "group" (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act, whether or not applicable) (other than an Excluded Person) is or becomes the "beneficial owner," directly or indirectly, of more than 50% of the total voting power in the aggregate of all classes of Capital Stock of the Company then outstanding normally entitled to vote in elections of directors, or (iii) during any period of 12 consecutive months after the Issue Date, individuals who at the beginning of any such 12-month period constituted the Board of Directors of the Company (together with any new directors whose election by such Board or whose nomination for election by the shareholders of the Company was approved by a vote of a majority of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of the Company then in office.

On or before the Change of Control Purchase Date, the Company shall (i) accept for payment Securities or portions thereof properly tendered pursuant to the Change of Control Offer, (ii) deposit with the Paying Agent cash sufficient to pay the Change of Control Purchase Price (together with accrued and unpaid interest) of all Securities so tendered and (iii) deliver to the Trustee Securities so accepted together with an Officers' Certificate listing the Securities or portions thereof being purchased by the Company. The Paying Agent promptly will pay the Holders of Securities so accepted an amount equal to the Change of Control Purchase Price (together with accrued and unpaid interest), and the Trustee promptly will authenticate and deliver to such Holders a new Security equal in principal amount to any unpurchased portion (but not including accrued but unpaid interest) of the Security surrendered. Any Securities not so accepted will be delivered promptly by the Company to the Holder thereof. The Company publicly shall announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Purchase Date.

#### Section 1016 Payment of Additional Amounts.

All amounts paid or credited by the Company under or with respect to the Securities, or by any Guarantor pursuant to its Guarantee, will be made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment, or other governmental charge imposed or levied by or on behalf of the Government of Canada or of any province or territory thereof or by any authority or agency therein or thereof having power to tax (hereinafter "Taxes"), unless the Company or such Guarantor, as the case may be, is required to withhold or deduct Taxes by law or by the interpretation or administration thereof by the relevant government authority or agency. If the Company or any Guarantor is so required to withhold or deduct any amount for or on account of Taxes from any payment or credit made under or with respect to the Securities or Guarantees, the Company or such Guarantor will pay such additional amounts (the "Additional Amounts") as may be necessary so that the net payment or credit received by each owner of a beneficial interest in the Securities (including Additional Amounts) after such withholding or deduction will not be less than the amount the Holder or owner of a beneficial interest in the Securities would have received if such Taxes had not been withheld or deducted; provided that no Additional Amounts will be payable with respect to a payment or credit made to an owner of a beneficial interest in the Securities (i) with whom the Company does not deal at arm's length (within the meaning of the Income Tax Act (Canada)) at the time of making such payment or credit, (ii) which is subject to such Taxes by reason of its being connected with Canada or any province or territory thereof otherwise than by the mere holding, use or ownership or deemed holding, use or ownership, of the Securities or the receipt of payments or credits or enforcing any rights thereunder, (iii) which is subject to such Taxes by reason of its failure to comply with any certification, identification, information, documentation or other reporting requirement if compliance is required by law, regulation, administrative practice or an applicable treaty as a precondition to exemption from, or a reduction in the rate of deduction or withholding of, such Taxes, (iv) which failed to duly and timely comply with a timely request by the Company to provide information, documents, certification or other evidence concerning such Holder's nationality, residence, entitlement to treaty benefits, identity or connection with Canada or any political

subdivision or authority thereof, if and to the extent that due and timely compliance with such request could have resulted in the reduction or elimination of any Taxes as to which Additional Amounts would otherwise have been payable to such Holder of Securities but for this clause (iv), (v) which is a fiduciary, a partnership or not the beneficial owner of any payment on a Security, if and to the extent that any beneficiary or settlor of such fiduciary, any partner of such partnership or the beneficial owner of such payment (as the case may be) would not have been entitled to receive Additional Amounts with respect to such payment if such beneficiary, settlor, partner or beneficial owner had been the Holder of such Security or (vi) any combination of the foregoing clauses (i) through (v) (in each case referred to herein as an "Excluded Holder"). The Company or such Guarantor will also (1) make such withholding or deduction and (2) remit the full amount deducted or withheld to the relevant authority in accordance with and in the time required by applicable law. The Company will furnish the Holders of the Securities, within 30 days after the date the payment of any Taxes is due pursuant to applicable law, certified copies of tax receipts evidencing such payment by the Company, if reasonably available. In the event that the Company or such Guarantor fails to remit any taxes in respect of which Additional Amounts are payable, the Company or such Guarantor will indemnify and hold harmless each owner of a beneficial interest in the Securities (other than an Excluded Holder) and upon written request reimburse such owner of a beneficial interest in the Securities for the amount of (i) any Taxes levied on and paid by, such owner of a beneficial interest in the Securities as a result of payment made with respect to the Securities (including penalties, interest and expenses arising from or with respect to such Taxes) and (ii) any Taxes (including penalties, interest and expenses arising from or with respect to such Taxes) imposed with respect to payment of Additional Amounts or any reimbursement pursuant to this sentence.

At least 30 days prior to each date on which any payment under or with respect to the Securities is due and payable, if the Company will be obligated to pay Additional Amounts with respect to such payments, the Company will deliver to the Trustee an Officers' Certificate stating the fact that such Additional Amounts will be payable and the amounts so payable and setting forth such other information necessary to enable the Trustee to pay such Additional Amounts to Holders or owners of a beneficial interest in the Securities, as the case may be, on the payment date.

The obligations of the Company under this Section 1016 shall survive the termination of this Indenture and the payment of all amounts under or with respect to the Securities.

#### Section 1017 Limitation on Status as Investment Company.

The Company and its Subsidiaries shall not be required to register as an "investment company" (as that term is defined in the Investment Company Act of 1940, as amended), or from otherwise becoming subject to regulation under the Investment Company Act.

#### Section 1018 Payments for Consent.

Neither the Company nor any of its Subsidiaries shall, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder of any Securities for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Securities unless such consideration is offered to be paid or agreed to be paid to all Holders of the Securities who so consent, waive or agree to amend in the time frame set forth in solicitation documents relating to such consent, waiver or agreement, which solicitation documents will be mailed to all Holders of the Securities a reasonable amount of time prior to the expiration of such solicitation.

#### Section 1019 Reports.

The Company shall:

(1) file with the Trustee, within 15 days of the required date of filing with the Commission, copies of its annual and quarterly reports and of the information, documents and reports which the Company or any Subsidiary is required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act. To the extent that the Company is not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Company shall file with the Commission and provide to the Trustee, at the same time as if it were subject to such requirements, such annual and quarterly reports and such information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may by rules and regulations prescribe) which it would be required to file with the Commission if it were subject to such requirements and shall also make such reports available to prospective purchasers of the Securities, securities analysts and broker-dealers upon their request.;

(2) file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Company with the conditions and covenants of this Indenture as may be required from time to time by such rules and regulations; and

(3) transmit by mail to all Holders, in the manner and to the extent provided in Section 313(c) of the Trust Indenture Act, within 30 days after the filing thereof with the Trustee, such summaries of any information, documents and reports required to be filed by the Company pursuant to paragraphs (1) and (2) of this Section as may be required by rules and regulations prescribed from time to time by the Commission.

#### Section 1020 Subsidiary Guarantors .

(a) All future North American Subsidiaries of the Company shall, subject to the limitations set forth in Article XIII, jointly, severally, irrevocably and unconditionally, guarantee all principal, premium, if any, and interest on the Securities on a senior basis and shall execute a supplemental indenture substantially in the form of Exhibit F hereto and deliver an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee regarding the due authorization, execution and delivery of the supplemental indenture.

(b) The Company shall not permit any of its Subsidiaries, directly or indirectly, to Guarantee or pledge any assets to secure the payment of any other Indebtedness of the Company or any Subsidiary thereof, other than Foreign Subsidiaries, unless such Subsidiary is a Guarantor or simultaneously executes and delivers a supplemental indenture providing for the Guarantee of payment of the Securities by such Subsidiary, which Guarantees shall be senior to or *pari passu* with such Subsidiary's Guarantee of such other Indebtedness.

#### Section 1021 Statement By Officers as to Default; Compliance Certificates.

The Company shall deliver to the Trustee, within 90 days after the end of each fiscal year, of the Company ending after the date hereof an Officers' Certificate, stating whether or not to the best knowledge of the signers thereof the Company is in default in the performance and observance of any of the terms, provisions and conditions of Section 801 and Sections 1004 to 1019, inclusive, and if the Company shall be in default, specifying all such defaults and the nature and status thereof of which they may have knowledge.

The Company shall deliver to the Trustee, as soon as possible and in any event within 10 days after the Company becomes aware or should reasonably become aware of the occurrence of an Event of Default or an event which, with notice or the lapse of time or both, would constitute an Event of Default, an Officers' Certificate setting forth the details of such Event of Default or default, and the action which the Company proposes to take with respect thereto.

#### Section 1022 Waiver of Certain Covenants.

The Company may omit in any particular instance to comply with any covenant or condition set forth in Section 801 and Sections 1005 to 1020, if before the time for such compliance the Holders of at least a majority in principal amount of the Outstanding Securities shall, with consent of such Holders, either waive such compliance in such instance or generally waive compliance with such covenant or condition, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such covenant or condition shall remain in full force and effect; provided, however, with respect to an Asset Sale Offer or Change of Control Offer as to which an offer has been mailed, no such waiver may be made or shall be effective against any Holder tendering Securities pursuant to such offer, and the Company may not omit to comply with the terms of such offer as to such Holder.

ARTICLE XI

Redemption of Securities

Section 1101 Right of Redemption.

(a) Except as set forth in paragraph (b) of this Section 1101, the Company shall not have the option to redeem the Securities prior to December 1, 2007. The Company shall have the option to redeem the Securities for cash, in whole or in part, at any time on or after December 1, 2007 upon not less than 30 days nor more than 60 days notice to each Holder of Securities, at the redemption prices (expressed as percentages of principal amount) if redeemed during the twelve-month period beginning on December 1 of the years indicated below in each case (subject to the right of Holders of record on a Record Date to receive interest due but not yet paid on an Interest Payment Date that is on or prior to such Redemption Date) plus accrued and unpaid interest thereon to the Redemption Date:

Year - - - - -	Percentage -----
2007.....	104.813%
2008.....	102.406%
2009 and thereafter.....	100.000%

(b) Until December 1, 2006, upon a Qualified Equity Offering, up to 35% of the aggregate principal amount of the Securities issued pursuant to the Indenture may be redeemed at the option of the Company within 90 days of such Qualified Equity Offering, on not less than 30 days, but not more than 60 days, notice to each Holder of the Securities to be redeemed, with cash from the Net Cash Proceeds of such Qualified Equity Offering, at 109.625% of the principal amount thereof (subject to the right of Holders of record on a Record Date to receive interest due but not yet paid on an Interest Payment Date that is on or prior to such Redemption Date) together with accrued and unpaid interest thereon to Redemption Date; provided, however, that immediately following such redemption not less than 65% of the aggregate principal amount of the Securities issued on the Issue Date remain outstanding.

(c) If, as a result of any change in, or amendment to, the laws (or any regulations promulgated thereunder) of Canada (or any political subdivision or taxing authority or agency thereof or therein), or any change in or amendment to any official position or administration or assessing practices regarding the application or interpretation of such laws or regulations, which change or amendment is announced or becomes effective on or after the date of the Offering Circular, the Company has become or would become obligated to pay,



on the next date on which any amount would be payable under or with respect to the Securities, any Additional Amounts to a Holder (other than an Excluded Holder) in accordance with Section 1016 hereof, then the Company may, at its option at any time thereafter (provided the obligation to pay such Additional Amounts still exists at such time), redeem the Securities, in whole but not in part, at a redemption price equal to 100% of the principal amount of Securities, together with interest accrued thereon to the Redemption Date provided that the Company determines, in its business judgment, that the obligation to pay such Additional Amounts cannot be avoided by the use of reasonable measures available to the Company which would not involve any liability of any kind to the Company, except for any cost or expense which is minimal, not including substitution of the obligor under the Securities.

Section 1102 No Mandatory Redemption.

The Company shall not be required to make mandatory redemption payments with respect to the Securities.

Section 1103 Election to Redeem; Notice to Trustee.

If the Company elects to redeem Securities pursuant to the optional redemption provisions of Section 1101 hereof, it shall furnish to the Trustee, at least 30 days (unless a shorter period is acceptable to the Trustee) but not more than 60 days before a redemption date, an Officers' Certificate setting forth (a) the clause of this Indenture pursuant to which the redemption shall occur, (b) the Redemption Date, (c) the principal amount of Securities to be redeemed and (d) the redemption price.

Section 1104 Selection by Trustee of Securities to Be Redeemed.

If fewer than all of the Securities are to be redeemed at any time, the Trustee shall select the Securities to be redeemed among the Holders of the Securities in compliance with the requirements of the principal national securities exchange, if any, on which the Securities are listed or, if the Securities are not so listed, on a pro rata basis, by lot or in accordance with any other method the Trustee considers fair and appropriate. In the event of partial redemption by lot, the particular Securities to be redeemed shall be selected, unless otherwise provided herein not less than 30 nor more than 60 days prior to the Redemption Date by the Trustee from the Outstanding Securities not previously called for redemption.

The Trustee shall promptly notify the Company in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed. Securities and portions of Securities selected shall be in amounts of \$1,000 or integral multiples of \$1,000; except that if all of the Securities of a Holder are to be redeemed, the entire outstanding amount of Securities held by such Holder, even if not an integral multiple of \$1,000, shall be redeemed. Except as provided in the preceding sentence, provisions of this Indenture that apply to Securities called for redemption also apply to portions of Securities called for redemption.

Section 1105 Notice of Redemption.

Subject to the provisions of Section 1101 hereof, at least 30 days but not more than 60 days before a redemption date, the Company shall mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Securities are to be redeemed at its registered address.

The notice shall identify the Securities (including applicable CUSIP numbers) to be redeemed and shall state:

- (a) the redemption date;

(b) the redemption price;

(c) if any of the Securities are being redeemed in part, the portion of the principal amount of such Security to be redeemed and that, after the redemption date upon surrender of such Security, a new Security or Securities in principal amount equal to the unredeemed portion shall be issued upon cancellation of the original Security;

(d) the name and address of the Paying Agent;

(e) that Securities called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(f) that, unless the Company defaults in making such redemption payment or the Paying Agent is prohibited from making such payments pursuant to the terms of this Indenture, interest on Securities (or portions thereof) called for redemption ceases to accrue on and after the Redemption Date;

(g) the paragraph of the Securities and/or the Section of this Indenture pursuant to which the Securities called for redemption are being redeemed; and

(h) that no representation is made as to the correctness or accuracy of the CUSIP or ISIN number, if any, listed in such notice or printed on the Securities.

At the Company's request, the Trustee shall give the notice of redemption in the Company's name and at its expense; provided, however, that the Company shall have delivered to a Responsible Officer of the Trustee, at least 35 days (unless a shorter period is acceptable to the Trustee) prior to the redemption date, an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

Once notice of redemption is mailed in accordance with Section 1105, Securities called for redemption become irrevocably due and payable on the Redemption Date at the redemption price stated in the notice. Failure to give notice or any defect in the notice to any Holder shall not affect the validity of the notice to any other Holder.

#### Section 1106 Deposit of Redemption Price

On or prior to the Redemption Date, the Company shall deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption price of and accrued interest on all Securities to be redeemed on that date other than Securities or portions of Securities called for redemption which have been delivered by the Company to the Trustee for cancellation. The Trustee or the Paying Agent shall promptly return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption price of, and accrued interest on, all Securities to be redeemed.

If the Company complies with the provisions of the preceding paragraph, on and after the Redemption Date, interest shall cease to accrue on the Securities or the portions of Securities called for redemption. If a Security is redeemed on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Security was registered at the close of business on such record date. If any Security called for redemption shall not be so paid upon surrender for redemption because of the failure of the Company to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption date until such unpaid principal is paid, and to the extent lawful on any

interest not paid on such unpaid principal, in each case at the rate provided in the Securities and in Section 307 hereof.

Section 1107 Securities Redeemed in Part Upon surrender of a Security that is redeemed in part, the Company shall issue and, upon the Company's written request, the Trustee shall authenticate for the Holder at the expense of the Company a new Security equal in principal amount to the unredeemed portion of the Security surrendered.

## ARTICLE XII

### Defeasance and Covenant Defeasance

#### Section 1201 Company's Option to Effect Defeasance or Covenant Defeasance.

The Company may at its option by Board Resolution, at any time, elect to have either Section 1202 or Section 1203 applied to all Outstanding Securities upon compliance with the conditions set forth below in this Article XII.

#### Section 1202 Defeasance and Discharge.

Upon the Company's exercise of the option provided in Section 1201 applicable to this Section 1202, the Company shall, subject to the satisfaction of the conditions set forth in Section 1204 hereof, be deemed to have been discharged from its obligations with respect to all Outstanding Securities and Guarantees on the date the conditions set forth below are satisfied (hereinafter, "defeasance"). For this purpose, such defeasance means that the Company shall be deemed to have paid and discharged the entire indebtedness represented by the Outstanding Securities and the Guarantors shall be deemed to have paid and discharged the entire indebtedness represented by the Outstanding Guarantees, which shall thereafter be deemed to be "outstanding" only for the purposes of Section 1205 hereof and the other Sections of this Indenture referred to in (A) and (B) below, and to have satisfied all its other obligations under such Securities, such Guarantees and this Indenture (and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following which shall survive until otherwise terminated or discharged hereunder: (A) the rights of Holders of such Outstanding Securities to receive, solely from the trust fund described in Section 1204, and as more fully set forth in such Section, payments in respect of the principal of, and premium, if any, and interest on such Securities when such payments are due, (B) the Company's obligations with respect to such Securities under Sections 304, 305, 306, 1002 and 1003 (C) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Company's obligations in connection therewith and (D) this Article XII. Subject to compliance with this Article XII, the Company may exercise its option under this Section 1202 notwithstanding the prior exercise of its option under Section 1203.

#### Section 1203 Covenant Defeasance.

Upon the Company's exercise of the option provided in Section 1201 applicable to this Section 1203, subject to the satisfaction of the conditions set forth in Section 1204 hereof, (i) the Company and the Guarantors shall be released from its obligations under Sections 1005 through 1015, inclusive, Sections 1019 through 1021 and Clauses (iii) and (iv) of Section 801, and the Guarantors shall be released from their obligations under Section 1303 hereof, and (ii) the occurrence of an event specified in Sections 501(3) (with respect to Sections 1005 through 1017, inclusive, and Sections 1019 and 1020), 501(5) (with respect to Clauses (iii) or (iv) of Section 801), 501(6) and 501(7) shall not be deemed to be an Event of Default (hereinafter "covenant defeasance"). For this purpose, such covenant defeasance means that the Company and the Guarantors may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such Section, Clause or Article, whether directly or indirectly by reason of any reference elsewhere herein to any such Section, Clause or Article or by reason of any reference in any such Section, Clause or Article to any other provision herein or in any other document, but the remainder of this Indenture and such Securities shall be unaffected thereby.

Section 1204 Conditions to Defeasance or Covenant Defeasance.

The following shall be the conditions to application of either Section 1202 or Section 1203 to the then Outstanding Securities:

(1) The Company must irrevocably deposit with the Trustee (or another trustee satisfying the requirements of Section 609 who shall agree to comply with the provisions of this Article XII applicable to it), in trust, for the benefit of the Holders of such Securities, (A) U.S. legal tender, or (B) U.S. Government Obligations which through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment, money in an amount, or (C) a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee (or other qualifying trustee) to pay and discharge, the principal of, premium, if any, and interest on such Securities on the applicable redemption date or such principal or installment of principal of, premium, if any, or interest on such Securities, and the Holders of Securities must have a valid, perfected, exclusive security interest in such trust.

(2) In the case of an election under Section 1202, the Company shall have delivered to the Trustee an Opinion of Counsel qualified to practice law in the United States reasonably acceptable to the Trustee confirming that (x) the Company has received from, or there has been published by, the Internal Revenue Service a ruling, or (y) since the date of this Indenture there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders of such Securities will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such defeasance and will be subject to U.S. federal income tax on the same amount, in the same manner and at the same times as would have been the case if such defeasance had not occurred.

(3) In the case of an election under Section 1203, the Company shall have delivered to the Trustee an Opinion of Counsel qualified to practice law in the United States reasonably acceptable to the Trustee confirming that the Holders of such Securities will not recognize income, gain or loss for U.S. Federal income tax purposes as a result of such covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred.

(4) In the case of an election under Section 1202 or Section 1203, the Company shall have delivered to the Trustee an Opinion of Counsel qualified to practice law in Canada reasonably acceptable to the Trustee confirming that (x) that the Holders of such Securities will not recognize gain or loss for Canadian federal, provincial or territorial income tax purposes as a result of such deposit, defeasance or covenant defeasance or discharge and will be subject to Canadian federal provincial and territorial income tax and other tax on the same amounts, in the same manner and at the same times as would have been the case had such deposit, defeasance or covenant defeasance and discharge, as the case may be, not occurred and (y) the interest, principal and other amounts paid or credited in respect of such Securities will not be subject to Canadian withholding tax as a result of such deposit, defeasance or covenants defeasance or discharge (and for the purposes of such opinion, such Canadian counsel shall assume that Holders of the Securities include Holders who are not resident in Canada).

(5) No Default or Event of Default shall have occurred and be continuing on the date of such deposit or, in the case of an election under Section 1202, insofar as Events of Default from bankruptcy or insolvency are concerned, at any time in the period ending on the 91st day after the date of deposit;

(6) Such defeasance or covenant defeasance will not result in a breach or violation of, or constitute a default under, this Indenture or any other material agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(7) The Company shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders of such Securities over any other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company or others; and

(8) The Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that the conditions precedent provided for, in the case of the Officers' Certificate, clauses (1) through (7) and, in the case of the Opinion of Counsel, clauses (1) (with respect to the validity and perfection of the security interest), (2), (3), (4) and (6) of this subsection relating to the defeasance or covenant defeasance, as applicable, have been complied with.

Section 1205 Deposited Money and U.S. Government Obligations to be Held in Trust: Other Miscellaneous Provisions.

Subject to the provisions of Section 1206, all money and U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee--collectively, for purposes of this Section 1205, the "Trustee") pursuant to Section 1204 in respect of the Securities shall be held in trust and applied by the Trustee, in accordance with the provisions of such Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Holders of such Securities, of all sums due and to become due thereon in respect of principal, and premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or U.S. Government Obligations deposited pursuant to Section 1204 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the Outstanding Securities.

Anything in this Article XII to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon the request of the Company any money or U.S. Government Obligations held by it as provided in Section 1204 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be opinion delivered under Section 1204(a) hereof), are in excess of the amount thereof which would then be required to be deposited to effect an equivalent defeasance or covenant defeasance.

Section 1206 Repayment to Company.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium, if any, or interest on any Security and remaining unclaimed for two years after such principal, and premium, if any, or interest has become due and payable shall be paid to the Company on its request or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as a secured creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in The New York Times and The Wall Street Journal (national edition) notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining will be repaid to the Company.

Section 1207 Reinstatement.

If the funds deposited with the Trustee to apply to either Section 1202 or 1203 are insufficient to pay the principal of, premium, if any, and interest on the Securities due, or if the Trustee or the Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with Section 1202 or 1203 by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's and the Guarantors' obligations under this Indenture and the Securities shall be revived and reinstated as though no deposit had occurred pursuant to this Article XII until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 1202 or 1203, and no such defeasance will be deemed to have occurred; provided, however, that if the Company makes any payment of principal of, and premium, if any, or interest on any Security following the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money held by the Trustee or the Paying Agent.

#### ARTICLE XIII

##### Guarantees.

###### Section 1301 Guarantees.

By its execution hereof, each of the Guarantors acknowledges and agrees that it receives direct and indirect benefits from the financing arrangements contemplated by the Indenture and that such party is providing its Guarantee for good and valuable consideration, including, without limitation, such benefits. Accordingly, subject to the provisions of this Article XIII, each Guarantor, jointly and severally, hereby unconditionally guarantees on a senior unsecured basis to each Holder of a Security authenticated and delivered by the Trustee and its successors and assigns that: (i) the principal of, and premium if any, and interest on the Securities shall be duly and punctually paid in full when due, whether at maturity, by acceleration, redemption, upon a Change of Control Offer, upon an Asset Sale Offer or otherwise, and interest on overdue principal, and premium, if any, and (to the extent permitted by law) interest on any interest, if any, on the Securities and all other obligations of the Company to the Holders or the Trustee hereunder or under the Securities (including fees, expenses or other) shall be promptly paid in full or performed, all in accordance with the terms hereof; and (ii) in case of any extension of time of payment or renewal of any Securities or any of such other obligations, the same shall be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration, redemption, upon a Change of Control, upon an Asset Sale Offer or otherwise, subject, however, in the case of clauses (i) and (ii) above, to the limitations set forth in Section 1305 (collectively, the "Guarantee Obligations").

Subject to the provisions of this Article XIII, each Guarantor hereby agrees that its Guarantee hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Securities or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Securities with respect to any thereof, the entry of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor. Each Guarantor hereby waives and relinquishes: (a) any right to require the Trustee, the Holders or the Company (each, a "Benefitted Party") to proceed against the Company or any other Person or to proceed against or exhaust any security held by a Benefitted Party at any time or to pursue any other remedy in any secured party's power before proceeding against the Guarantors; (b) any defense that may arise by reason of the incapacity, lack of authority, death or disability of any other Person or Persons or the failure of a Benefitted Party to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other Person or Persons; (c) demand, protest and notice of any kind (except as expressly required by this Indenture), including but not limited to notice of the existence, creation or incurring of any new or additional Indebtedness or obligation or of any action or non-action on the part of the Guarantors, the Company, any Benefitted Party, any creditor of the Guarantors or the Company or on the part of any other Person whomsoever in connection with any obligations the performance of which are hereby guaranteed; (d) any defense based upon an election of remedies by a Benefitted Party, including but not limited to an election to proceed against the Guarantors for reimbursement; (e) any defense based upon any

statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (f) any defense arising because of a Benefitted Party's election, in any proceeding instituted under the Bankruptcy Law, of the application of Section 1111(b)(2) of the Bankruptcy Code; and (g) any defense based on any borrowing or grant of a security interest under Section 364 of the Bankruptcy Code. The Guarantors hereby covenant that, except as otherwise provided therein, the Guarantees shall not be discharged except by payment in full of all Guarantee Obligations, including the principal, premium, if any, and interest on the Securities and all other costs provided for under this Indenture or as provided in Article XIII. The Guarantees described herein are Guarantees of payment and not of collectibility.

If any Holder or the Trustee is required by any court or otherwise to return to either the Company or the Guarantors, or any custodian, liquidator, trustee or similar official acting in relation to either the Company or the Guarantors, any amount paid by the Company or the Guarantors to the Trustee or such Holder, the Guarantees, to the extent theretofore discharged, shall be reinstated in full force and effect. Each of the Guarantors agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any Guarantee Obligations hereby until payment in full of all such obligations guaranteed hereby. Each Guarantor agrees that, as between it, on the one hand, and the Holders of Securities and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article V hereof for the purposes hereof, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guarantee Obligations, and (y) in the event of any acceleration of such obligations as provided in Article V hereof, such Guarantee Obligations (whether or not due and payable) shall forthwith become due and payable by such Guarantor for the purpose of the Guarantee. The Guarantors shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the right of the Holders under the Indenture.

#### Section 1302 Execution and Delivery of Guarantees .

To evidence the Guarantees set forth in Section 1301 hereof, each of the Guarantors agrees that a notation of the Guarantees substantially in the form included in Exhibit B hereto shall be endorsed on each Security authenticated and delivered by the Trustee and that this Indenture shall be executed on behalf of each of the Guarantors by an Officer of each of the Guarantors.

Each of the Guarantors agree that the Guarantees set forth in this Article XIII shall remain in full force and effect and apply to all the Securities notwithstanding any failure to endorse on each Security a notation of the Guarantees.

If an Officer whose facsimile signature is on a Security or a notation of Guarantee no longer holds that office at the time the Trustee authenticates the Security on which the Guarantees are endorsed, the Guarantees shall be valid nevertheless.

The delivery of any Security by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of the Guarantees set forth in this Indenture on behalf of the Guarantors.

#### Section 1303 Guarantors May Consolidate, Etc., on Certain Terms

(a) Nothing contained in this Indenture or in the Securities shall prevent any consolidation or merger of any Guarantor with or into each other or with or into the Company or another Guarantor, or shall prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to the Company or another Guarantor. Upon any such consolidation or merger, the Guarantee of the Guarantor that does not survive the consolidation or merger shall no longer be of any force or effect.

(b) Except as otherwise provided in Section 1304, no Guarantor may sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another Person, unless, subject to the provisions of the following paragraph and the other provisions of this Indenture: (i) immediately after giving effect to such transaction, no Default or Event of Default exists; and (ii) either: (A) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger (if other than such Guarantor) is a corporation organized or existing under the laws of the United States, any state thereof or the District of Columbia or Canada or any province or territory thereof and assumes all the obligations of such Guarantor under this Indenture, its Guarantee and the Registration Right Agreement pursuant to a supplemental indenture in form reasonably satisfactory to the Trustee; or (B) such sale or other disposition or consolidation or merger complies with all of the requirements of Section 1013. In case of any such consolidation or merger or sale or other disposition and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and reasonably satisfactory in form to the Trustee, of the Guarantees endorsed upon the Securities and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by such Guarantor, such successor corporation shall succeed to and be substituted for such Guarantor with the same effect as if it had been named herein as a Guarantor. Such successor corporation thereupon may cause to be signed any or all of the Guarantees to be endorsed upon all of the Securities issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee. All the Guarantees so issued shall in all respects have the same legal rank and benefit under this Indenture as the Guarantees theretofore and thereafter issued in accordance with the terms of this Indenture as though all of such Guarantees had been issued at the date of the execution hereof.

(c) The Trustee, subject to the provisions of Section 103 hereof, shall be entitled to receive an Officers' Certificate as conclusive evidence that any such consolidation or merger, and any such assumption of Guarantee Obligations, comply with the provisions of this Section 1303. Such Officers' Certificate shall comply with the provisions of Section 102.

#### Section 1304 Release of Guarantors

Notwithstanding Section 1303(b), (i) upon the sale or other disposition (whether by merger, consolidation, stock purchase, Asset Sale or otherwise) of all of the assets or Capital Stock of a Guarantor to a Person that is not (either before or after giving effect to such transaction) a Subsidiary of the Company, if the sale of all such assets or Capital Stock of that Guarantor complies with Section 1013; (ii) upon the Company's proper designation of any Subsidiary that is a Guarantor as an Unrestricted Subsidiary, which transaction is in compliance with this Indenture (including, without limitation, the provisions of Section 1008); or (iii) solely in the case of a Guarantee created pursuant to Section 1020(b), upon the release or discharge of the Guarantee which resulted in the creation of such Guarantee pursuant to Section 1301, except a discharge or release by or as a result of payment under such Guarantee; such Guarantor will be deemed unconditionally released from its obligations under its Guarantee of the Securities; provided, however, that any termination pursuant to clause (iii) above shall occur only to the extent that all obligations of such Guarantor under all of its guarantees of, and under all of its pledges of assets or other security interests which secure, any of the Company's Indebtedness or any Indebtedness of any other of the Company's Subsidiaries (other than Subsidiaries that are contemporaneously sold or disposed of, or designated as Unrestricted Subsidiaries) shall also terminate upon such release, sale or transfer and none of its Equity Interests are pledged for the benefit of any holder of any of the Company's Indebtedness or any Indebtedness of any of the Company's Subsidiaries (other than Subsidiaries that are contemporaneously sold or disposed of, or designated as Unrestricted Subsidiaries).

Upon delivery by the Company to the Trustee of an Officers' Certificate, to the effect that such sale or other disposition or that such designation was made by the Company in accordance with the provisions of this Indenture, the Trustee shall execute any documents reasonably required in order to evidence the release of any such Guarantor from its obligations under its Guarantee. Except as provided in Section 1303(a), any Guarantor not



released from its obligations under its Guarantee shall remain liable for the full amount of principal of and interest on the Securities and for the other obligations of any Guarantor under this Indenture as provided in this Article XIII.

Notwithstanding the foregoing provisions of this Article XIII, (i) any Guarantor whose Guarantee would otherwise be released pursuant to the provisions of this Section 1304 may elect, at its sole discretion, by written notice to the Trustee, to maintain such Guarantee in effect notwithstanding the event or events that otherwise would cause the release of such Guarantee (which election to maintain such Guarantee in effect may be conditional or for a limited period of time), and (ii) any Subsidiary of the Company which is not a Guarantor may elect, at its sole discretion, by written notice to the Trustee, to become a Guarantor (which election may be conditional or for a limited period of time).

#### Section 1305 Limitation of Guarantor's Liability; Certain Bankruptcy Events

(1) Each Guarantor, and by its acceptance of the Securities, each Holder, hereby confirms that it is the intention of all such parties that the Guarantee Obligation of such Guarantor pursuant to its Guarantee not constitute a fraudulent transfer or conveyance for purposes of any Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar U.S. federal or state law or Canadian federal or provincial law relating to fraudulent transfer or conveyance. To effectuate the foregoing intention, the Holders and such Guarantor hereby irrevocably agree that the Guarantee Obligations of such Guarantor under this Article XIII shall be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the Guarantee Obligations of such other Guarantor under this Article XIII, result in the Guarantee Obligations of such Guarantor under the Guarantee of such Guarantor not constituting a fraudulent transfer or conveyance under applicable law. Each Guarantor that makes a payment or distribution under a Guarantee shall be entitled to a contribution from each other Guarantor in a proportional amount based on the net assets of each Guarantor, determined in accordance with generally accepted accounting principles.

(2) Each Guarantor hereby covenants and agrees, to the fullest extent that it may do so under applicable law, that in the event of the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Company only, such Guarantor shall not file (or join in any filing of), or otherwise seek to participate in the filing of, any motion or request seeking to stay or to prohibit (even temporarily) execution on the Guarantee and hereby waives and agrees not to take the benefit of any such stay of execution, whether under Section 362 or 105 of the Bankruptcy Law or otherwise; provided, however, nothing in this paragraph shall prevent the Guarantor from filing or seeking a motion or request to stay or prohibit (even temporarily) execution on the Guarantee or from benefiting from a stay of execution with respect to the insolvency, bankruptcy, dissolution, liquidation or reorganization proceedings of such Guarantor, or prohibit the Guarantor from commencing or consenting to any insolvency, bankruptcy, dissolution, liquidation or reorganization proceeding.

#### Section 1306 Application of Certain Terms and Provisions to the Guarantors

(1) For purposes of any provision of this Indenture which provides for the delivery by any Guarantor of an Officers' Certificate and/or an Opinion of Counsel, the definitions of such terms in Section 101 shall apply to such Guarantor as if references therein to the Company were references to such Guarantor.

(2) Any request, direction, order or demand which by any provision of this Indenture is to be made by any Guarantor, shall be sufficient if evidenced as described in Sections 105 or 106 as if references therein to the Company were references to such Guarantor.

(3) Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the Holders to or on any Guarantor may be given or served as described in Sections 105 or 106 as if references therein to the Company were references to such Guarantor.

(4) Upon any demand, request or application by any Guarantor to the Trustee to take any action under this Indenture, such Guarantor shall furnish to the Trustee such certificates and opinions as are required in Section 102 hereof as if all references therein to the Company were references to such Guarantor.

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This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the day and year first above written.

ISSUER:

IMAX Corporation

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Sr. Vice President, Legal Affairs

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President Finance,  
Special Projects

GUARANTORS:

David Keighley Productions 70MM Inc.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX II U.S.A. Inc.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Chicago Theatre LLC  
By its Managing Member  
IMAX Theatre Holding (California I) Co.

By /s/ G. Mary Ruby  
-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Forum Ride, Inc.

By /s/ G. Mary Ruby  
-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Minnesota Holding Co.

By /s/ G. Mary Ruby  
-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Rhode Island Limited Partnership  
By its General Partner  
IMAX Providence General Partner Co.

By /s/ G. Mary Ruby  
-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Sandde Animation Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Scribe Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Space Ltd.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Holding Co.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Holdings (OEI) Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Management Company

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Services Ltd.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX U.S.A. Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

Miami Theatre LLC  
By its Managing Member  
IMAX Theatre Holding (California I) Co.

By /s/ G. Mary Ruby  
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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
-----  
Name: Edward MacNeil  
Title: Vice President

Mitey Cinema Inc.

By /s/ G. Mary Ruby  
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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
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Name: Edward MacNeil  
Title: Vice President

Mountainview Theatre Management Ltd.

By /s/ G. Mary Ruby  
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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
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Name: Edward MacNeil  
Title: Vice President

Nyack Theatre LLC  
By its Managing Member  
IMAX Theatre Holding (Nyack I) Co.

By /s/ G. Mary Ruby  
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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
-----  
Name: Edward MacNeil  
Title: Vice President

Ridefilm Corporation

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

Sacramento Theatre LLC  
By its Managing Member  
IMAX Theatre Holding (California I) Co.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

Sonics Associates, Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

Starboard Theatres Ltd.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President



Tantus Films Ltd.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

Wire Frame Films Ltd.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

1329507 Ontario Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

924689 Ontario Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX (Titanica) Ltd.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX (Titanic) Inc.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Music Ltd.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Holding (Brossard) Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Film Holding Co.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Indianapolis LLC

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Pictures Corporation

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

Immersive Entertainment Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

IMAX Providence General Partner Co.

By /s/ G. Mary Ruby  
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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Providence Limited Partner Co.

By /s/ G. Mary Ruby  
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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Holding (California I) Co.

By /s/ G. Mary Ruby  
-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Holding (California II) Co.

By /s/ G. Mary Ruby  
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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil  
-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Holding (Nyack I) Co.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Holding (Nyack II) Co.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

IMAX Theatre Management (Scottsdale), Inc.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

Panda Productions Inc.

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

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Name: Edward MacNeil  
Title: Vice President

Strategic Sponsorship Corporation

By /s/ G. Mary Ruby

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Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

Tantus II Films Ltd.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

RPM Pictures Ltd.

By /s/ G. Mary Ruby

-----  
Name: G. Mary Ruby  
Title: Secretary

By /s/ Edward MacNeil

-----  
Name: Edward MacNeil  
Title: Vice President

TRUSTEE:

U.S. Bank National Association,  
As Trustee

By: /s/ Frank P. Leslie III

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Name: Frank P. Leslie III  
Title: Vice President

EXHIBIT A  
[FORM OF SECURITY]

[THIS GLOBAL SECURITY IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS SECURITY) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 305 OF THE INDENTURE, (II) THIS GLOBAL SECURITY MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 305(a) OF THE INDENTURE, (III) THIS GLOBAL SECURITY MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 309 OF THE INDENTURE AND (IV) THIS GLOBAL SECURITY MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.](1)

[THIS SECURITY (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), AND THIS SECURITY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THIS SECURITY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) THIS SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) TO THE COMPANY OF ANY OF ITS SUBSIDIARIES, (II) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING FOR ITS OWN INDIVIDUAL ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (III) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (IV) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), (V) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (V) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (VI) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER TO REQUIRE THE DELIVERY OF AN OPINION OF

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(1) To be included only on Global Securities deposited with The Depository Trust Company as Depository.



COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.](2)

[THIS SECURITY IS A REGULATION S TEMPORARY GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE. TRANSFERS OF BENEFICIAL INTERESTS IN THIS REGULATION S TEMPORARY GLOBAL SECURITY MAY NOT BE MADE TO A U.S. PERSON OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON (OTHER THAN THE INITIAL PURCHASER). THE CONDITIONS AND PROCEDURES GOVERNING TRANSFERS AND EXCHANGES OF BENEFICIAL INTERESTS HEREIN ARE SET FORTH IN THE INDENTURE.](3)

IMAX CORPORATION  
9 5/8% [Series A] [Series B](4) Senior Notes due 2010

CUSIP No. [ ]  
No. \$ -----  
-----

IMAX Corporation, a corporation duly organized and existing under the laws of Canada (herein called the "Company", which term includes any successor Person under the Indenture, dated as of December 4, 2003 (the "Indenture"), among the Company, the Guarantors and U.S. Bank National Association, as trustee, for value received) hereby promises to pay to \_\_\_\_\_, or registered assigns, the principal amount of \$[ ] Dollars on December 1, 2010, and to pay interest thereon from December 4, 2003 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on June 1 and December 1 in each year, commencing June 1, 2004, at the rate of 9 5/8% per annum, until the principal hereof is paid or made available for payment, and (to the extent that the payment of such interest shall be legally enforceable) at the rate of 10 5/8% per annum on any overdue principal and premium and on any overdue installment of interest until paid. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the May 15 or November 15 (whether or not a Business Day), as the case may be, immediately preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Payment of the principal of, and premium, if any, and interest (and Special Interest, if any) on this Security will be made at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or by wire transfer of immediately

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- (2) To be included only on Transfer Restricted Securities.
  - (3) To be included only on Reg S Temporary Global Securities.
  - (4) Series A should be replaced with Series B in the Exchange Securities.

available funds pursuant to wire transfer instructions provided by a Holder to the Company or the Paying Agent

For disclosure purposes under the Interest Act (Canada), if applicable hereto, whenever in this Indenture or in any Securities issued hereunder, interest at a specified rate is to be calculated on the basis of a period less than a calendar year, the yearly rate of interest to which such rate is equivalent is such rate multiplied by the actual number of days in the relevant calendar year and divided by the number of days in such period.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: IMAX CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

This is one of the Securities referred to in the within-mentioned Indenture.

U.S. Bank National Association,  
as Trustee

By \_\_\_\_\_  
Authorized Officer

Reverse of Security

9 5/8% [Series A][Series B](5) Senior Note due 2010

This Security is one of a duly authorized issue of Securities of the Company designated as its 9 5/8% Senior Notes due 2010 (herein called the "Securities"), issued and to be issued under an Indenture, dated as of December 4, 2003 (herein called the "Indenture"), between the Company, the Guarantors and U.S. Bank National Association, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which the Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered.

Except as described in the following two paragraphs, the Company will pay to each Holder, other than an Excluded Holder, certain Additional Amounts in the event of the withholding or deduction of certain Canadian taxes as described in the Indenture.

The Company does not have the right to redeem any Securities prior to December 1, 2007. The Securities are redeemable for cash at the option of the Company, in whole or in part, at any time on or after December 1, 2007, upon not less than 30 days nor more than 60 days notice to each holder of Securities, at the following redemption prices (expressed as percentages of the principal amount) if redeemed during the 12-month period commencing December 1 of the years indicated below, in each case (subject to the right of Holders of record on a Record Date to receive interest due but not yet paid on an Interest Payment Date that is on or prior to such Redemption Date) together with accrued and unpaid interest thereon to the Redemption Date:

YEAR	PERCENTAGE
----	-----
2007.....	104.813%
2008.....	102.406%
2009 and thereafter.....	100.000%

Until December 1, 2006 upon a Qualified Equity Offering up to 35% of the aggregate principal amount of the Securities issued pursuant to the Indenture may be redeemed at the option of the Company within 90 days of such Equity Offering on not less than 30 days, but not more than 60 days, notice to each Holder of the Securities to be redeemed, with cash from the Net Cash Proceeds of such Equity Offering at 109.625% of the principal amount thereof (subject to the right of Holders of record on a Record Date to receive interest due but not yet paid on an Interest Payment Date that is on or prior to such Redemption Date) together with accrued and unpaid interest thereon to the date of redemption; provided, however, that immediately following such redemption not less than 65% aggregate principal amount of the Securities issued on the Issue Date remain outstanding.

The Company also may, at its option, redeem the Securities, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Securities, together with accrued and unpaid interest to the Redemption Date, if the Company has become or would become obligated to pay, on the next date on which any amount would be payable under or with respect to the Securities, any Additional Amounts as a result of certain changes affecting Canadian withholding taxes which are specified in the Indenture at a Redemption Price equal to 100% of the principal amount of the Securities, together with accrued interest to but excluding the Redemption Date, provided that interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holders of such Securities, or one or

- - - - -  
(5) Series A should be replaced with Series B in the Exchange Securities.

more Predecessor Securities, of record at the close of business on the relevant Regular Record Dates referred to on the face hereof, all as provided in the Indenture.

In the case of a partial redemption, the Trustee shall select the Securities or portions thereof for redemption on a pro rata basis, by lot or in such other manner it deems appropriate and fair. The Securities may be redeemed in part in multiples of \$1,000 only.

The Securities will not have the benefit of any sinking fund.

In the event of redemption or purchase pursuant to an Offer to Purchase of this Security in part only, a new Security or Securities for the unredeemed or unpurchased portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

If an Event of Default shall occur and be continuing, the principal of all the Securities may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture provides that, subject to certain conditions, if (i) certain Excess Proceeds are available to the Company as a result of Asset Sales or (ii) a Change of Control occurs, the Company shall be required to make an Offer to Purchase for all or a specified portion of the Securities.

The Indenture contains provisions for defeasance at any time of (i) the entire indebtedness of this Security or (ii) certain restrictive covenants and Events of Default with respect to this Security, in each case upon compliance with certain conditions set forth therein.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in aggregate principal amount of the Securities at the time Outstanding. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Securities at the time Outstanding, on behalf of the Holders of all the Securities, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in the Borough of Manhattan, The City of New York, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

As provided for in the Indenture, the Company may, subject to certain limitations, from time to time, without notice to or the consent of the Holders, create and issue Additional Securities so that such Additional Securities shall be consolidated and form a single series with the Securities initially issued by the Company and shall have the same terms as to status, redemption or otherwise as the Securities originally issued. Any Additional Securities shall be issued with the benefit of an indenture supplemental to the Indenture.

The Securities are issuable only in registered form without coupons in denominations of \$1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities are exchangeable for a like aggregate principal amount of Securities of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

[In addition to the rights provided to Holders of Securities under the Indenture, Holders of Transfer Restricted Securities shall have all the rights set forth in the Registration Rights Agreement, dated as of the date of the Indenture, by and among the Company, the Guarantors and the Initial Purchasers.](6)

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

The Indenture and this Security shall be governed by and construed in accordance with the laws of the State of New York.

- - - - -  
(6) To be included only on Transfer Restricted Securities.

ASSIGNMENT FORM

To assign this Security, fill in the form below: (I) or (We) assign and transfer this Security to

-----  
(Insert assignee's soc. sec. or tax I.D. no.)  
-----  
-----  
-----  
-----

-----  
(Print or type assignee's name, address and zip code)  
-----

and irrevocably appoint

-----  
to transfer this Security on the books of the Company. The agent may substitute another to act for it.

Date:

-----

Your Signature:

-----  
(Sign exactly as your name appears on the face of this Security)

Signature Guarantee\*

-----

\*NOTICE: The Signature must be guaranteed by an Institution which is a member of one of the following recognized signature Guarantee Programs: (i) The Securities Transfer Agent Medallion Program (STAMP); (ii) The New York Stock Exchange Medallion Program (MNSP); (iii) The Stock Exchange Medallion Program (SEMP); or (iv) such other guarantee program acceptable to the Trustee.

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Security purchased by the Company pursuant to Section 1013 or 1015 of the Indenture, check the box below:

Section 1013 [ ]                      Section 1015 [ ]

If you want to elect to have only part of the Security purchased by the Company pursuant to Section 1013 or Section 1015 of the Indenture, state the amount you elect to have purchased (in denominations of \$1,000 only, except if you have elected to have all of your Securities purchased):

\$ \_\_\_\_\_

Date:                                              Your Signature: \_\_\_\_\_  
(Sign exactly as your name appears on the Security)

Tax Identification No.: \_\_\_\_\_

Signature Guarantee\*  
-----

\*NOTICE: The Signature must be guaranteed by an Institution which is a member of one of the following recognized signature Guarantee Programs:(i) The Securities Transfer Agent Medallion Program (STAMP); (ii) The New York Stock Exchange Medallion Program (MNSP); (iii) The Stock Exchange Medallion Program (SEMP); or (iv) in such other guarantee program acceptable to the Trustee.



SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL SECURITY(7)

The following exchanges of a part of this Global Security for an interest in another Global Security or for a Definitive Security, or exchanges of a part of another Global Security or Definitive Security for an interest in this Global Security, have been made:

Date of Exchange -----	Amount of decrease in Principal Amount of this Global Security -----	Amount of increase in Principal Amount of this Global Security -----	Principal Amount of this Global Security following such decrease (or increase) -----	Signature of authorized officer of Trustee or Notes Custodian -----
---------------------------	-------------------------------------------------------------------------------	-------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------

- - - - -  
(7) This should be included only if the Security is issued in global form.

## GUARANTEE

The Guarantors listed below (hereinafter referred to as the "Guarantors," which term includes any successors or assigns under the Indenture, dated the date hereof, among the Guarantors, the Company (defined below) and U.S. Bank National Association, as trustee (the "Indenture") and any additional Guarantors), have irrevocably and unconditionally guaranteed on a senior unsecured basis the Guarantee Obligations (as defined in Section 1301 of the Indenture), which include (i) the due and punctual payment of the principal of, premium, if any, and interest and Special Interest, if any, on the 9 5/8% Senior Notes due 2010 (the "Securities") of IMAX Corporation, a corporation incorporated under the federal laws of Canada (the "Company"), whether at maturity, by acceleration, redemption, upon a Change of Control Offer, upon an Asset Sale Offer or otherwise, the due and punctual payment of interest on the overdue principal and premium, if any, and (to the extent permitted by law) interest on any interest on the Securities, and the due and punctual performance of all other obligations of the Company, to the Holders or the Trustee all in accordance with the terms set forth in Article XIII of the Indenture, and (ii) in case of any extension of time of payment or renewal of any Securities or any such other obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration, redemption, upon a Change of Control Offer, upon an Asset Sale Offer or otherwise.

The obligations of each Guarantor to the Holders and to the Trustee pursuant to this Guarantee and the Indenture are expressly set forth in Article XIII of the Indenture and reference is hereby made to such Indenture for the precise terms of this Guarantee.

No past, present or future director, officer, partner, manager, employee, incorporator or stockholder (direct or indirect) of the Guarantors (or any such successor entity), as such, shall have any liability for any obligations of the Guarantors under this Guarantee or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation, except in their capacity as an obligor or Guarantor of the Securities in accordance with the Indenture.

This is a continuing Guarantee and shall remain in full force and effect and shall be binding upon each Guarantor and its successors and assigns until full and final payment of all of the Company's obligations under the Securities and Indenture or until released or legally defeased in accordance with the Indenture and shall inure to the benefit of the successors and assigns of the Trustee and the Holders, and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges herein conferred upon that party shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions hereof. This is a Guarantee of payment and not of collectibility.

This Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication on the Security upon which this Guarantee is noted shall have been executed by the Trustee under the Indenture by the manual signature of one of its authorized officers.

The obligations of each Guarantor under this Guarantee shall be limited to the extent necessary to insure that it does not constitute a fraudulent conveyance under applicable law.

THE TERMS OF ARTICLE XIII OF THE INDENTURE IS INCORPORATED HEREIN BY REFERENCE.

Capitalized terms used herein have the same meanings given in the Indenture unless otherwise indicated.

IN WITNESS WHEREOF, each of the Guarantors has caused this instrument to be duly executed.

Dated:

David Keighley Productions 70MM Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX II U.S.A. Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

B-2

IMAX Chicago Theatre LLC  
By its Managing Member  
IMAX Theatre Holding (California I) Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Forum Ride, Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Minnesota Holding Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Rhode Island Limited Partnership  
By its General Partner  
IMAX Providence General Partner Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Sandde Animation Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Scribe Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Space Ltd.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Theatre Holding Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Theatre Holdings (OEI) Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Theatre Management Company

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Theatre Services Ltd.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX U.S.A. Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Miami Theatre LLC  
By its Managing Member  
IMAX Theatre Holding (California I) Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Mitey Cinema Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Mountainview Theatre Management Ltd.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Nyack Theatre LLC  
By its Managing Member  
IMAX Theatre Holding (Nyack I) Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Ridefilm Corporation

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Sacramento Theatre LLC  
By its Managing Member  
IMAX Theatre Holding (California I) Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Sonics Associates, Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Starboard Theatres Ltd.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:



Tantus Films Ltd.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Wire Frame Films Ltd.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

1329507 Ontario Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

924689 Ontario Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX (Titanica) Ltd.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX (Titanic) Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Music Ltd.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Theatre Holding (Brossard) Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Film Holding Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Indianapolis LLC

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Pictures Corporation

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Immersive Entertainment Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Providence General Partner Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Providence Limited Partner Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Theatre Holding (California I) Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Theatre Holding (California II) Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Theatre Holding (Nyack I) Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Theatre Holding (Nyack II) Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Theatre Management (Scottsdale), Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Panda Productions Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Strategic Sponsorship Corporation

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Tantus II Films Ltd.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

RPM Pictures Ltd.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

EXHIBIT C

FORM OF CERTIFICATE OF TRANSFER

IMAX Corporation  
2525 Speakman Drive  
Sheridan Park  
Mississauga, Ontario, L5K 1B1

U.S. Bank National Association  
60 Livingston Avenue  
St. Paul, Minnesota 55107-2292

Re: 9 5/8% Senior Notes due 2010

Dear Sirs:

Reference is hereby made to the Indenture, dated as of December 4, 2003 (the "Indenture"), among IMAX Corporation (the "Company"), the Guarantors party thereto and U.S. Bank National Association, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture. \_\_\_\_\_, (the "Transferor") owns and proposes to transfer the Security[ies] or interest in such Security[ies] specified in Annex A hereto, in the principal amount of \$\_\_\_\_\_ in such Security[ies] or interests (the "Transfer"), to \_\_\_\_\_ (the "Transferee"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1.  CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE 144A GLOBAL SECURITY OR OF A DEFINITIVE SECURITY PURSUANT TO RULE 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Security is being transferred to a Person that the Transferor reasonably believed and believes is purchasing the beneficial interest or Definitive Security for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any State of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Security will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Security and/or the Definitive Security and in the Indenture and the Securities Act.

2.  CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE REGULATION S GLOBAL SECURITY OR OF A DEFINITIVE SECURITY PURSUANT TO REGULATION S. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a Person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market (as such term is used in Regulation S) and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the Distribution Compliance Period, the transfer is not being made to a U.S. Person or for

the account or benefit of a U.S. Person (other than an Initial Purchaser) and the interest transferred will be held immediately thereafter through Euroclear or Clearstream. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Security will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Security and/or the Definitive Security and in the Indenture and the Securities Act.

3.  CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN A GLOBAL SECURITY OR OF A DEFINITIVE SECURITY PURSUANT TO ANY PROVISION OF THE SECURITIES ACT OTHER THAN RULE 144A OR REGULATION S. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Securities and Restricted Definitive Securities and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any State of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a)  Such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act; or

(b)  Such Transfer is being effected to the Company or a subsidiary thereof; or

(c)  Such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act; or

(d)  such Transfer is being effected to an Institutional Accredited Investor and pursuant to an exemption from the registration requirements of the Securities Act other than Rule 144A, Rule 144 or Rule 904, and the Transferor hereby further certifies that it has not engaged in any general solicitation within the meaning of Regulation D under the Securities Act and the Transfer complies with the transfer restrictions applicable to beneficial interests in a Restricted Global Security or Restricted Definitive Securities and the requirements of the exemption claimed, which certification is supported by (1) a certificate executed by the Transferee in a form of Exhibit E to the Indenture and (2) an Opinion of Counsel provided by the Transferor or the Transferee (a copy of which the Transferor has attached to this certification and provided to the Company, which has confirmed its acceptability), to the effect that such Transfer is in compliance with the Securities Act.

Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Security will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Global Security and/or Definitive Securities and in the Indenture and the Securities Act.

4.  CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL SECURITY OR OF AN UNRESTRICTED DEFINITIVE SECURITY.

(a)  CHECK IF TRANSFER IS PURSUANT TO RULE 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Security will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Securities, on Restricted Definitive Securities and in the Indenture and the Securities Act.

(b)  CHECK IF TRANSFER IS PURSUANT TO REGULATION S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities



laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Security will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Securities, on Restricted Definitive Securities and in the Indenture and the Securities Act.

(c)  CHECK IF TRANSFER IS PURSUANT TO OTHER EXEMPTION. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Security will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Securities or Restricted Definitive Securities and in the Indenture.

[signature page follows]

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

\_\_\_\_\_  
[Insert Name of Transferor]

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Name:  
Title:

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[[CHECK ONE OF (a) OR (b)]]

- (a)  a beneficial interest in
  - (i)  144A Global Security, or
  - (ii)  501 Global Security, or
  - (iii)  Reg S Global Security; or
- (b)  a Restricted Definitive Security.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

- (a)  a beneficial interest in the:
  - (i)  144A Global Security, or
  - (ii)  501 Global Security, or
  - (iii)  Reg S Global Security,
  - (iv)  Unrestricted Global Security; or
- (b)  a Restricted Definitive Security; or
- (c)  an Unrestricted Definitive Security,

in accordance with the terms of the Indenture.

EXHIBIT D

FORM OF CERTIFICATE OF EXCHANGE

IMAX Corporation  
2525 Speakman Drive  
Sheridan Park  
Mississauga, Ontario, L5K 1B1

U.S. Bank National Association  
60 Livingston Avenue  
St. Paul, Minnesota 55107-2292

Re: 9 5/8% Senior Notes due 2010

Dear Sirs:

Reference is hereby made to the Indenture, dated as of December 4, 2003 (the "Indenture"), between IMAX Corporation (the "Company"), the Guarantors party thereto and U.S. Bank National Association, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

\_\_\_\_\_, (the "Owner") owns and proposes to exchange the Security[ies] or interest in such Security[ies] specified herein, in the principal amount of \$\_\_\_\_\_ in such Security[ies] or interests (the "Exchange"). In connection with the Exchange, the Owner hereby certifies that:

1. EXCHANGE OF RESTRICTED DEFINITIVE SECURITIES OR BENEFICIAL INTERESTS IN A RESTRICTED GLOBAL SECURITY FOR UNRESTRICTED DEFINITIVE SECURITIES OR BENEFICIAL INTERESTS IN AN UNRESTRICTED GLOBAL SECURITY.

(a)  CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL SECURITY TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL SECURITY. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Security for a beneficial interest in an Unrestricted Global Security in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Securities and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the "Securities Act"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Security is being acquired in compliance with any applicable blue sky securities laws of any State of the United States.

(b)  CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL SECURITY TO UNRESTRICTED DEFINITIVE SECURITY. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Security for an Unrestricted Definitive Security, the Owner hereby certifies (i) the Definitive Security is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Securities and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Security is being acquired in compliance with any applicable blue sky securities laws of any State of the United States.

(c)  CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE SECURITY TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL SECURITY. In connection with the Owner's Exchange of a Restricted Definitive Security

for a beneficial interest in an Unrestricted Global Security, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Securities and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any State of the United States.

(d)  CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE SECURITY TO UNRESTRICTED DEFINITIVE SECURITY. In connection with the Owner's Exchange of a Restricted Definitive Security for an Unrestricted Definitive Security, the Owner hereby certifies (i) the Unrestricted Definitive Security is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Securities and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Security is being acquired in compliance with any applicable blue sky securities laws of any State of the United States.

2. EXCHANGE OF RESTRICTED DEFINITIVE SECURITIES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL SECURITIES FOR RESTRICTED DEFINITIVE SECURITIES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL SECURITIES.

(a)  CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL SECURITY TO RESTRICTED DEFINITIVE SECURITY. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Security for a Restricted Definitive Security with an equal principal amount, the Owner hereby certifies that (i) the Restricted Definitive Security is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Securities and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any State of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Security issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Security and in the Indenture and the Securities Act.

(b)  CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE SECURITY TO BENEFICIAL INTEREST IN A RESTRICTED GLOBAL SECURITY. In connection with the Exchange of the Owner's Restricted Definitive Security for a beneficial interest in the: [CHECK ONE]

144A Global Security,  Reg S Global Security, or  501 Global Security with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Securities and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any State of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Security and in the Indenture and the Securities Act.

[signature page follows]

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

\_\_\_\_\_  
[Insert Name of Owner]

By: \_\_\_\_\_  
Name:  
Title:

Dated: \_\_\_\_\_

EXHIBIT E

FORM OF CERTIFICATE FROM ACQUIRING  
INSTITUTIONAL ACCREDITED INVESTOR

IMAX Corporation  
2525 Speakman Drive  
Sheridan Park  
Mississauga, Ontario, L5K 1B1

U.S. Bank National Association  
60 Livingston Avenue  
St. Paul, Minnesota 55107-2292

Re: 9 5/8% Senior Notes due 2010

Dear Sirs:

Reference is hereby made to the Indenture, dated as of December 4, 2003 (the "Indenture"), between IMAX Corporation (the "Company"), the Guarantors party thereto and U.S. Bank National Association, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

In connection with our proposed purchase of \$\_\_\_\_\_ aggregate principal amount of: (a) a beneficial interest in a Global Security, or (b) a Definitive Security, we confirm that:

1. We understand and acknowledge that the Securities have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any other applicable securities law, and may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities law or pursuant to an exemption therefrom and in each case in compliance with the conditions for transfer set forth below.
2. We are an institutional "accredited investor" under the Securities Act within the meaning of subparagraph (a)(1), (2), (3) or (7) of Rule 501 under the Securities Act ("Rule 501") or, if the Securities are to be purchased for one or more accounts ("investor accounts") for which we are acting as fiduciary or agent and exercise sole investment discretion, each such investor account is an institutional "accredited investor" on a like basis. We have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of purchasing the Securities and invest in or purchase securities similar to the Securities in the normal course of our business. We and any accounts for which we are acting are each aware that we may be required, and are each able, to bear the economic risk of our or its investment in the Securities for an indefinite period of time.
3. We are purchasing the Securities for our own account, or for one or more investor accounts for which we are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject to any requirement of law that the disposition of our property or the property of such investor account or accounts be at all times within our or their control and subject to our or their ability to resell such Securities pursuant to Rule 144A under the Securities Act ("Rule 144A") or any exemption from registration available under the Securities Act.

4. We agree on our own behalf and on behalf of any investor account for which we are purchasing Securities to offer, sell or otherwise transfer such Securities prior to the date which is two years (or such other period that may hereafter be provided under Rule 144(k) under the Securities Act as permitting resales of restricted securities by non-affiliates without restriction) after the later of the date of original issue and the last date on which the Company or any affiliate of the Company was the owner of such Securities (or any predecessor thereof) (the "Resale Restriction Termination Date") only (a) to the Company or any of its subsidiaries, (b) pursuant to a registration statement which has been declared effective under the Securities Act, (c) for so long as the Securities are eligible for resale pursuant to Rule 144A to a person the we reasonably believe is a "qualified institutional buyer" as defined in Rule 144A (a "QIB") that purchases for its own account or for the account of a QIB and to whom notice is given that the transfer is being made in reliance on Rule 144A, (d) outside the United States in an offshore transaction in accordance with Rule 904 under the Securities Act, (e) to an institutional "accredited investor" within the meaning of subparagraph (a)(1), (2), (3) or (7) of Rule 501 that is purchasing the Securities for its own account or for the account of such an institutional "accredited investor" for investment purposes only, and not with a view to, or for offer or sale in connection with, any distribution in violation of the Securities Act, or (f) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of our property or the property of such investor account or accounts be at all times within our, its or their control and in each case in compliance with any applicable securities laws of any U.S. state or any other applicable jurisdiction. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. If any resale or other transfer of the Securities is proposed to be made pursuant to clause (e) above prior to the Resale Restriction Termination Date, the transferor shall deliver a letter from the transferee substantially in the form of this letter to the Company and the Trustee, which shall provide, among other things, that the transferee is an institutional "accredited investor" within the meaning of subparagraph (a)(1), (2), (3) or (7) of Rule 501 and that it is acquiring such Securities for investment purposes and not for distribution in violation of the Securities Act. Each purchaser acknowledges that the Company and the Trustee reserve the right prior to the offer, sale or other transfer made prior to the Resale Termination Date to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to the Company and the Trustee.
5. We understand that the Securities will be delivered in registered form only and that the certificates delivered to us in respect of the Securities will contain a legend substantially to the following effect:

THIS SECURITY (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), AND THIS SECURITY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THIS SECURITY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) THIS SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) TO THE COMPANY OF ANY OF ITS SUBSIDIARIES, (II) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING FOR ITS OWN INDIVIDUAL ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (III) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (IV) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER



THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), (V) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (V) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (VI) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

6. If we are acquiring any of the Securities as a fiduciary or agent for one or more investor accounts, we represent that we have sole investment discretion with respect to each such account and we have full power to make the foregoing acknowledgments, representations, warranties and agreements on behalf of each such investor account.

[signature page follows]

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

\_\_\_\_\_  
[Insert Name of Accredited Investor]

Dated: \_\_\_\_\_, \_\_\_\_

By: \_\_\_\_\_  
Name:  
Title:

EXHIBIT F

FORM OF SUPPLEMENTAL INDENTURE  
TO BE DELIVERED BY SUBSEQUENT  
GUARANTORS

Supplemental Indenture (this "Supplemental Indenture"), dated as of \_\_\_\_\_, among \_\_\_\_\_ (the "Guaranteeing Subsidiary"), a subsidiary of IMAX Corporation (or its permitted successor), a corporation incorporated under the federal laws of Canada (the "Company"), and U.S. Bank National Association, as trustee under the Indenture referred to below (the "Trustee").

W I T N E S S E T H

WHEREAS, the Company has heretofore executed and delivered to the Trustee an indenture (the "Indenture"), dated as of December 4, 2003, providing for the issuance of 9 5/8% Senior Notes due 2010 (the "Securities");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which any newly-acquired or created Guarantor shall unconditionally guarantee all of the Company's obligations under the Securities and the Indenture on the terms and conditions set forth herein (the "Subsidiary Guarantee"); and

WHEREAS, pursuant to Section 901 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Securities as follows:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. Agreement to Guarantee. The Guaranteeing Subsidiary irrevocably and unconditionally guarantees the Guarantee Obligations, which include (i) the due and punctual payment of the principal of, premium, if any, and interest and Special Interest, if any, on the Securities, whether at maturity, by acceleration, redemption, upon a Change of Control Offer, upon an Asset Sale Offer or otherwise, the due and punctual payment of interest on the overdue principal and premium, if any, and (to the extent permitted by law) interest on any interest on the Securities, and payment of expenses, and the due and punctual performance of all other obligations of the Company, to the Holders or the Trustee all in accordance with the terms set forth in Article XIII of the Indenture, and (ii) in case of any extension of time of payment or renewal of any Securities or any such other obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration, redemption, upon a Change of Control Offer, upon an Asset Sale Offer or otherwise.

The obligations of Guaranteeing Subsidiary to the Holders and to the Trustee pursuant to this Subsidiary Guarantee and the Indenture are expressly set forth in Article XIII of the Indenture and reference is hereby made to such Indenture for the precise terms of this Subsidiary Guarantee.

No past, present or future director, officer, partner, manager, employee, incorporator or stockholder (direct or indirect) of the Guaranteeing Subsidiary (or any such successor entity), as such, shall have any liability for any obligations of the Guaranteeing Subsidiary under this Subsidiary Guarantee or the Indenture or for

any claim based on, in respect of, or by reason of, such obligations or their creation, except in their capacity as an obligor or Guarantor of the Securities in accordance with the Indenture.

This is a continuing Guarantee and shall remain in full force and effect and shall be binding upon the Guaranteeing Subsidiary and its successors and assigns until full and final payment of all of the Company's obligations under the Securities and Indenture or until released in accordance with the Indenture and shall inure to the benefit of the successors and assigns of the Trustee and the Holders, and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges herein conferred upon that party shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions hereof. This is a Guarantee of payment and not of collectibility.

The obligations of the Guaranteeing Subsidiary under its Subsidiary Guarantee shall be limited to the extent necessary to insure that it does not constitute a fraudulent conveyance under applicable law.

THE TERMS OF ARTICLE XIII OF THE INDENTURE ARE INCORPORATED HEREIN BY REFERENCE.

3. NEW YORK LAW TO GOVERN. THE LAWS OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE.

4. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

5. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

COMPANY:  
IMAX Corporation

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

GUARANTORS:  
David Keighley Productions 70MM Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX II U.S.A. Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Chicago Theatre LLC

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Forum Ride, Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Minnesota Holding Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Rhode Island Limited Partnership

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Sandde Animation Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Scribe Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Space Ltd.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Theatre Holding Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Theatre Holdings (OEI) Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Theatre Management Company

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Theatre Services Ltd.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX U.S.A. Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:



Miami Theatre LLC

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Mitey Cinema Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Mountainview Theatre Management Ltd.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Nyack Theatre LLC

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Ridefilm Corporation

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Sacramento Theatre LLC

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Sonics Associates, Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Starboard Theatres Ltd.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Tantus Films Ltd.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Wire Frame Films Ltd.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

1329507 Ontario Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

924689 Ontario Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX (Titanica) Ltd.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX (Titanic) Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Music Ltd.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Theatre Holding (Brossard) Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Film Holding Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Indianapolis LLC

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Pictures Corporation

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Immersive Entertainment Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Providence General Partner Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Providence Limited Partner Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Theatre Holding (California I) Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Theatre Holding (California II) Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Theatre Holding (Nyack I) Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Theatre Holding (Nyack II) Co.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

IMAX Theatre Management (Scottsdale), Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Panda Productions Inc.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Strategic Sponsorship Corporation

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Tantus II Films Ltd.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

RPM Pictures Ltd.

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:



GUARANTEEING SUBSIDIARY:  
-----

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

TRUSTEE:  
U.S. Bank National Association

By \_\_\_\_\_  
Name:  
Title:

SHEARMAN & STERLING LLP

Commerce Court West, 199 Bay Street  
P.O. Box 247, Suite 4405  
Toronto, Ontario  
Canada M5L 1E8  
(416) 360-8484  
(416) 360-2958 (fax)

February 24, 2004

IMAX Corporation  
2525 Speakman Drive  
Mississauga, Ontario L5K 1B1

IMAX Corporation

Ladies and Gentlemen:

We have acted as special United States counsel to IMAX Corporation, a Canadian corporation (the "Company"), in connection with the preparation of the registration statement on Form S-4 (the "Registration Statement") being filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"), relating to the exchange offer, as set forth in the prospectus contained in the Registration Statement (the "Prospectus"), by the Company of up to \$160,000,000 aggregate principal amount of its 9 5/8% Senior Notes due 2010 which are to be registered under the Act (the "Registered Notes") in exchange for its outstanding 9 5/8% Senior Notes due 2010 issued on December 4, 2003 (the "Outstanding Notes"). The Registered Notes are to be fully and unconditionally guaranteed on a senior basis, jointly and severally, by each of the Guarantors (as defined below) as to payment of principal, premium, if any, and interest (the "Guarantees"). The Registered Notes and the Guarantees are to be issued under an indenture dated as of December 4, 2003 (the "Indenture"), between the Company, each of the Company's subsidiaries signatory thereto (the "Guarantors") and U.S. Bank National Association, as trustee (the "Trustee").

In such capacity, we have examined the Registration Statement, specimens of the global certificate relating to the Registered Notes, including the Guarantees, and the originals, or copies identified to our satisfaction, of such corporate records of the Company and the Guarantors, certificates of public officials, officers of the Company and the Guarantors and other persons, and such other documents, agreements and instruments as we have deemed necessary as a basis for the opinions hereinafter expressed. In our examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with the originals of all documents submitted to us as copies. We have also assumed that the Indenture, the Registered Notes and the Guarantees have been duly authorized, executed and delivered by each of the Company, the Guarantors and the Trustee, as applicable.

Our opinions expressed below are limited to the laws of the State of New York, and we do not express any opinion herein concerning any other law.

Based upon the foregoing, we are of the opinion that when the Registered Notes have been authenticated by the Trustee in accordance with the Indenture and exchanged for the Outstanding Notes as contemplated in the Registration Statement, the Registered Notes and the Guarantees endorsed thereon will constitute legal, valid and binding obligations of the Company and each Guarantor, respectively, enforceable against the Company and each Guarantor, as the case may be, in accordance with their terms. The foregoing opinion is subject to the qualification that enforcement of the terms is subject to the effect of any applicable bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting creditors' rights generally and subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether enforcement is considered in a proceeding in equity or at law).

We hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement and to the use of our name under the heading "Legal Matters" in the Prospectus. In giving such consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Act and the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

/s/ Shearman and Sterling LLP

SHEARMAN & STERLING LLP

Commerce Court West, 199 Bay Street  
P.O. Box 247, Suite 4405  
Toronto, Ontario  
Canada M5L 1E8  
(416) 360-8484  
(416) 360-2958 (fax)

February 24, 2004

IMAX Corporation  
2525 Speakman Drive  
Mississauga, Ontario L5K 1B1

IMAX Corporation

Ladies and Gentlemen:

We have acted as special United States counsel to IMAX Corporation, a Canadian corporation (the "Company"), in connection with the preparation of the registration statement on Form S-4 (the "Registration Statement") being filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended, relating to the exchange offer, as set forth in the prospectus contained in the Registration Statement (the "Prospectus"), by the Company of up to \$160,000,000 aggregate principal amount of its 9 5/8% Senior Notes due 2010 (the "Registered Notes") in exchange for its outstanding 9 5/8% Senior Notes due 2010 issued on December 4, 2003. Any defined term used and not defined herein has the meaning given to it in the Registration Statement.

Based upon the Internal Revenue Code of 1986, as amended, the Treasury Regulations promulgated thereunder, judicial decisions, revenue rulings and revenue procedures of the Internal Revenue Service, and other administrative pronouncements, all as in effect on the date hereof, it is our opinion that, subject to the limitations set forth therein, the discussion contained in the Registration Statement under the caption "Certain Federal Income Tax Considerations -- U.S. Federal Income Tax Considerations" is our opinion of the material United States federal income tax consequences of the exchange offer and the ownership of the Registered Notes under currently applicable law.

Our opinion is based on current United States federal income tax law and administrative practice, and we do not undertake to advise you as to any future changes in United States federal income tax law or administrative practice that may affect our opinion unless we are specifically retained to do so. Further, legal opinions are not binding upon the Internal Revenue Service and there can be no assurance that contrary positions may not be asserted by the Internal Revenue Service.

We hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement and to the use of our name under the heading "Certain Federal Income Tax Considerations -- U.S. Federal Income Tax Considerations" in the Prospectus.

Very truly yours,

/s/ Shearman & Sterling LLP

SECOND AMENDING AGREEMENT

This Amendment to Employment Agreement dated and effective as of January 1, 2004 (the "Amending Agreement") is made between:

IMAX CORPORATION, a corporation incorporated under the laws of Canada (hereinafter referred to as the "Company"),

And

ROBERT D. LISTER (the "Executive")

WHEREAS, the Company wishes to enter into this Second Amending Agreement to amend and extend the Employment Agreement dated as of May 17, 1999, between Imax Ltd, the Company and Executive (the "Agreement") and the Amending Agreement dated as of April 4, 2001 (the "Amending Agreement"), whereunder the Executive provides services to the Company, and the Executive wishes to so continue such engagement, as hereinafter set forth;

AND WHEREAS, on January 1, 2001 Imax Ltd. assigned all of its rights and obligations pursuant to the Agreement to the Company, and the Executive has consented to such assignment;

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Section 1.1 of the Agreement shall be amended by the addition of the following language:

"Effective October 1, 2001 the Executive shall serve as the Executive Vice President, Business and Legal Affairs and General Counsel."

2. Section 1.3 of the Agreement shall be deleted and replaced with the following:

"Section 1.3 TERM OF EMPLOYMENT. The Employee's employment under this Agreement commenced on the 17th day of May, 1999 (the "Commencement Date") and shall terminate on the earlier of (i) June 30, 2006, or (ii) the termination of the Employee's employment pursuant to this Agreement. The period commencing as of the Commencement Date and ending on June 30, 2006 or such later date to which the term of the Employee's employment under this Agreement shall have been extended is hereinafter referred to as the "Employment Term."

3. Section 2.1 of the Agreement shall be deleted and replaced with the following:

"Section 2.1 BASE SALARY. Effective January 1, 2004, the Executive's Base Salary shall be US\$ 275,000. The co-CEO's (or their successor(s)) and the Executive shall revisit the Executive's Base Salary on January 1, 2005 and January 1, 2006."

4. Section 2.2 of the Agreement shall be amended by the addition of the following language:

Effective as of January 1, 2004, and applicable to the Management Bonus paid in respect of fiscal 2004 and thereafter, Executive's target annual bonus pool eligibility shall be increased to 35% of his Base Salary in any year, which will entitle the Executive to earn a bonus, according to the terms of the bonus plan, of up to 52.5% of his Base Salary, subject to the foregoing provisions regarding changes to the plan.

Except as amended herein, all other terms of the Agreement and Amending Agreement shall remain in full force, unamended.

IN WITNESS WHEREOF, the Company and the Executive have duly executed and delivered this Amending Agreement on this \_\_\_\_\_ day of December, 2003.

IMAX CORPORATION

By: "Mary C. Sullivan"

-----  
Name: Mary C. Sullivan  
Title: Sr. Vice President, Administration  
& Human Resources

By: "Richard L. Gelfond"

-----  
Name: Richard L. Gelfond  
Title: Co-Chief Executive Officer

SIGNED, SEALED AND DELIVERED  
in the presence of:

EXECUTIVE:

"Mary Barto"

"Robert D. Lister"

-----  
Witness

-----  
Robert D. Lister

LOAN AGREEMENT

by and between

CONGRESS FINANCIAL CORPORATION (CANADA)

as Lender

- and -

IMAX CORPORATION

as Borrower

Dated: February 6, 2004



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## LOAN AGREEMENT

This Loan Agreement dated February 6, 2004 is entered into by and between Congress Financial Corporation (Canada), an Ontario corporation ("LENDER") and IMAX Corporation, a corporation incorporated pursuant to the laws of Canada ("BORROWER").

### W I T N E S S E T H:

WHEREAS, Borrower has requested that Lender enter into certain financing arrangements with Borrower pursuant to which Lender may make loans and provide other financial accommodations to Borrower; and

WHEREAS, Lender is willing to make such loans and provide such financial accommodations on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

### SECTION 1. DEFINITIONS

All terms used herein which are defined in the PPSA (as hereinafter defined) shall have the meanings given therein unless otherwise defined in this Agreement. All references to the plural herein shall also mean the singular and to the singular shall also mean the plural unless the context otherwise requires. All references to Borrower and Lender pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns. The words "hereof", "herein", "hereunder", "this Agreement" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced. The word "including" when used in this Agreement shall mean "including, without limitation". References herein to any statute or any provision thereof include such statute or provision as amended, revised, re-enacted, and/or consolidated from time to time and any successor statute thereto. An Event of Default (as hereinafter defined) shall exist or continue or be continuing until such Event of Default is waived in accordance with Section 11.3 or, without derogating from the cure rights, if any, provided to Borrower in Section 10 hereof, is cured in a manner satisfactory to Lender, if such Event of Default is capable of being cured as determined by Lender. Any accounting term used herein unless otherwise defined in this Agreement shall have the meanings customarily given to such term in accordance with GAAP (as hereinafter defined). Canadian Dollars and the sign "CDN\$" mean lawful money of Canada. "US Dollars" and the sign "\$" mean lawful money of the United States of America. All monetary amounts referred to in this Agreement are in US Dollars unless otherwise stated. For purposes of this Agreement, the following terms shall have the respective meanings given to them below:

1.1 "ACCOUNTS"

"Accounts" shall mean all present and future rights of Borrower to payment for goods sold or leased or for services rendered, including, without limitation, the right of Borrower to payments made pursuant to the Capital Leases and/or Operating Leases, which are not evidenced by instruments or chattel paper, and whether or not earned by performance, excluding Excluded Accounts.

1.2 "AFFILIATE" OR "AFFILIATE"

"Affiliate" or "affiliate" shall have the meaning ascribed thereto in the Business Corporations Act (Canada).

1.3 "AGREED CURRENCY"

"Agreed Currency" shall have the meaning set forth in Section 12.7 hereof.

1.4 "APPLICABLE PRIME RATE"

"Applicable Prime Rate" shall mean the Canadian Prime Rate for Canadian Prime Rate Loans and the US Prime Rate for US Prime Rate Loans, as applicable.

1.5 "APPRAISER"

"Appraiser" means Hilco Appraisal Services, LLC or such other appraiser mutually acceptable to Lender and Borrower.

1.6 "ASSIGNMENT OF CAPITAL LEASES AND OPERATING LEASES"

"Assignment of Capital Leases and Operating Leases" shall mean the Assignment of Capital Leases and Operating Leases between Borrower, as assignor, and Lender, as assignee, dated as of the date hereof.

1.7 "AVAILABILITY RESERVES"

"Availability Reserves" shall mean, as of any date of determination, such amounts as Lender may from time to time establish and revise reducing the amount of Revolving Loans and Letter of Credit Accommodations which would otherwise be available to Borrower under the Lending Formulas: (a) to reflect events, conditions, contingencies or risks which, as determined by Lender, do or may reasonably be expected to affect either: (i) the Collateral or any other property which is security for the Obligations or its value; (ii) the assets or business of Borrower or any Obligor; or (iii) the security interests and other rights of Lender in the Collateral (including the enforceability, perfection and priority thereof); or (b) to reflect Lender's good faith belief that any collateral report or financial information furnished by or on behalf of Borrower or any Obligor to Lender is or may have been incomplete, inaccurate or misleading in any material respect; or (c) to reflect Lender's good faith estimate of the amount of any Priority Payables Reserve; or (d) in respect of any state of facts which Lender determines, in good faith, constitutes an Event of Default or may, with notice or passage of time or both, constitute an Event of Default. The amount of any Availability Reserve established by Lender shall have a



reasonable relationship to the event, condition or circumstance which is the basis for such Availability Reserve as determined by Lender in good faith.

1.8 "BIA"

"BIA" shall mean the Bankruptcy and Insolvency Act (Canada), as amended, supplemented, restated or superseded, in whole or in part, from time to time.

1.9 "BLOCKED ACCOUNT AGREEMENT"

"Blocked Account Agreement" shall mean the blocked account agreement dated on the date hereof, among Borrower, Lender and the Bank of Montreal.

1.10 "BLOCKED ACCOUNTS"

"Blocked Accounts" shall have the meaning set forth in Section 6.3(a) hereof.

1.11 "BORROWING BASE CERTIFICATE"

"Borrowing Base Certificate" shall mean the borrowing base certificate, together with the completed exhibits thereto, to be delivered by Borrower pursuant to, inter alia, Section 7.1, the form of which is attached herewith as Schedule 1.11.

1.12 "BUSINESS DAY"

"Business Day" shall mean a day (other than a Saturday, Sunday or statutory holiday in Ontario, Illinois or New York) on which Lender's Toronto office, the Canadian Reference Bank's main Toronto office and banks in Chicago and New York City are open for business in the normal course.

1.13 "CANADIAN FIRST RATE"

"Canadian First Rate" shall have the meaning set forth in Section 3.1(c) hereof.

1.14 "CANADIAN PRIME RATE"

"Canadian Prime Rate" shall mean, at any time, the greater of: (a) the annual interest rate from time to time publicly announced by the Canadian Reference Bank as its prime rate in effect for determining interest rates on Canadian Dollar denominated commercial loans in Canada; and (b) the annual rate of interest equal to the sum of: (i) the CDOR Rate at such time; and (ii) one (1%) percent per annum.

1.15 "CANADIAN PRIME RATE LOANS"

"Canadian Prime Rate Loans" shall mean any Revolving Loans or portion thereof denominated in Canadian Dollars and on which interest is payable based on the Canadian Prime Rate in accordance with the terms hereof.

1.16 "CANADIAN REFERENCE BANK"

"Canadian Reference Bank" shall mean Bank of Montreal, or its successors and assigns, or such other bank as Lender may from time to time designate.

1.17 "CAPITAL LEASES"

"Capital Leases" shall mean, collectively, all of the leases listed on Schedule 1.17, as may be amended, updated and/or restated from time to time in accordance with the reporting requirements set out in Section 7.1(a) hereof, each of which are theatre system leases that transfer substantially all of the benefits and risks of ownership to Clients and meet the criteria established by the FASB Statement of Financial Accounting Standards No. 13.

1.18 "CAPITAL LEASES LENDING FORMULA"

"Capital Leases Lending Formula" shall have the meaning set forth in Section 2.1(a) hereof.

1.19 "CASH DOMINION EVENT"

"Cash Dominion Event" shall mean the occurrence and continuance of the earlier of: (i) an Event of Default; (ii) the Excess Availability falling below \$7,500,000; or (iii) Borrower failing to maintain EBITDA of not less than \$20,000,000 during a single fiscal quarter, as calculated pursuant to Section 9.13 hereof.

1.20 "CCAA PLAN"

"CCAA Plan" shall have the meaning set forth in Section 9.18 hereof.

1.21 "CDOR RATE"

"CDOR Rate" shall mean, on any day, the annual rate of interest which is the rate based on an average thirty (30) day rate applicable to Canadian Dollar bankers' acceptances appearing on the "Reuters Screen CDOR Page" (as defined in the International Swap Dealer Association, Inc, definitions, as modified and amended from time to time) as of 10:00 a.m. (Eastern Standard Time) on such day; provided that if such rate does not appear on the Reuters Screen CDOR Page as contemplated, then the CDOR Rate on any day shall be the thirty (30) day rate applicable in Canadian Dollar bankers' acceptances quoted by any major Schedule I chartered bank selected by Lender as of 10:00 a.m. on such day.

1.22 "CCAA"

"CCAA" shall mean the Companies' Creditors Arrangement Act (Canada), as amended, supplemented, restated or superseded, in whole or in part, from time to time.

1.23 "CLIENT"

"Client" shall mean any Person, other than Borrower, who is now or hereafter a party to a Capital Lease and/or an Operating Lease, as applicable, and "Clients" means all such Persons.

1.24 "COLLATERAL"

"Collateral" shall mean Collateral as such term is defined in the General Security Agreement.

1.25 "COMMITMENT LETTER"

"Commitment Letter" shall mean the commitment letter made in respect of the financing arrangements contemplated herein dated November 10, 2003, between Lender and Borrower, as may be amended, modified, supplemented, extended, renewed, restated or replaced.

1.26 "DISTRESSED FAIR MARKET VALUE"

"Distressed Fair Market Value" shall mean an estimated amount, determined as of the effective date of the applicable appraisal report, expressed in terms of currency in US Dollars, that may be reasonably realized upon a liquidation by Lender of the Capital Leases and/or the Operating Leases, as applicable, which as of the Closing Date will be the distressed fair market value attributed to the Capital Leases and the Operating Leases in the Hilco Appraisal and at any future date will be the estimated amount similarly calculated as of the date of calculation attributed to the Capital Leases and the Operating Leases by the Appraiser.

1.27 "EBITDA"

"EBITDA" shall mean, for any period with respect to Borrower, the consolidated net income of Borrower for such period calculated in accordance with GAAP, adjusted so that: (i) gains and losses from extraordinary events are eliminated; and (ii) all income tax expense, deferred taxes, depreciation and amortization expense, non-cash uses of funds and interest deducted are added back to net income.

1.28 "ELIGIBLE CAPITAL LEASES"

"Eligible Capital Leases" shall mean those leases, from time to time, which are and continue to be acceptable to Lender based on the general criteria set forth below which Lender, in good faith, may revise from time to time. In general, a Capital Lease shall be an Eligible Capital Lease if:

(a) it is with a Client deemed creditworthy at all times by Lender, as determined by Lender in good faith;

(b) it is with a Client that has not asserted a bona fide counterclaim, defence or dispute (other than as to a de minimus amount) under the applicable Capital Lease and if so, the value of such Capital Lease shall be reduced by the amount of such counterclaim, defense or dispute;

(c) it is with a Client that does not have, and does not engage in transactions which may give rise to, any right of set-off against the Capital Lease; provided that the existence of any such right of set-off shall not by itself cause such Capital Lease to cease to continue to be an Eligible Capital Lease but its appraised value, for purposes of Section 2.1 hereof, will be reduced by Lender by an amount determined by Lender in good faith;

(d) there are no facts, events or occurrences which would impair the validity, enforceability or collectability of the Capital Lease or materially reduce the amount payable or delay payment thereunder, including without limitation, any event of default or event which would, with notice or the passage of time, constitute an event of default under the Capital Lease;

(e) it is subject to the first priority, valid and perfected security interest of Lender and is not subject to any prior ranking liens or other liens except Permitted Encumbrances;

(f) it is with a Client which is not itself, nor any officer or employee thereof, an officer, employee or agent of or affiliated with Borrower, directly or indirectly, by virtue of family membership, ownership, control, management or otherwise;

(g) it is with a Client that is a foreign government, the federal government of Canada, any Province, political subdivision, department, agency or instrumentality thereof;

(h) there are no proceedings or actions which are threatened or pending against the Client which could reasonably be expected to result in any material adverse change in such Client's financial condition;

(i) unless otherwise permitted by Lender, and with the exception of Capital Leases for which the Client is Famous Players Inc., it is not with a Client which, together with its affiliates, constitutes more than ten (10%) percent of all otherwise Eligible Capital Leases and in the case of Famous Players Inc. constitutes more than twenty-five (25%) percent of all otherwise Eligible Capital Leases (but the portion of the Capital Leases not in excess of such applicable percentage continue to be Eligible Capital Leases);

(j) Borrower and/or any Obligor is the lessor under the applicable Capital Lease;

(k) Borrower and/or any Obligor, as applicable, has not transferred title to the equipment leased to the Client pursuant to the applicable Capital Lease; and

(l) notwithstanding that there are any restrictions on assignability in respect of such Capital Lease.

Any Capital Lease, which is not considered to be an Eligible Capital Lease in accordance with the foregoing requirements, is nevertheless considered to form part of the Collateral.

#### 1.29 "ELIGIBLE OPERATING LEASES"

"Eligible Operating Leases" shall mean those leases, from time to time, which are and continue to be acceptable to Lender based on the general criteria set forth below which Lender, in good faith, may revise from time to time. In general, an Operating Lease shall be Eligible Operating Lease if:

(a) it is with a Client deemed creditworthy at all times by Lender, as determined by Lender in good faith;

(b) it is with a Client that has not asserted a bona fide counterclaim, defence or dispute (other than as to a de minimus amount) under the applicable Operating Lease and if so, the value of such Operating Lease shall be reduced by the amount of such counterclaim, defense or dispute;

(c) it is with a Client that does not have, and does not engage in transactions which may give rise to, any right of set-off against the Operating Lease; provided that the existence of any such right of set-off shall not by itself cause such Operating Lease to cease to continue to be an Eligible Operating Lease but its appraised value, for purposes of Section 2.1 hereof, will be reduced by Lender by an amount determined by Lender in good faith;

(d) there are no facts, events or occurrences which would impair the validity, enforceability or collectability of the Operating Lease or materially reduce the amount payable or delay payment thereunder, including without limitation, any event of default or event which would, with notice or the passage of time, constitute an event of default under the Operating Lease;

(e) it is subject to the first priority, valid and perfected security interest of Lender and is not subject to any prior ranking liens or other liens except Permitted Encumbrances;

(f) it is with a Client which is not itself, nor any officer or employee thereof, an officer, employee or agent of or affiliated with Borrower, directly or indirectly, by virtue of family membership, ownership, control, management or otherwise;

(g) it is with a Client that is a foreign government, the federal government of Canada, any Province, political subdivision, department, agency or instrumentality thereof;

(h) there are no proceedings or actions which are threatened or pending against the Client which could reasonably be expected to result in any material adverse change in such Client's financial condition;

(i) unless otherwise permitted by Lender, and with the exception of Operating Leases for which the Client is Regal Entertainment Group, it is not with a Client which, together with its affiliates, constitutes more than ten (10%) percent of all otherwise Eligible Operating Leases and in the case of Regal Entertainment Group constitutes more than twenty-five (25%) percent of all otherwise Eligible Operating Leases (but the portion of the Operating Leases not in excess of such applicable percentage continue to be Eligible Operating Leases);

(j) Borrower and/or any Obligor is the lessor under the applicable Capital Lease;

(k) Borrower and/or any Obligor, as applicable, has not transferred title to the equipment leased to the Client pursuant to the applicable Operating Lease; and

(l) notwithstanding that there are any restrictions on assignability in respect of such Capital Lease.

Any Operating Lease, which is not considered to be an Eligible Operating Lease in accordance with the foregoing requirements, is nevertheless considered to form part of the Collateral.

1.30 "ENVIRONMENTAL LAWS"

"Environmental Laws" shall mean with respect to any Person all federal (United States of America and Canada), state, provincial, district, local, municipal and foreign laws, statutes, rules, regulations, ordinances, orders, directives, permits, licenses and consent decrees relating to health, safety, hazardous, dangerous or toxic substances, waste or material, pollution and environmental matters, as now or at any time hereafter in effect, applicable to such Person and/or its business and facilities (whether or not owned by it), including laws relating to emissions, discharges, releases or threatened releases of pollutants, contamination, chemicals, or hazardous, toxic or dangerous substances, materials or wastes into the environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata) or otherwise relating to the generation, manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals, or hazardous, toxic or dangerous substances, materials or wastes.

1.31 "EQUIPMENT"

"Equipment" shall mean all of Borrower's now owned and hereafter acquired equipment, machinery, computers and computer hardware and software (whether owned or licensed), vehicles, tools, furniture, fixtures, all attachments, accessions and property now or hereafter affixed thereto or used in connection therewith, and substitutions and replacements thereof, wherever located.

1.32 "EQUIVALENT AMOUNT"

"Equivalent Amount" in one currency on any day means the amount of that currency into which a specified amount of another currency can be converted at the Spot Rate (or if such rate is not available, such other rate as the Lender may determine).

1.33 "EXCESS AVAILABILITY"

"Excess Availability" shall mean the US Dollar Amount, calculated at any time and as determined by Lender, equal to:

(a) the lesser of, subject to the sub-limit in respect of Letter of Credit Accommodations:

- (i) the amount of the Revolving Loans and Letter of Credit Accommodations available to Borrower as of such time based on the Lending Formulas, as determined by Lender less the Availability Reserves from time to time established by Lender;
- (ii) the Maximum Credit; or
- (iii) the amount of the Trailing Cash Collections for the preceding applicable six (6) month period, less

(b) the sum of:

- (i) the amount of all then outstanding and unpaid Obligations; and
- (ii) the aggregate amount of: (A) all due but unpaid tax obligations; and (B) past due trade payables which remain unpaid for more than ninety (90) days past the original invoice for same, of Borrower as of such time.

1.34 "EVENT OF DEFAULT"

"Event of Default" shall have the meaning set forth in Section 10.1 hereof.

1.35 "EXCLUDED ACCOUNTS"

"Excluded Accounts" means all present and future rights, revenues and bank accounts of Borrower or its Subsidiaries in respect of, and which are used to make or receive payments in relation to: (i) third party film productions; (ii) third party joint ventures; (iii) revenues of David Keighley Productions 70 MM Inc.; and (iv) owned and operated theatres, each of which is excluded from the Trailing Cash Collections. As of the date hereof, the Excluded Accounts are as set out in Schedule 1.35 hereto.

1.36 "FINANCING AGREEMENTS"

"Financing Agreements" shall mean, collectively, this Agreement, the General Security Agreement, the Assignment of Capital Leases and Operating Leases, the Blocked Account Agreement, the IP Collateral License Agreement and all notes, guarantees, security agreements and other agreements, documents and instruments now or at any time hereafter executed and/or delivered by Borrower or any Obligor in connection with this Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

1.37 "GAAP"

"GAAP" shall mean generally accepted accounting principles in the United States of America as in effect from time to time as set forth in the opinions and pronouncements of the relevant U.S. public and private accounting boards and institutes which are applicable to the circumstances as of the date of determination consistently applied.

1.38 "GENERAL SECURITY AGREEMENT"

"General Security Agreement" shall mean the general security agreement dated on or about the date hereof given by Borrower in favour of Lender as security for payment and performance of the Obligations.

1.39 "HAZARDOUS MATERIALS"

"Hazardous Materials" shall mean any hazardous, toxic or dangerous substances, materials and wastes, including, without limitation, hydrocarbons (including naturally occurring or man-made petroleum and hydrocarbons), flammable explosives, asbestos, urea formaldehyde insulation, radioactive materials, biological substances, polychlorinated biphenyls, pesticides, herbicides and any other kind and/or type of pollutants or contaminants (including, without limitation,

materials which include hazardous constituents), sewage, sludge, industrial slag, solvents and/or any other similar substances, materials, or wastes and including any other substances, materials or wastes that are or become regulated under any Environmental Law (including, without limitation any that are or become classified as hazardous or toxic under any Environmental Law).

1.40 "HILCO APPRAISAL"

"Hilco Appraisal" shall mean the appraisal conducted by Hilco dated October 3, 2003.

1.41 "INFORMATION CERTIFICATE"

"Information Certificate" shall mean the Information Certificate of Borrower constituting Exhibit A hereto containing material information with respect to Borrower, its business and assets provided by or on behalf of Borrower to Lender in connection with the preparation of the Financing Agreements and the financing arrangements provided for herein.

1.42 "INTEREST RATE"

"Interest Rate" shall mean, as to Revolving Loans advanced:

- (a) commencing as of the date hereof and ending on the last day of the fifth (5th) calendar month following the date hereof (the "INITIAL PERIOD"), a rate of one half of one (0.50%) percent per annum in excess of the Applicable Prime Rate or a rate of two and one quarter (2.25%) percent per annum in excess of the Libor Rate, as applicable;
- (b) commencing on the day after the expiry of the Initial Period:
  - (i) a rate of one quarter of one (0.25%) percent per annum in excess of the Applicable Prime Rate or a rate of two (2%) percent per annum in excess of the Libor Rate, as applicable, will apply if the average Excess Availability, as determined by Lender, during the Initial Period is equal to or greater than \$15,000,000;
  - (ii) a rate of one half of one (0.50%) percent per annum in excess of the Applicable Prime Rate or a rate of two and one quarter (2.25%) percent per annum in excess of the Libor Rate, as applicable, will apply if the average Excess Availability, as determined by Lender, during the Initial Period is less than \$15,000,000 but equal to or greater than \$5,000,000; or
  - (iii) a rate of three quarters of one (0.75%) percent per annum in excess of the Applicable Prime Rate or a rate of two and one half (2.5%) percent per annum in excess of the Libor Rate, as applicable, will apply if the average Excess Availability, as determined by Lender, during the Initial Period is less than \$5,000,000;



provided that, in all of the foregoing instances and at all times, the calculation of the Interest Rate pursuant to section 1.38(b) above shall assume a minimum aggregate Revolving Loan usage of \$2,500,000; or

- (c) notwithstanding the rates described in subparagraphs (a) and (b) above, without notice and at Lender's option, the rate of three (3%) percent per annum in excess of the Applicable Prime Rate and the rate of three (3%) percent per annum in excess of the Libor Rate, as applicable, shall apply in respect of the Obligations described below upon the occurrence and continuance of the events described below:
- (i) on non-contingent Obligations other than the Revolving Loans: (A) for the period on and after the date of maturity or termination hereof until such time as Lender has received full and final payment of all such Obligations; and (B) for the period from and after the date of the occurrence of an Event of Default so long as such Event of Default is continuing as determined by Lender (notwithstanding entry of any judgment against Borrower); or
  - (ii) on the amount of Revolving Loans at any time outstanding that is in excess of the amounts available to Borrower under Section 2 hereof (whether or not such excess(es) arise or are made with or without Lender's knowledge or consent and whether made before or after an Event of Default).

1.43 "INVENTORY"

"Inventory" shall mean all of Borrower's now owned and hereafter existing or acquired raw materials, work in process, finished goods and all other inventory of whatsoever kind or nature, wherever located.

1.44 "IP COLLATERAL"

"IP Collateral" shall mean all of the Intellectual Property as such term is defined in the General Security Agreement.

1.45 "IP COLLATERAL LICENSE AGREEMENT"

"IP Collateral License Agreement" shall mean, the license agreement granting Lender and its successors, transferees and assignees, a non-exclusive, royalty free perpetual license to the IP Collateral dated on the date hereof, but effective only upon the occurrence and continuance of an IP Grace Period, between Lender and Borrower.

1.46 "IP GRACE PERIOD"

"IP Grace Period" shall mean, the period commencing the date upon which Lender exercises its remedies pursuant to Sections 10.2(a) and/or Section 10.2(b) hereof and ending one hundred and twenty (120) days thereafter.

1.47 "LENDING FORMULAS"

"Lending Formulas" shall mean, collectively, the Operating Leases Lending Formula and the Capital Leases Lending Formula.

1.48 "LETTER OF CREDIT ACCOMMODATIONS"

"Letter of Credit Accommodations" shall mean the letters of credit, merchandise purchase or other guarantees denominated in Canadian Dollars or US Dollars which are from time to time either (a) issued or opened by Lender for the account of Borrower or any Obligor or (b) with respect to which Lender has agreed to indemnify the issuer or guaranteed to the issuer the performance by Borrower or any Obligor of its obligations to such issuer.

1.49 "LIBOR RATE"

"Libor Rate" means, with respect to any Libor Rate Interest Period applicable to a Libor Rate Loan, the per annum rate of interest determined by Lender, based on a three hundred sixty (360) day year, rounded upwards, if necessary, to the nearest whole multiple of one sixteenth of one percent (.0625%), at which Wachovia Bank, National Association, or its successors, is offered deposits of U.S. dollars in the London interbank market, in amounts comparable to the principal amount of such Libor Rate Loan to be outstanding during such Libor Rate Interest Period for a period equal to the number of days in the applicable Libor Rate Interest Period, at or about 9:00 a.m. (New York time) on the second (2nd) Business Day (the "LIBOR RATE DETERMINATION DATE") prior to the first day of such Libor Rate Interest Period.

1.50 "LIBOR RATE INTEREST DATE"

"Libor Rate Interest Date" means the date falling on the last day of each Libor Rate Interest Period selected by Borrower pursuant to Section 3.2(d).

1.51 "LIBOR RATE INTEREST PERIOD"

"Libor Rate Interest Period" means, with respect to each Libor Rate Loan, the initial period (subject to availability) of one (1) month, two (2) months or three (3) months (as selected by Borrower and notified to Lender pursuant to Section 3.2(d)) commencing on and including the date of the drawdown notice, conversion date or rollover date as set out in Sections 3.2(a), (b) and (c), as the case may be, applicable to such Libor Rate Loan and ending on and including the last day of such initial period, and thereafter, each successive period (subject to availability) of one (1) month, two (2) months or three (3) months (as selected by Borrower and notified to Lender pursuant to Section 3.2(d)) commencing on and including the last day of the prior Libor Rate Interest Period, provided however, that;

- (a) if a Libor Rate Interest Period for a one month period commences on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) it shall end on the last Business Day of the appropriate subsequent calendar month;
- (b) if a Libor Rate Interest Period would end on a day that is not a Business Day, such Libor Rate Interest Period shall be extended to the next Business Day; and

- (c) no Libor Rate Interest Period may be selected which would extend beyond the maturity date or other known date upon which this Agreement shall be terminated.

1.52 "LIBOR RATE LOAN"

"Libor Rate Loan" shall mean any Revolving Loans or portion thereof denominated in US Dollars on which interest is payable based on the Libor Rate in accordance with the terms hereof.

1.53 "LIQUIDATION EXPENSES"

"Liquidation Expenses" shall mean all costs, fees, expenses and all other charges including, without limitation, operating fees, administration fees, trustee's fees, receiver fees and court mandated costs directly incurred by Lender in connection with the disposition of the Collateral.

1.54 "MAXIMUM CREDIT"

"Maximum Credit" shall mean the amount of \$20,000,000 or the Equivalent Amount in Canadian Dollars.

1.55 INTENTIONALLY DELETED

1.56 "NOTICE"

"Notice" shall have the meaning set forth in Section 12.1(d) hereof.

1.57 "OBLIGATIONS"

"Obligations" shall mean any and all Revolving Loans, Letter of Credit Accommodations and all other obligations, liabilities and indebtedness of every kind, nature and description owing by Borrower to Lender including principal, interest, charges, indemnifications for Letter of Credit Accommodations or otherwise, fees, costs and expenses, however evidenced, whether as principal or otherwise, arising under the Financing Agreements, as amended, supplemented, restated or superseded, in whole or in part, from time to time and/or applicable laws, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of this Agreement or after the commencement of any proceeding with respect to Borrower or any Obligor under the BIA, the CCAA, or any similar statute in any jurisdiction (including the payment of interest and other amounts which would accrue and become due but for the commencement of such proceeding, whether or not such amounts are allowed or allowable in whole or in part in such proceeding), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured.

1.58 "OBLIGOR"

"Obligor" shall mean, other than Borrower, any guarantor, endorser, acceptor, surety or other person liable on or with respect to the Obligations or who is the owner of any property which is security for the Obligations, including, without limitation, IMAX U.S.A. Inc., a corporation

incorporated pursuant to the laws of Delaware, 1329507 Ontario Inc., a corporation incorporated pursuant to the laws of Ontario and IMAX II U.S.A. Inc., a corporation incorporated pursuant to the laws of Delaware.

1.59 "OPERATING LEASES"

"Operating Leases" shall mean, collectively, all of the leases listed on Schedule 1.59, as may be amended, updated and/or restated from time to time in accordance with the reporting requirements set out in Section 7.1(a) hereof, each of which are theatre system leases that do not transfer substantially all of the benefits and risks of ownership to Clients.

1.60 "OPERATING LEASES LENDING FORMULA"

"Operating Leases Lending Formula" shall have the meaning set forth in Section 2.1(a) hereof.

1.61 "OTHER CURRENCY"

"Other Currency" shall have the meaning set forth in Section 12.7 hereof.

1.62 "PAYMENT ACCOUNT"

"Payment Account" shall have the meaning set forth in Section 6.3(a) hereof.

1.63 "PENSION PLANS"

"Pension Plans" shall mean each of the pension plans, if any, that are registered in accordance with the Income Tax Act (Canada) which Borrower sponsors or administers or into which Borrower makes contributions.

1.64 "PERMITTED ENCUMBRANCES"

"Permitted Encumbrances" shall have the meaning set forth in Section 9.8 hereof.

1.65 "PERMITTED REFINANCING"

"Permitted Refinancing" means a refinancing of the Senior Note Indebtedness (including any amendment or replacement of the Trust Indenture and the Senior Notes in respect thereof) that complies with the following conditions and that in the determination of Lender, acting reasonably, could not be expected to adversely impact Borrower's ability to fulfil the Obligations: (i) the principal amount refinanced must be no greater than the principal amount of Senior Notes presently issued under the Trust Indenture together with any applicable premium and costs incurred in connection with such refinancing, due and payable thereunder resulting from prepayment of the Senior Notes, (ii) the maturity date must not be earlier than the current maturity of the Senior Notes; (iii) the interest rate to be paid in respect of such refinancing would not be greater than the current interest paid on the Senior Notes; and (iv) the amortization of the principal amount refinanced must not be at a rate more accelerated than under the Senior Notes.

1.66 "PERSON" OR "PERSON"

"Person" or "person" shall mean any individual, sole proprietorship, partnership, limited partnership, corporation, limited liability company, business trust, unincorporated association, joint stock corporation, trust, joint venture or other entity or any government or any agency or instrumentality or political subdivision thereof.

1.67 "PPSA"

"PPSA" shall mean the Personal Property Security Act (Ontario), as amended, supplemented, restated or superseded, in whole or in part, from time to time, provided that, if the attachment, perfection or priority of Lender's security in respect of any Collateral is governed by the laws of any jurisdiction other than Ontario, PPSA shall mean those other laws for the purposes hereof relating to attachment, perfection or priority.

1.68 "PRIORITY PAYABLES RESERVE"

"Priority Payables Reserve" shall mean, at any time, the full amount of the liabilities at such time which have a trust imposed to provide for payment or security interest, lien or charge ranking or capable of ranking senior to or pari passu with security interests, liens or charges securing the Obligations on any of the Collateral under federal, provincial, state, county, municipal, or local law including, but not limited, to claims for unremitted and accelerated rents, taxes, wages, vacation pay, workers' compensation obligations, government royalties or pension fund obligations excluding, the obligations of Borrower pursuant to the USERP.

1.69 "RECEIVER "

"Receiver" shall have the meaning set forth in Section 10.2(f) hereof.

1.70 "RECORDS"

"Records" shall mean all of Borrower's present and future books of account of every kind or nature, purchase and sale agreements, invoices, ledger cards, bills of lading and other shipping evidence, statements, correspondence, memoranda, credit files and other data relating to the Collateral or any account debtor, including, without limitation, the Clients, together with the tapes, disks, diskettes and other data and software storage media and devices, file cabinets or containers in or on which the foregoing are stored (including any rights of Borrower with respect to the foregoing maintained with or by any other person).

1.71 "RENEWAL DATE"

"Renewal Date" shall have the meaning set forth in Section 12.1 hereof.

1.72 "REVOLVING LOANS"

"Revolving Loans" shall mean Canadian Prime Rate Loans, US Prime Rate Loans and/or Libor Rate Loans as the case may be, now or hereafter made by Lender to or for the benefit of

Borrower on a revolving basis (involving advances, repayments and re-advances) as set forth in Section 2.1 hereof.

1.73 "SENIOR NOTE INDEBTEDNESS"

"Senior Note Indebtedness" shall mean, the indebtedness for borrowed money owing by Borrower to the holders of senior notes issued by Borrower pursuant to the Trust Indenture.

1.74 "SENIOR NOTES"

"Senior Notes" shall collectively mean the Borrower's US\$160,000,000 aggregate principal amount of 9 5/8% senior notes due December 1, 2010 issued pursuant to the Trust Indenture.

1.75 "SPOT RATE"

"Spot Rate" shall mean, with respect to a currency, the rate quoted by Wachovia National Bank Association as the spot rate for the purchase by Wachovia National Bank Association of such currency with another currency at approximately 10:00 a.m. (EST) on the date two (2) Business Days prior to the date as of which the foreign exchange computation is made.

1.76 "SUBSIDIARY"

"Subsidiary" shall mean, with respect to any Person, any corporation, partnership or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person and one or more Subsidiaries of such Person.

1.77 "TRAILING CASH COLLECTIONS"

"Trailing Cash Collections" shall mean the aggregate amount of cash collections made by Borrower in the preceding twenty-six (26) week period, measured as at the last day of the applicable week.

1.78 "TRUST INDENTURE"

"Trust Indenture" shall mean the trust indenture between Borrower and U.S. Bank National Association dated December 4, 2003, and, to the extent expressly permitted hereunder, means such trust indenture as may be further amended, supplemented and restated from time to time.

1.79 "UCC"

"UCC" shall mean the Uniform Commercial Code, as amended, supplemented, restated or superseded, in whole or in part, from time to time.

1.80 "US DOLLAR AMOUNT"

"US Dollar Amount" shall mean, at any time, (a) as to any amount denominated in US Dollars, the amount thereof at such time, and (b) as to any amount denominated in any other currency, the equivalent amount in US Dollars as determined by Lender at such time on the basis of the Spot Rate for the purchase of US Dollars with such currency.

1.81 "US FIRST RATE"

"US First Rate" shall have the meaning set forth in Section 3.1(c) hereof.

1.82 "US PRIME RATE"

"US Prime Rate" shall mean the rate announced by Wachovia National Bank Association, or its successors, from time to time as its prime rate in effect for US Dollar denominated commercial loans, whether or not such announced rate is the best rate available at such bank.

1.83 "US PRIME RATE LOANS"

"US Prime Rate Loans" shall mean any Revolving Loan or portions thereof denominated in US Dollars and on which interest is payable based on the US Prime Rate in accordance with the terms hereof.

1.84 "USERP"

"USERP" shall mean the unregistered supplemental executive retirement plan dated July 12, 2000, made by Borrower in favour of its co-chief executive officers Bradley J. Wechsler and Richard L. Gelfond.

SECTION 2. CREDIT FACILITIES

2.1 REVOLVING LOANS

(a) Subject to, and upon the terms and conditions contained herein, Lender agrees to make Revolving Loans to Borrower from time to time in amounts requested by Borrower up to the amount equal to the sum, net of any Availability Reserves, of:

- (i) eighty-five (85%) percent of the appraised value of Eligible Operating Leases, net of estimated Liquidation Expenses, with appraisals conducted on a Distressed Fair Market Value basis at the expense of Borrower by the Appraiser (the "OPERATING LEASES LENDING FORMULA"), plus
- (ii) the lesser of:
  - (A) thirty-four (34%) percent of the aggregate net book value of Eligible Capital Leases; or

- (B) eighty-five (85%) of the appraised value of such Eligible Capital Leases expressed as a percentage of cost value, net of estimated Liquidation Expenses, with appraisals conducted on a Distressed Fair Market Value basis at the expense of Borrower by the Appraiser (the "CAPITAL LEASES LENDING FORMULA").

(b) Lender may, in its discretion, from time to time reduce or otherwise revise the Lending Formulas to the extent that Lender, in good faith, determines that: (i) the general creditworthiness of the Clients has declined; or (ii) the liquidation value of the Eligible Capital Leases, or any category thereof, has decreased; or (iii) the nature and quality of the Eligible Operating Leases and/or the Eligible Capital Leases has deteriorated. In determining whether to reduce or otherwise revise the Lending Formulas, Lender may consider events, conditions, contingencies or risks which are also considered in determining Eligible Operating Leases or Eligible Capital Leases or in establishing Availability Reserves.

(c) Except in Lender's discretion, the aggregate amount of the Revolving Loans and the Letter of Credit Accommodations outstanding at any time shall not exceed the lesser of:

- (i) the Maximum Credit;
- (ii) the amount available under the Lending Formulas; and
- (iii) the Trailing Cash Collections.

In the event that the outstanding amount of the Revolving Loans, or the aggregate amount of the outstanding Revolving Loans and Letter of Credit Accommodations, exceed the amounts available under the Lending Formulas, the sub-limit for Letter of Credit Accommodations set forth in Section 2.2(d), the Maximum Credit or the Trailing Cash Collections, as applicable, such event shall not limit, waive or otherwise affect any rights of Lender in that circumstance or on any future occasions and Borrower shall, upon demand by Lender, which may be made at any time or from time to time, immediately repay to Lender the entire amount of any such excess(es) for which payment is demanded.

## 2.2 LETTER OF CREDIT ACCOMMODATIONS

(a) Subject to, and upon the terms and conditions contained herein, at the request of Borrower, Lender agrees to provide or arrange for Letter of Credit Accommodations for the account of Borrower in Canadian Dollars or US Dollars containing terms and conditions reasonably acceptable to Lender and the issuer thereof. Any payments made by Lender to any issuer thereof and/or related parties in connection with the Letter of Credit Accommodations shall constitute additional Revolving Loans to Borrower pursuant to this Section 2.

(b) In addition to any charges, fees or expenses charged by any bank or issuer in connection with the Letter of Credit Accommodations, Borrower shall pay to Lender a letter of credit fee at a rate equal to one and one half (1.5%) percent per annum on the daily outstanding balance of the Letter of Credit Accommodations for the immediately preceding month (or part thereof), payable in arrears as of the first day of each succeeding month, except that Borrower shall pay to Lender such letter of credit fee, at Lender's option, without notice, at a rate equal to



three (3%) percent per annum on such daily outstanding balance for: (i) the period from and after the date of maturity or termination hereof until Lender has received full and final payment of all Revolving Loans, and cash collateral has been posted in the full amount of any then outstanding Letter of Credit Accommodations (notwithstanding entry of a judgment against Borrower) and (ii) the period from and after the date of the occurrence of an Event of Default for so long as such Event of Default is continuing as determined by Lender. Such letter of credit fee shall be calculated on the basis of a three hundred sixty five (365) day year and actual days elapsed and the obligation of Borrower to pay such fee shall survive the maturity or termination of this Agreement.

(c) Letter of Credit Accommodations are not available unless, on the date of the proposed issuance thereof, the Revolving Loans available to Borrower (subject to Section 2.1(c)) are equal to, or greater than one hundred (100%) percent of the face amount of the Letter of Credit Accommodation together with all other commitments and obligations made or incurred by Lender with respect thereto, including, without limitation, bank fees.

(d) Except in Lender's discretion, the amount of all outstanding Letter of Credit Accommodations and all other commitments and obligations made or incurred by Lender in connection therewith, including, without limitation, bank fees, shall not at any time exceed \$10,000,000. At any time an Event of Default exists or has occurred and is continuing, upon Lender's request, Borrower will either furnish cash collateral to secure the reimbursement obligations to the issuer in connection with any Letter of Credit Accommodations or furnish cash collateral to Lender for the Letter of Credit Accommodations, and in either case, the Revolving Loans otherwise available to Borrower shall not be reduced as provided in Section 2.2(c) to the extent of such cash collateral.

(e) Borrower shall indemnify and hold Lender harmless from and against any and all losses, claims, damages, liabilities, costs and expenses which Lender may suffer or incur in connection with any Letter of Credit Accommodations and any documents, drafts or acceptances relating thereto, including, but not limited to, any losses, claims, damages, liabilities, costs and expenses due to any action taken by any issuer or correspondent with respect to any Letter of Credit Accommodation. Borrower assumes all risks with respect to the acts or omissions of the drawer under or beneficiary of any Letter of Credit Accommodation and for such purposes the drawer or beneficiary shall be deemed Borrower's agent. Borrower assumes all risks for, and agrees to pay, all foreign, federal, provincial and local taxes, duties and levies relating to any goods subject to any Letter of Credit Accommodations or any documents, drafts or acceptances thereunder. Borrower hereby releases and holds Lender harmless from and against any acts, waivers, errors, delays or omissions, whether caused by Borrower, by any issuer or correspondent or otherwise, other than acts, waivers, errors, delays or omissions caused by the gross negligence or wilful misconduct of Lender, with respect to or relating to any Letter of Credit Accommodation. The provisions of this Section 2.2(e) shall survive the payment of Obligations and the termination or non-renewal of this Agreement.

(f) Nothing contained herein shall be deemed or construed to grant Borrower any right or authority to pledge the credit of Lender in any manner. Lender shall have no liability of any kind with respect to any Letter of Credit Accommodation provided by an issuer other than Lender unless Lender has duly executed and delivered to such issuer the application or a

guarantee or indemnification in writing with respect to such Letter of Credit Accommodation. Except as a result of Lender's own gross negligence or wilful misconduct, Borrower shall be bound by any interpretation made by Lender, or any other issuer or correspondent under or in connection with any Letter of Credit Accommodation or any documents, drafts or acceptances thereunder, notwithstanding that such interpretation may be inconsistent with any instructions of Borrower. At any time an Event of Default exists or has occurred and is continuing, Lender, in its own name or in Borrower's name, shall have the sole and exclusive right and authority to, and Borrower shall not: (i) approve or resolve any questions of non-compliance of documents, (ii) give any instructions as to acceptance or rejection of any documents or goods, or (iii) execute any and all applications for steamship or airway guaranties, indemnities or delivery orders. At all times other than when an Event of Default exists or has occurred and is continuing, Borrower shall be permitted, with the prior written consent of Lender to: (i) grant any extensions of the maturity of, time of payment for, or time of presentation of, any drafts, acceptances, or documents, and (ii) to agree to any amendments, renewals, extensions, modifications, changes or cancellations of any of the terms or conditions of any of the applications, Letter of Credit Accommodations, or documents, drafts or acceptances thereunder or any letters of credit included in the Collateral.

(g) Any rights, remedies, duties or obligations granted or undertaken by Borrower to any issuer or correspondent in any application for any Letter of Credit Accommodation, or any other agreement in favour of any issuer or correspondent relating to any Letter of Credit Accommodation, shall be deemed to have been granted or undertaken by Borrower to Lender. Any duties or obligations undertaken by Lender to any issuer or correspondent in any application for any Letter of Credit Accommodation, or any other agreement by Lender in favour of any issuer or correspondent relating to any Letter of Credit Accommodation, shall be deemed to have been undertaken by Lender to Borrower.

### SECTION 3. INTEREST AND FEES

#### 3.1 INTEREST

(a) Borrower shall pay to Lender interest on the outstanding principal amount of the non-contingent Obligations at the applicable Interest Rate. Subject to Section 3.2(d) hereof, Borrower may borrow, repay and reborrow funds under the Revolving Loans by way of Canadian Prime Rate Loans, US Prime Rate Loans and Libor Rate Loans.

(b) For Canadian Prime Rate Loans and US Prime Rate Loans, interest shall be payable by Borrower to Lender monthly in arrears not later than the first Business Day of each calendar month and shall be calculated on the basis of a three hundred sixty five (365) day year and actual days elapsed in the case of Canadian Prime Rate Loans and a three hundred and sixty (360) day year and actual days elapsed in the case of US Prime Rate Loans, as applicable. The interest rate shall increase or decrease by an amount equal to each increase or decrease in the Canadian Prime Rate or US Prime Rate, as applicable, effective on the first day of the month after any change in such rates is announced. The increase or decrease shall be based on the Canadian Prime Rate or US Prime Rate, as applicable, in effect on the last day of the month in which any such change occurs. All interest accruing hereunder on and after an Event of

Default or maturity or termination hereof shall be payable on demand. In no event shall charges constituting interest payable by Borrower to Lender exceed the maximum amount or the rate permitted under any applicable law or regulation, and if any part or provision of this Agreement is in contravention of any such law or regulation, such part or provision shall be deemed amended to conform thereto.

(c) For purposes of disclosure under the Interest Act (Canada), where interest is calculated pursuant hereto at a rate based upon: (i) a three hundred sixty five (365) day year (the "CANADIAN FIRST RATE"), it is hereby agreed that the rate or percentage of interest on a yearly basis is equivalent to such Canadian First Rate multiplied by the actual number of days in the year divided by 365; or (ii) a three hundred and sixty (360) day year (the "US FIRST RATE"), it is hereby agreed that the rate or percentage of interest on a yearly basis is equivalent to such US First Rate multiplied by the actual number of days in the year divided by 360.

(d) Notwithstanding the provisions of this Section 3 or any other provision of this Agreement, in no event shall the aggregate "interest" (as that term is defined in Section 347 of the Criminal Code (Canada)) exceed the effective annual rate of interest on the "credit advanced" (as defined therein) lawfully permitted under Section 347 of the Criminal Code (Canada). The effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles over the term of the Revolving Loan, and in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by Lender will be conclusive for the purposes of such determination.

(e) A certificate of an authorized signing officer of Lender as to each amount and/or each rate of interest payable hereunder from time to time shall be conclusive evidence of such amount and of such rate, absent manifest error.

(f) For greater certainty, whenever any amount is payable under any Financing Agreement by Borrower as interest or as a fee which requires the calculation of an amount using a percentage per annum, each party to this Agreement acknowledges and agrees that such amount shall be calculated as of the date payment is due without application of the "deemed reinvestment principle" or the "effective yield method". As an example, when interest is calculated and payable monthly, the rate of interest payable per month is 1/12 of the stated rate of interest per annum.

### 3.2 LIBOR RATE

(a) Libor Rate Loans must have a term of one (1) month, two (2) months or three (3) months, after Borrower delivering to Lender a drawdown notice no later than 11:00 a.m. (Toronto time) three (3) Business Days prior to the requested drawdown date, provided however, Borrower may repay a Libor Rate Loan only on the last day of the applicable Libor Rate Interest Period subject to the occurrence of an Event of Default or event which, with the passage of time or giving of notice or both, would constitute an Event of Default.

(b) Subject to Section 3.2(d), at any time prior to the termination, maturity or the occurrence of an Event of Default or event which, with the passage of time or giving of notice or both, would constitute an Event of Default, Borrower may, upon delivering to Lender a

conversion notice no later than 11:00 a.m. (Toronto time) three (3) Business Days prior to the requested conversion date, convert any Canadian Prime Rate Loan, US Prime Rate Loan or Letter of Credit Accommodation into a Libor Rate Loan or vice versa, as the case may be, provided that:

- (i) a Libor Rate Loan may be converted only on the last day of the Libor Rate Interest Period applicable to that Libor Rate Loan; and
- (ii) on the conversion date there exists no Event of Default or event which, with the passage of time or giving of notice or both, would constitute an Event of Default.

If on the expiry of a Libor Rate Interest Period an Event of Default or event which, with the passage of time or giving of notice or both, would constitute an Event of Default, shall have occurred and be continuing, the relevant Libor Rate Loan shall be automatically converted into a US Prime Rate Loan.

(c) Borrower may, during the term of this Agreement, rollover all or any portion of a Libor Rate Loan for an additional Libor Rate Interest Period subsequent to the initial or any subsequent Libor Rate Interest Period, upon delivering to Lender a rollover notice no later than 11:00 a.m. (Toronto time) three (3) Business Days prior to the last day of the Libor Rate Interest Period, any such rollover to have a term of not less than one (1) month and not more than three (3) months. Immediately prior to the commencement of any subsequent Libor Rate Interest Period, should an Event of Default or event which, with the passage of time or giving of notice or both, would constitute an Event of Default, have occurred and be continuing, Borrower shall be deemed to have converted the Libor Rate Loan to a US Prime Rate Loan on the last day of the Libor Rate Interest Period applicable thereto, unless Lender, in its sole discretion, otherwise permits. In the event a rollover notice in respect of an existing Libor Rate Loan is not given pursuant to this Section 3.2(c) or a conversion notice in respect of such existing Libor Rate Loan is not given pursuant to Section 3.2(b), any such Libor Rate Loan shall be converted to a US Prime Rate Loan on the last day of the Libor Rate Interest Period applicable to such existing Libor Rate Loan. The rollover of a Libor Rate Loan to another Libor Rate Loan shall not constitute a repayment or prepayment hereunder.

(d) If Borrower elects to borrow by way of a Libor Rate Loan or continue a Libor Rate Loan or elects to convert a Revolving Loan (other than a Libor Rate Loan) into a Libor Rate Loan pursuant to Section 3.2(b) or elects to rollover a Libor Rate Loan pursuant to Section 3.2(c), Borrower shall select, in the drawdown notice, conversion notice or rollover notice (as the case may be) delivered in connection therewith, the Libor Rate Interest Period applicable to such Libor Rate Loan. Borrower shall thereafter select and notify Lender of each new Libor Rate Interest Period applicable to such Libor Rate Loan in accordance with the foregoing notice requirements. If Borrower fails to deliver to Lender a drawdown notice, conversion notice or a rollover notice in respect of a Libor Rate Loan at least three (3) Business Days prior to the expiry of the Libor Rate Interest Period applicable to such Libor Rate Loan, such Libor Rate Loan shall, on the last day of the Libor Rate Interest Period applicable thereto, be deemed to have been converted into a US Prime Rate Loan, pursuant to Section 3.2(b).

(e) Borrower agrees that:

- (i) the difference between the amount of a Revolving Loan requested by Borrower by way of Libor Rate Loan and the actual proceeds of the Libor Rate Loan;
- (ii) the difference between the actual proceeds of a Libor Rate Loan and the amount required to pay a Libor Rate Loan at the end of the Libor Rate Interest Period, if a Libor Rate Loan is being rolled over; and
- (iii) the difference between the actual proceeds of a Libor Rate Loan and the amount required to repay any Revolving Loan which is being converted to a Libor Rate Loan,

shall be funded by Borrower from its own resources, by 11:00 a.m. (Toronto time) on the day of the Revolving Loan or may be advanced as a US Prime Rate Loan if Borrower is otherwise entitled to same.

### 3.3 SERVICING FEE

Borrower shall pay to Lender monthly a servicing fee in an amount equal to \$3,000 in respect of Lender's services for each month (or part thereof) while this Agreement remains in effect and for so long thereafter as any of the non-contingent Obligations (other than Letter of Credit Accommodations) are outstanding, which fee shall be fully earned as of and payable in advance on the date hereof and on the first day of each month hereafter.

### 3.4 UNUSED LINE FEE

Borrower shall pay to Lender monthly an unused line fee equal at a rate equal to one quarter of one percent (0.25%) per annum calculated upon the amount by which the then applicable Maximum Credit exceeds the average daily principal balance of the outstanding Revolving Loans, Letter of Credit Accommodations and Libor Rate Loans during the immediately preceding month (or part thereof) while this Agreement is in effect and for so long thereafter as any of the Obligations are outstanding, which fee shall be payable on the first day of each month in arrears. For further clarity, no Obligations will be outstanding once this Agreement has been terminated and all Obligations have been fully and indefeasibly satisfied and cash collateral has been posted in the full amount then outstanding of any Letter of Credit Accommodations, if any.

### 3.5 COMMITMENT FEE

Borrower has paid to Lender a commitment fee in the amount of \$150,000, which was fully earned by Lender and paid by Borrower on the date of the execution of the Commitment Letter.

SECTION 4. CONDITIONS PRECEDENT

4.1 CONDITIONS PRECEDENT TO THE AVAILABILITY OF INITIAL REVOLVING LOANS AND LETTER OF CREDIT ACCOMMODATIONS

Each of the following is a condition precedent to Lender making available the initial Revolving Loans and making available the initial Letter of Credit Accommodations hereunder:

(a) Lender shall have received evidence (including, without limitation, any Financing Agreements, inter-creditor arrangements, subordinations or releases of any other liens or security interests in the Collateral required by Lender), in form and substance reasonably satisfactory to Lender, that Lender, subject to Permitted Encumbrances, has valid perfected and first priority security interests in and liens upon the Collateral and any other property which is intended to be security for the Obligations or the liability of any Obligor in respect thereof, subject only to the Permitted Encumbrances;

(b) all requisite corporate action and proceedings in connection with the Financing Agreements shall be satisfactory in form and substance to Lender, and Lender shall have received all information and copies of all documents, including, without limitation, records of requisite corporate action and proceedings which Lender may have requested in connection therewith, such documents where requested by Lender or its counsel to be certified by appropriate corporate officers or governmental authorities;

(c) no event or circumstance shall have occurred which has had or could be reasonably expected to have a material adverse change in the assets or business of Borrower since the date of Lender's latest field examination and no change or event shall have occurred which would impair the ability of Borrower or any Obligor to perform its obligations under any of the Financing Agreements to which it is a party or of Lender to enforce the Obligations or realize upon the Collateral;

(d) Lender shall have completed a field review of the Records and such other information with respect to the Collateral as Lender may require to determine the amount of Revolving Loans available to Borrower, the results of which shall be satisfactory to Lender, not more than three (3) Business Days prior to the date hereof;

(e) Lender shall have received, in form and substance satisfactory to Lender, all consents, waivers, acknowledgments and other agreements from third persons which Lender may deem necessary or desirable in order to permit, protect and perfect its security interests in and liens upon the Collateral or to effectuate the provisions or purposes of the Financing Agreements, including, without limitation: (i) acknowledgements by lessors, mortgagees and warehousemen of Lender's security interests in the Collateral, waivers by such persons of any security interests, liens or other claims by such persons to the Collateral and agreements permitting Lender access to, and the right to remain on, the premises to exercise its rights and remedies and otherwise deal with the Collateral; and (ii) full subordination agreements of any indebtedness for borrowed money owing by Borrower, including, without limitation, the subordination of shareholder and inter-company loans;

(f) Lender shall have received evidence of insurance and loss payee endorsements required under the Financing Agreements, in form and substance satisfactory to Lender, and certificates of insurance policies and/or endorsements naming Lender as first loss payee, as its interests may appear, or an additional insured, as applicable;

(g) Lender shall have received, in form and substance satisfactory to Lender, such opinion letters of counsel to Borrower and the Obligor with respect to the Financing Agreements and such other matters as Lender may reasonably request;

(h) the Financing Agreements and all instruments and documents thereunder shall have been duly executed and delivered to Lender, in form and substance reasonably satisfactory to Lender;

(i) Lender shall have received, in form and substance satisfactory to Lender, an assignment of the keyman life insurance obtained for Bradley Wechsler and Richard Gelfond and an assignment of the cash surrender value thereof, upon terms satisfactory to Lender;

(j) the Excess Availability as determined by Lender shall be at least \$2,500,000 after giving effect to the initial Revolving Loans made or to be made hereunder on the Closing Date;

(k) Borrower shall have delivered to Lender, in form and substance reasonably satisfactory to Lender, a legal opinion from Shearman & Sterling LLP, opining that the execution, delivery and performance of the facility contemplated herein by Borrower will not result in a breach of the provisions of, or a default under, the Trust Indenture;

(l) Borrower shall have obtained and delivered to Lender, in form and substance reasonably satisfactory to Lender, any consents which are required in order to permit Borrower to enter into the Financing Agreements, including, without limitation, consents required pursuant to the Senior Note Indebtedness and any shareholders' agreement existing among the shareholders of Borrower;

(m) Lender and its counsel, acting reasonably, must be satisfied with the form and content of Borrower's material agreements, including, without limitation, financial guarantees, indemnification agreements, licensing agreements, customer and supplier agreements and lawsuits and without limiting the foregoing, Lender and its counsel, acting reasonably, must also be satisfied with the form and content of all of the Operating Leases and Capital Leases of Borrower and must be reasonably satisfied that the benefits received by Borrower under each of the Operating Leases and Capital Leases are assignable to Lender and any future assignees without the consent of any of the Clients;

(n) Lender shall have received, in form and substance satisfactory to Lender, projections for the fiscal years ending December 31, 2003 and 2004 of Borrower, prepared on a monthly basis, which shall include balance sheets, income statements and cash flows, including, detail on a monthly basis reflecting capital expenditures, repayment to long term debt, acquisitions and financing required therefor; and

(o) Lender shall have received, in form and substance satisfactory to Lender, a completed and executed Borrowing Base Certificate dated as of the date hereof.

4.2 CONDITIONS PRECEDENT TO THE AVAILABILITY OF ALL REVOLVING  
LOANS AND LETTER OF CREDIT ACCOMMODATIONS

Each of the following is an additional condition precedent to Lender making available the Revolving Loans and/or making available Letter of Credit Accommodations to Borrower, including the initial Revolving Loans and Letter of Credit Accommodations and any future Revolving Loans and Letter of Credit Accommodations:

(a) all representations and warranties contained in the Financing Agreements shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date of the making of each such Revolving Loan or providing each such Letter of Credit Accommodation and after giving effect thereto; and

(b) no Event of Default and no event or condition which, with notice or passage of time or both, would constitute an Event of Default, shall exist or have occurred and be continuing on and as of the date of the making of such Revolving Loan or providing each such Letter of Credit Accommodation and after giving effect thereto.

SECTION 5. INTENTIONALLY DELETED

SECTION 6. COLLECTION AND ADMINISTRATION

6.1 BORROWER'S LOAN ACCOUNT

Lender shall maintain one or more loan account(s) on its books in which shall be recorded: (a) all Revolving Loans, Letter of Credit Accommodations and other Obligations and the Collateral; (b) all payments made by or on behalf of Borrower; and (c) all other appropriate debits and credits as provided in this Agreement, including fees, charges, costs, expenses and interest. All entries in the loan account(s) shall be made in accordance with Lender's customary practices as in effect from time to time.

6.2 STATEMENTS

Lender shall render to Borrower each month a statement setting forth the balance in Borrower's loan account(s) maintained by Lender for Borrower pursuant to the provisions of this Agreement, including principal, interest, fees, costs and expenses. Each such statement shall be subject to subsequent adjustment by Lender but shall, absent manifest errors or omissions, be considered correct and deemed accepted by Borrower and conclusively binding upon Borrower as an account stated except to the extent that Lender receives a written notice from Borrower of any specific exceptions of Borrower thereto within thirty (30) days after the date such statement has been mailed by Lender. Until such time as Lender shall have rendered to Borrower a written statement as provided above, the balance in Borrower's loan account(s) shall be presumptive evidence of the amounts due and owing to Lender by Borrower.



(a) Borrower shall establish and maintain, at its expense, blocked accounts (the "BLOCKED ACCOUNTS"), as Lender may specify, and Lender may establish and maintain bank accounts of Lender in Canada ("PAYMENT ACCOUNTS") in each case with such banks as are acceptable to Lender into which Borrower shall, in accordance with Lender's instructions, promptly deposit and direct its account debtors that remit payments by electronic funds transfers to directly remit, all payments on Accounts and all payments constituting proceeds of Inventory or other Collateral, with the exception of payments received in connection with Excluded Accounts, in the identical form in which such payments are made, whether by cash, cheque or other manner. The banks at which the Blocked Accounts are established shall enter into an agreement, in form and substance satisfactory to Lender, providing that all items received or deposited in the Blocked Accounts are subject to the first priority security interest of Lender, that the depository bank has no lien upon, or right to set-off against the Blocked Accounts, the items received for deposit therein, or the funds from time to time on deposit therein and that upon receipt of Lender's notice that a Cash Dominion Event has occurred and is continuing, the depository bank will, without further inquiry, wire, or otherwise transfer, in immediately available funds, on a daily basis, all funds received or deposited into the Blocked Accounts to the Payment Accounts or such other bank account of Lender as Lender may from time to time designate for such purpose. Borrower agrees that all payments made to such Blocked Accounts shall be subject to the first priority security interest of Lender and that all payments made, in accordance with this Section, to such Payment Accounts or other funds received and collected by Lender, whether on the Accounts or as proceeds of Inventory or other Collateral or otherwise shall be the property of Lender to the extent of any outstanding Obligations.

(b) Such payments made to the Payment Account (conditional upon final collection which may be subject to fees, expenses and charges resulting from things such as the dishonour of cheques), will be applied, for all purposes, including for purposes of calculating the amount of the Revolving Loans available to Borrower and of calculating interest on the Obligations, to the Obligations on the same Business Day of receipt by Lender of immediately available funds in the Payment Account provided such payments and notice thereof are received in accordance with Lender's usual and customary practices as in effect from time to time and within sufficient time to credit Borrower's loan account on such day, and if not, then on the next Business Day. If Lender receives funds in a Payment Account at any time at which no Obligations are outstanding or in excess of then outstanding Obligations, Lender shall hold such funds in trust for Borrower and shall, by no later than the Business Day following receipt by Lender of: (i) immediately available funds in the Payment Account, provided such payments and notice thereof are received in accordance with Lender's usual and customary practices as in effect from time to time; and (ii) a direction from Borrower to advance such funds, advance such excess funds to the Blocked Account. Lender shall no later than the Business Day following the day on which there ceases to be a Cash Dominion Event, deliver to the bank at which the Blocked Account is maintained an executed "Unblocked Notice" in the form attached to the Blocked Account Agreement.

(c) Borrower and all of its affiliates, Subsidiaries, shareholders, directors, employees or agents shall receive, subject to the first priority security interest of Lender, any monies, cheques, notes, drafts or any other payment relating to and/or proceeds of Accounts or other

Collateral, with the exception of Excluded Accounts, which come into their possession or under their control and immediately upon receipt thereof, shall deposit or cause the same to be deposited in the Blocked Accounts, or remit the same or cause the same to be remitted, in kind, to Lender. Borrower agrees to reimburse Lender on demand for any amounts owed or paid by Lender to any bank at which a Blocked Account or Payment Account is established or any other bank or person involved in the transfer of funds to or from the Blocked Accounts or the Payment Accounts arising out of Lender's required payments to or indemnification of such bank or person. The obligation of Borrower to reimburse Lender for such amounts pursuant to this Section 6.3 shall survive the termination or non-renewal of this Agreement.

#### 6.4 PAYMENTS

All Obligations shall be payable to the Payment Account as provided in Section 6.3 or such other place in Canada as Lender may designate from time to time. Lender may, after the occurrence and continuance of an Event of Default, apply payments received or collected from Borrower or for the account of Borrower (including the monetary proceeds of collections or of realization upon any Collateral) to such of the Obligations, whether or not then due, in such order and manner as Lender determines. Payments and collections received in any currency other than Canadian Dollars or US Dollars will be accepted and/or applied at the sole discretion of Lender. At Lender's option, all principal, interest, fees, costs, expenses and other charges provided for in the Financing Agreements may be charged directly to the loan account(s) of Borrower. Borrower shall make all payments to Lender on the Obligations free and clear of, and without deduction or withholding for or on account of, any set-off, counterclaim, defence, duties, taxes, levies, imposts, fees, deductions, withholding, restrictions or conditions of any kind. If after receipt of any payment of, or proceeds of Collateral applied to the payment of, any of the Obligations, Lender is required to surrender or return such payment or proceeds to any Person for any reason, then the Obligations intended to be satisfied by such payment or proceeds shall be reinstated and continue and this Agreement shall continue in full force and effect as if such payment or proceeds had not been received by Lender. Borrower shall be liable to pay to Lender, and does hereby indemnify and hold Lender harmless for the amount of any payments or proceeds surrendered or returned. Section 6.4 shall remain effective notwithstanding any contrary action which may be taken by Lender in reliance upon such payment or proceeds. The indemnification in the second preceding sentence shall survive the payment of the Obligations and the termination or non-renewal of this Agreement.

#### 6.5 AUTHORIZATION TO MAKE REVOLVING LOANS AND LETTER OF CREDIT ACCOMMODATIONS

Lender is authorized to make the Revolving Loans and provide the Letter of Credit Accommodations based upon written instructions received from the persons authorized by Borrower as notified in writing by Borrower to Lender from time to time or, at the discretion of Lender, if such Revolving Loans are necessary to satisfy any Obligations. All requests for Revolving Loans or Letter of Credit Accommodations hereunder shall specify the date on which the requested advance is to be made or Letter of Credit Accommodations established (which day shall be a Business Day) and the amount of the requested Loan. Requests received after 11:00 a.m. Toronto time on any day shall be deemed to have been made as of the opening of business on the immediately following Business Day. All Revolving Loans and Letter of Credit

Accommodations under this Agreement shall be conclusively presumed to have been made to, and at the request of and for the benefit of, Borrower when deposited to the credit of Borrower or otherwise disbursed or established in accordance with the instructions of Borrower or in accordance with the terms and conditions of this Agreement.

#### 6.6 USE OF PROCEEDS

Borrower shall use the initial proceeds of the Revolving Loans provided by Lender to Borrower hereunder for costs, expenses and fees in connection with the preparation, negotiation, execution and delivery of the Financing Agreements and any remaining proceeds and all other Revolving Loans made or Letter of Credit Accommodations provided by Lender to Borrower pursuant to the provisions hereof shall be used by Borrower only for general operating, working capital and other proper corporate purposes of Borrower not otherwise prohibited by the terms hereof.

### SECTION 7. COLLATERAL REPORTING AND COVENANTS

#### 7.1 COLLATERAL REPORTING

(a) Borrower shall provide Lender with the following documents in a form satisfactory to Lender: (a) on a monthly basis within twenty (20) days after each month end or more frequently as Lender may request: (i) agings of accounts payable; and (ii) copies of bank statements and trial balances; (b) within twenty (20) days after each month end or more frequently as Lender may request, a duly completed and executed Borrowing Base Certificate together with any information which Lender reasonably requests in connection therewith which Borrowing Base Certificate shall, in no event, be deemed to limit, impair or otherwise affect the rights of Lender contained in this Agreement and in the event of any conflict or inconsistency between the calculations made in the Borrowing Base Certificate and those made by Lender, those made by Lender shall be binding and conclusive on Borrower absent manifest error; (c) on a weekly basis, on the Monday of each week, and if such Monday does not fall on a Business Day then on the next Business Day: (i) details of cash receipts, (ii) a schedule, in the form attached herewith as Schedule 7.1(c)(ii) of the aggregate amount of cash collections made by Borrower in the preceding week together with evidence, in form and substance satisfactory to Lender, of the deposit of such collections into the Blocked Accounts, and (iii) a schedule, in the form attached herewith as Schedule 7.1(c)(iii) of the Trailing Cash Collections; and (d) such other reports as to the Collateral as Lender shall request from time to time. If any of Borrower's records or reports of the Collateral are prepared or maintained by an accounting service, contractor, shipper or other agent, Borrower hereby irrevocably authorizes, at any time that an Event of Default exists or has occurred and is continuing, such service, contractor, shipper or agent to deliver such records, reports, and related documents to Lender and to follow Lender's instructions with respect to further services.

(b) Borrower shall, at its expense: (i) once in any twelve (12) month period, but at any time or times as Lender may request on or after an Event of Default that is continuing, deliver or cause to be delivered to Lender written appraisals as to all of the Collateral; and (ii) twice in any twelve (12) month period, but at any time or times as Lender may request on or after an

Event of Default that is continuing, deliver or cause to be delivered to Lender written desktop appraisals as to all of the Collateral, in accordance with the form, scope and methodology utilized in the Hilco Appraisal by the Appraiser, addressed to Lender or upon which Lender is expressly permitted to rely.

7.2

ACCOUNTS COVENANTS

(a) Borrower shall promptly upon becoming aware thereof, notify Lender of: (i) any material delay in Borrower's performance of any of its obligations to any Account debtor or the assertion of any claims, offsets, defences or counterclaims by any Account debtor, or any material disputes with Account debtors, or any material settlement, adjustment or compromise thereof; and (ii) all material adverse information relating to the financial condition of any Account debtor. No credit, discount, allowance or extension or agreement for any of the foregoing shall be granted to any account debtor without Lender's consent, except in the ordinary course of Borrower's business in accordance with good commercial practice. So long as no Event of Default exists or has occurred and is continuing, Borrower shall settle, adjust or compromise any claim, offset, counterclaim or dispute with any account debtor. At any time that an Event of Default exists or has occurred and is continuing, Lender shall, at its option, have the exclusive right to settle, adjust or compromise any claim, offset, counterclaim or dispute with account debtors or grant any credits, discounts or allowances.

(b) With respect to each Account: (i) the amounts shown on any invoice delivered to Lender or schedule thereof delivered to Lender shall be true and complete; (ii) no payments shall be made thereon except payments immediately deposited into the Blocked Accounts pursuant to the terms of this Agreement; (iii) no credit, discount, allowance or extension or agreement for any of the foregoing shall be granted to any account debtor except as permitted in this Agreement and except for credits, discounts, allowances or extensions made or given in the ordinary course of Borrower's business in accordance with good commercial practice; (iv) there shall be no set-offs, deductions, contras, defences, counterclaims or material disputes existing or asserted with respect thereto except as reported to Lender in accordance with the terms of this Agreement; and (v) none of the transactions giving rise thereto will violate any applicable federal or provincial laws or regulations, all documentation relating thereto will be legally sufficient under such laws and regulations and all such documentation will be legally enforceable in accordance with its terms.

(c) At any time that an Event of Default exists or has occurred and is continuing, Lender shall have the right, acting in good faith, in Lender's name or in the name of a nominee of Lender, to verify the validity, amount or any other matter relating to any Account or other Collateral, by mail, telephone, facsimile transmission or otherwise.

(d) Borrower shall deliver or cause to be delivered to Lender, with appropriate endorsement and assignment, with full recourse to Borrower, all chattel paper and instruments which Borrower now owns or may at any time acquire immediately upon Borrower's receipt thereof, except as Lender may otherwise agree.

(e) Lender may, at any time or times that an Event of Default exists or has occurred and is continuing: (i) notify any or all account debtors that the Accounts have been assigned to

Lender and that Lender has a security interest therein and Lender may direct any or all accounts debtors to make payment of Accounts directly to Lender; (ii) extend the time of payment of, compromise, settle or adjust for cash, credit, return of merchandise or otherwise, and upon any terms or conditions, any and all Accounts or other obligations included in the Collateral and thereby discharge or release the account debtor or any other party or parties in any way liable for payment thereof without affecting any of the Obligations; (iii) demand, collect or enforce payment of any Accounts or such other obligations, but without any duty to do so, and Lender shall not be liable for its failure to collect or enforce the payment thereof nor for the negligence of its agents or attorneys with respect thereto; and (iv) take whatever other action Lender may deem necessary or desirable for the protection of its interests. At any time that an Event of Default exists or has occurred and is continuing, at Lender's request, all invoices and statements sent to any account debtor shall state that the Accounts and such other obligations have been assigned to Lender and are payable directly and only to Lender and Borrower shall deliver to Lender such originals of documents evidencing the sale and delivery of goods or the performance of services giving rise to any Accounts as Lender may require.

#### 7.3 INVENTORY COVENANTS

With respect to the Inventory: (a) Borrower shall at all times maintain inventory records satisfactory to Lender, keeping correct and accurate records itemizing and describing the kind, type, quality and quantity of Inventory, Borrower's cost therefor and monthly withdrawals therefrom and additions thereto; (b) Borrower shall conduct a physical count of the Inventory at least once each year, but at any time or times as Lender may request on or after an Event of Default that is continuing, and promptly following such physical inventory shall supply Lender with a report in the form and with such specificity as may be satisfactory to Lender concerning such physical count; (c) Borrower shall not, other than as permitted herein, including, without limitation, pursuant to Section 9.7(b), remove any Inventory from the locations set forth or permitted herein, without the prior written consent of Lender, except for sales and movement of Inventory in the ordinary course of Borrower's business and except to move Inventory directly from one location set forth or permitted herein to another such location; (d) Borrower shall produce, use, store and maintain the Inventory, with all reasonable care and caution and in accordance with applicable standards of any insurance and in conformity with applicable laws; (e) Borrower assumes all responsibility and liability arising from or relating to the production, use, sale or other disposition of the Inventory; (f) Borrower shall not sell Inventory to any customer on approval, or any other basis which entitles the customer to return or may obligate Borrower to repurchase such Inventory; (g) Borrower shall keep the Inventory in good and marketable condition; and (h) Borrower shall not, without prior written notice to Lender, acquire or accept any Inventory on consignment or approval.

#### 7.4 EQUIPMENT COVENANTS

With respect to the Equipment: (a) Borrower shall keep the Equipment in good order, repair, running and marketable condition (ordinary wear and tear excepted); (b) Borrower shall use the Equipment with all reasonable care and caution and in accordance with applicable standards of any insurance and in conformity with all applicable laws; (c) the Equipment is and shall be used in Borrower's business and not for personal, family or household use; (d) Borrower shall not, other than as permitted herein, including, without limitation, pursuant to Section 9.7(b),

remove any Equipment from the locations set forth or permitted herein, without the prior written consent of Lender, except for sales (as permitted in section 9.7(b) hereof) and movement of Equipment in the ordinary course of Borrower's business and except to move Equipment directly from one location set forth or permitted herein to another such location; (e) the Equipment is now and shall remain personal property and Borrower shall not permit any of the Equipment to be or become a part of or affixed to real property; and (f) Borrower assumes all responsibility and liability arising from the use of the Equipment.

7.5 IP COLLATERAL COVENANTS

With respect to the IP Collateral:

- (a) Borrower shall notify Lender forthwith in writing:
  - (i) of the failure of any licensee, if any, to pay or perform any material obligations due to the Borrower in respect of the License Agreements (as such term is defined in the General Security Agreement);
  - (ii) of any reason any patent, patent application, patent registration, trademark, trademark application, trademark registration, copyright, copyright application, copyright registration, industrial design application or industrial design registration forming part of the material IP Collateral or any other application, registration or proceeding relating to any of the material IP Collateral may become barred, abandoned, refused, rejected, forfeited, withdrawn, expired, lapsed, cancelled, expunged, opposed or dedicated or of any adverse determination or development (including, without limitation, the institution of any proceeding in any Intellectual Property Office or any court or tribunal) regarding the Borrower's ownership of or rights in any of the material IP Collateral, its right to register or otherwise protect the same, or to keep and maintain the exclusive rights in same, or the validity of same; or
  - (iii) of any action, proceeding, or allegation that the IP Collateral infringes upon, misappropriates, violates, or otherwise interferes with the rights of any Person.
- (b) Borrower shall do everything commercially necessary or desirable to preserve and maintain the IP Collateral. Particularly, and without limiting the foregoing, unless the Borrower receives the prior written consent of Lender to the contrary, the Borrower shall do each of the following:
  - (i) perform all obligations pursuant to the License Agreements;
  - (ii) commence and prosecute such suits, proceedings or other actions for infringement, passing off, unfair competition, dilution or other damage as are in its reasonable business judgment necessary to protect the IP Collateral;

- (iii) enforce its rights under any agreements (including without limitation the License Agreements) which enhance the value of and/or protect the IP Collateral;
- (iv) make all necessary filings and recordings in the Intellectual Property Offices and elsewhere necessary to protect its interest in the Collateral, including protection of any new IP Collateral arising in the Collateral, including, without limitation making, maintaining and pursuing (including, without limitation, proceedings before Intellectual Property Offices) each application and registration with respect thereto; and
- (v) promptly notify Lender in writing when it commences any steps referred to in subsections 7.5(b)(ii) and 7.5(b)(iii) hereof and provide Lender with such information with respect thereto as Lender may request.

(c) Borrower shall not other than in the ordinary course of its business prior to an Event of Default that is continuing, without the prior written consent of Lender, amend, enter into or renew any agreement, oral or written, or any indenture, instrument or undertaking relating to the IP Collateral, including, without limitation, the License Agreements or any other license agreements and/or sub-license agreements, provided however that the Borrower may at any time prior to an Event of Default terminate, amend, enter into or renew any agreement, oral or written, or any indenture, instrument, undertaking or license (other than exclusive licenses) relating to the IP Collateral, in the ordinary course of its business.

(d) The Borrower shall at the Borrower's sole cost and expense perform all acts and execute all documents, including, without limitation, grants of security interests or assignments other than in respect of Trade-Marks in forms suitable for filing with the Intellectual Property Offices in Canada and the United States, as may be requested by Lender at any time and from time to time to evidence, perfect, maintain, record and enforce Lender's interest in the IP Collateral, or otherwise in furtherance of the provisions of this Agreement.

(e) The Borrower shall:

- (i) unless Lender consents in writing otherwise, not do any act or omit to do any act, other than in the ordinary course of its business, whereby any of the IP Collateral, may lapse, become abandoned or dedicated to the public, enter the public domain, lose its quality of confidence, become indistinct, or become unenforceable;
- (ii) unless Lender consents in writing otherwise, or unless the failure to so act would not reasonably be expected to have a material adverse effect on the business of Borrower, with respect to any Trade-mark forming part of the Collateral:
  - (A) continue the use of any such Trade-marks in order to maintain all of the Trade-marks in full force free from any claim of abandonment;

- (B) maintain as in the past the character and quality of the wares and services offered in association with such Trade-marks, and use its reasonable best efforts to require its licensees to maintain as in the past the character and quality of the wares and services offered in association with such Trade-marks; and
- (C) require that all use by any Person of any such Trade-marks shall be pursuant to a license that provides the Borrower with the requisite control and other provisions to maintain the distinctiveness of such Trade-marks.

7.6

POWER OF ATTORNEY

Borrower hereby irrevocably designates and appoints Lender (and all persons designated by Lender) as Borrower's true and lawful attorney-in-fact, and authorizes Lender, in Borrower's or Lender's name, to: (a) at any time an Event of Default exists or has occurred and is continuing: (i) demand payment on Accounts or other proceeds of the Capital Leases, the Operating Leases or other Collateral, (ii) enforce payment of Accounts by legal proceedings or otherwise, (iii) exercise all of Borrower's rights and remedies to collect any Account or other Collateral, (iv) sell or assign any Account upon such terms, for such amount and at such time or times as the Lender deems advisable, (v) settle, adjust, compromise, extend or renew an Account, (vi) discharge and release any Account, (vii) prepare, file and sign Borrower's name on any proof of claim in bankruptcy or other similar document against an account debtor, (viii) notify the post office authorities to change the address for delivery of Borrower's mail to an address designated by Lender, and open and dispose of all mail addressed to Borrower, (ix) do all acts and things which are necessary, in Lender's determination, to fulfil Borrower's obligations under the Financing Agreements, (x) have access to any lockbox or postal box into which Borrower's mail is deposited, (xi) endorse Borrower's name upon any chattel paper, document, instrument, invoice, or similar document or agreement relating to any Account or any goods pertaining thereto or any other Collateral, and (xii) sign Borrower's name on any verification of Accounts and notices thereof to account debtors, (b) at any time an Event of Default and/or a Cash Dominion Event exists or has occurred and is continuing to: (i) endorse Borrower's name upon any items of payment or proceeds thereof and deposit the same in the Lender's account for application to the Obligations; and (ii) take control in any manner of any item of payment or proceeds thereof (to the extent that the Blocked Account instructions are not otherwise respected); and (c) at any time, to execute in Borrower's name and file any PPSA, UCC or other financing statements or amendments thereto in respect of the security interests granted to Lender pursuant to any of the Financing Agreements if Borrower has not done so within two (2) days from Lender's request. Borrower hereby releases Lender and its officers, employees and designees from any liabilities arising from any act or acts under this power of attorney and in furtherance thereof, whether of omission or commission, except as a result of Lender's own gross negligence or wilful misconduct as determined pursuant to a final non-appealable order of a court of competent jurisdiction.



Lender may, at any time or times that an Event of Default exists or has occurred and is continuing, at its option: (a) cure any default by Borrower under any agreement with a third party or pay or bond on appeal any judgment entered against Borrower; (b) discharge taxes, liens, security interests or other encumbrances at any time levied on or existing with respect to the Collateral; and (c) pay any amount, incur any expense or perform any act which, in Lender's good faith judgment, is necessary or appropriate to preserve, protect, insure or maintain the Collateral and the rights of Lender with respect thereto. Lender may add any amounts so expended to the Obligations and charge Borrower's account therefor, such amounts to be repayable by Borrower on demand. Lender shall be under no obligation to effect such cure, payment or bonding and shall not, by doing so, be deemed to have assumed any obligation or liability of Borrower. Any payment made or other action taken by Lender under this Section shall be without prejudice to any right to assert an Event of Default hereunder and to proceed accordingly.

(a) From time to time as requested by Lender, at the cost and expense of Borrower: (i) Lender or its designee shall have complete access to all of Borrower's premises during normal business hours and after reasonable notice to Borrower, or at any time and without notice to Borrower if an Event of Default exists or has occurred and is continuing, for the purposes of inspecting, verifying and auditing the Collateral and all of Borrower's books and records, including, without limitation, the Records; and (ii) Borrower shall promptly furnish to Lender such copies of such books and records or extracts therefrom as Lender may request, and (iii) use during normal business hours such of Borrower's personnel, equipment, supplies and premises as may be reasonably necessary for the foregoing and if an Event of Default exists or has occurred and is continuing for the collection of Accounts and realization of other Collateral.

(b) Provided that an Event of Default has not occurred and is continuing, Lender shall use all reasonable efforts to keep confidential, in accordance with its customary procedures for handling confidential information and safe and sound lending practices, any non-public information made available by Borrower to Lender pursuant to Section 7.8(a), and all copies thereof, provided that, nothing in this Section 7.8(b) shall limit the disclosure of any such information: (i) to the extent required by statute, rule, regulation, subpoena or court order; (ii) to bank examiners and other regulators, auditors and/or accountants; (iii) in connection with any litigation to which Lender is a party; (iv) to any assignee or participant (or prospective assignee or participant) so long as such assignee or participant (or prospective assignee or participant), as applicable, shall have first agreed in writing to treat such information as confidential in accordance with this Section 7.8(b); and (v) to counsel for Lender or any participant or assignee (or prospective participant or assignee). In no event shall this Section 7.8(b), or any other provision of this Agreement or any applicable law be deemed to: (i) apply to or restrict disclosure of information that has been or is made public by Borrower or any third party without breach by Lender of this Section 7.8(b) or otherwise become generally available to the public other than as a result of a disclosure in violation hereof; (ii) apply to or restrict disclosure of information that was or becomes available to Lender on a non-confidential basis

from a person other than Borrower; (iii) require Lender to return any materials furnished by Borrower to Lender; or (iv) prevent Lender from responding to routine informational requests in accordance with applicable industry standards relating to the exchange of credit information.

#### SECTION 8. REPRESENTATIONS AND WARRANTIES

Borrower hereby represents and warrants to Lender the following (which shall survive the execution and delivery of this Agreement), the truth and accuracy of which are a continuing condition of the making of Revolving Loans and providing Letter of Credit Accommodations by Lender to Borrower:

##### 8.1 CORPORATE EXISTENCE, POWER AND AUTHORITY; SUBSIDIARIES

Borrower is a corporation duly incorporated, validly existing and duly organized under the laws of its jurisdiction of incorporation and is duly qualified or registered as a foreign or extra-provincial corporation in all provinces, states or other jurisdictions where the nature and extent of the business transacted by it or the ownership of assets makes such qualification necessary, except for those jurisdictions in which the failure to so qualify would not have a material adverse effect on Borrower's financial condition, results of operation or business or the rights of Lender in or to any of the Collateral. The execution, delivery and performance of the Financing Agreements and the transactions contemplated thereunder are all within Borrower's corporate powers, have been duly authorized and are not in contravention of law or the terms of Borrower's certificate of incorporation, by-laws, or other organizational documentation, or any indenture, agreement or undertaking to which Borrower is a party or by which Borrower or its property are bound. The Financing Agreements constitute legal, valid and binding obligations of Borrower enforceable in accordance with their respective terms. Borrower does not have any Subsidiaries except as set forth on the Information Certificate.

##### 8.2 FINANCIAL STATEMENTS; NO MATERIAL ADVERSE CHANGE

All financial statements relating to Borrower which have been or may hereafter be delivered by Borrower to Lender have been prepared in accordance with GAAP and fairly present the financial condition and the results of operation of Borrower as at the dates and for the periods set forth therein. Except as disclosed in any interim financial statements furnished by Borrower to Lender prior to the date of this Agreement, there has been no material adverse change in the assets, liabilities, properties and condition, financial or otherwise, of Borrower, since the date of the most recent audited financial statements furnished by Borrower to Lender prior to the date of this Agreement.

##### 8.3 CHIEF EXECUTIVE OFFICE; COLLATERAL LOCATIONS

The chief executive office of Borrower and Borrower's Records concerning Accounts are located only at the address set forth below and its only other places of business and the only other locations of Collateral, if any, are the addresses set forth in the Information Certificate, subject to the right of Borrower to establish new locations in accordance with Section 9.2 below and to move Inventory and Equipment as permitted in Sections 7.3 and 7.4 respectively. The Information Certificate correctly identifies any of such locations which are not

owned by Borrower and sets forth the owners and/or operators thereof and to the best of Borrower's knowledge, the holders of any mortgages on such locations.

#### 8.4 PRIORITY OF LIENS; TITLE TO PROPERTIES

The security interests and liens granted to Lender under the Financing Agreements constitute, subject to Permitted Encumbrances, valid and perfected first priority liens and security interests in and upon the Collateral subject only to the liens indicated on Schedule 8.4 hereto and the other liens permitted under Section 9.8 hereof. Borrower has good and marketable title to all of its properties and assets subject to no liens, mortgages, pledges, security interests, hypothecs, encumbrances or charges of any kind, except those granted to Lender and such others as are specifically listed on Schedule 8.4 hereto or permitted under Section 9.8 hereof.

#### 8.5 TAX RETURNS

Borrower has filed, or caused to be filed, in a timely manner (with extensions) all tax returns, reports and declarations which are required to be filed by it (except those in respect of taxes the calculation or payment of which are being contested in good faith by appropriate proceedings diligently pursued and available to Borrower and except for those returns for those jurisdictions in which failure to do so would not have a material adverse effect on the financial condition of Borrower). All information in such tax returns, reports and declarations is complete and accurate in all material respects. Borrower has paid or caused to be paid all taxes due and payable or claimed due and payable in any assessment received by it, except taxes the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to Borrower and with respect to which adequate reserves have been set aside on its books. Adequate provision has been made for the payment of all accrued and unpaid federal, provincial, municipal, local, foreign and other taxes whether or not yet due and payable and whether or not disputed.

#### 8.6 LITIGATION

Except as set forth on the Information Certificate, there is no present investigation by any governmental agency pending, or to the best of Borrower's knowledge threatened, against or affecting Borrower, its assets or business and there is no action, suit, proceeding or claim by any Person pending, or to the best of Borrower's knowledge threatened, against Borrower or its assets or goodwill, or against or affecting any transactions contemplated by this Agreement, which in each of the foregoing cases, can reasonably be expected to result in any material adverse change in the assets or business of Borrower or would impair the ability of Borrower to perform its obligations under any of the Financing Agreements to which it is a party or of Lender to enforce any Obligations or realize upon any Collateral.

#### 8.7 COMPLIANCE WITH OTHER AGREEMENTS AND APPLICABLE LAWS

Borrower is not in default in any material respect under, or in violation in any material respect of any of the material terms of, any agreement, contract, instrument, lease or other commitment to which it is a party or by which it or any of its assets are bound, including, without limitation, the Capital Leases and the Operating Leases and Borrower is in compliance

in all material respects with all applicable provisions of laws, rules, regulations, licenses, permits, approvals and orders of any foreign, federal, provincial or local governmental authority.

8.8 BANK ACCOUNTS

All of the deposit accounts, investment accounts or other accounts in the name of or used by Borrower maintained at any bank or other financial institution are set forth on Schedule 8.8 hereto, subject to the right of Borrower to establish new accounts in accordance with Section 9.17 below.

8.9 ACCURACY AND COMPLETENESS OF INFORMATION

All information furnished by or on behalf of Borrower in writing to Lender in connection with any of the Financing Agreements or any transaction contemplated hereby or thereby, including all information on the Information Certificate is true and correct in all material respects on the date as of which such information is dated or certified and does not omit any material fact necessary in order to make such information not misleading, in addition, the Information Certificate attaches the form(s) of the agreements used for all the Capital Leases and Operating Leases, together with a breakdown of which agreements constitute Capital Leases and which agreements constitute Operating Leases, together with any and all exceptions thereto, have been delivered to Lender for review. The Borrower represents and warrants that none of the Capital Leases or Operating Leases include contractual provisions restricting the assignability thereof, to Lender or to an assignee of the Lender upon exercise of the Financing Agreements, with the exception of those restrictive provisions set out on Schedule 8.9 hereof. No event or circumstance has occurred which has had or could reasonably be expected to have a material adverse affect on the business or assets of Borrower, which has not been fully and accurately disclosed to Lender in writing.

8.10 STATUS OF PENSION PLANS

To the best knowledge of Borrower:

(a) The Pension Plans are duly registered under all applicable provincial pension benefits legislation.

(b) All obligations of Borrower (including fiduciary, funding, investment and administration obligations) required to be performed in connection with the Pension Plans or the funding agreements therefor have been performed in a timely fashion. There are no outstanding disputes concerning the assets held pursuant to any such funding agreement.

(c) All contributions or premiums required to be made by Borrower to the Pension Plans have been made in a timely fashion in accordance with the terms of the Pension Plans and applicable laws and regulations.

(d) All employee contributions to the Pension Plans required to be made by way of authorized payroll deduction have been properly withheld by Borrower and fully paid into the Pension Plans in a timely fashion.

(e) All reports and disclosures relating to the Pension Plans required by any applicable laws or regulations have been filed or distributed in a timely fashion.

(f) There have been no improper withdrawals, or applications of, the assets of any of the Pension Plans.

(g) No amount is owing by any of the Pension Plans under the Income Tax Act (Canada) or any provincial taxation statute.

(h) The Pension Plans are fully funded both on an ongoing basis and on a solvency basis (using actuarial assumptions and methods which are consistent with the valuations last filed with the applicable governmental authorities and which are consistent with generally accepted actuarial principles).

(i) Borrower, after diligent enquiry, has neither any knowledge, nor any grounds for believing, that any of the Pension Plans is the subject of an investigation, any other proceeding, an action or a claim. There exists no state of facts which after notice or lapse of time or both could reasonably be expected to give rise to any such proceeding, action or claim.

#### 8.11 ENVIRONMENTAL COMPLIANCE

(a) Borrower has not generated, used, stored, treated, transported, manufactured, handled, produced or disposed of any Hazardous Materials, on or off its premises (whether or not owned by it) in any manner which at any time violates any applicable Environmental Law or any license, permit, certificate, approval or similar authorization thereunder which may be expected to have a material adverse effect on Borrower and the operations of Borrower comply in all material respects with all Environmental Laws and all licenses, permits, certificates, approvals and similar authorizations thereunder.

(b) There is no investigation, proceeding, complaint, order, directive, claim, citation or notice by any governmental authority or any other person nor is any pending or to the best of Borrower's knowledge threatened, with respect to any non-compliance with or violation of the requirements of any Environmental Law by Borrower or the release, spill or discharge, threatened or actual, of any Hazardous Material or the generation, use, storage, treatment, transportation, manufacture, handling, production or disposal of any Hazardous Materials or any other environmental, health or safety matter, which affects Borrower or its business, operations or assets or any properties at which Borrower has transported, stored or disposed of any Hazardous Materials.

(c) Borrower has no material liability (contingent or otherwise) in connection with a release, spill or discharge, threatened or actual, of any Hazardous Materials or the generation, use, storage, treatment, transportation, manufacture, handling, production or disposal of any Hazardous Materials.

(d) Borrower has all licenses, permits, certificates, approvals or similar authorizations required to be obtained or filed in connection with the operations of Borrower under any Environmental Law and all of such licenses, permits, certificates, approvals or similar authorizations are valid and in full force and effect.

(e) Borrower does not maintain and is not required by applicable law or otherwise to establish and maintain a system to assure and monitor its continued compliance with all Environmental Laws in all of its operations. In the event Borrower establishes such a system it shall include annual reviews of such compliance by employees or agents of Borrower who are familiar with the requirements of the Environmental Laws and copies of all environmental surveys, audits, assessments, feasibility studies and results of remedial investigations shall be promptly furnished, or caused to be furnished, by Borrower to Lender all at Borrower's expense.

8.12 INTER-CREDITOR AND SUBORDINATION AGREEMENTS

There are no intercreditor agreements and/or subordination agreements to which Borrower and/or any Obligor is a party.

8.13 SURVIVAL OF WARRANTIES; CUMULATIVE

All representations and warranties contained in any of the Financing Agreements shall survive the execution and delivery of this Agreement and shall be deemed to have been made again to Lender on the date of each additional borrowing or other credit accommodation hereunder and shall be conclusively presumed to have been relied on by Lender regardless of any investigation made or information possessed by Lender. The representations and warranties set forth herein shall be cumulative and in addition to any other representations or warranties which Borrower shall now or hereafter give, or cause to be given, to Lender.

SECTION 9. AFFIRMATIVE AND NEGATIVE COVENANTS

9.1 MAINTENANCE OF EXISTENCE

Except to the extent otherwise permitted herein, Borrower shall at all times preserve, renew and keep in full, force and effect its corporate existence and rights and franchises with respect thereto and maintain in full force and effect all permits, licenses, trademarks, tradenames, approvals, authorizations, leases and contracts necessary to carry on the business as presently or proposed to be conducted. Borrower shall give Lender fifteen (15) days prior written notice of any proposed change in its corporate name, which notice shall set forth the new name and Borrower shall deliver to Lender a certified copy of the Articles of Amendment of Borrower providing for the name change immediately following its filing.

9.2 NEW COLLATERAL LOCATIONS

Borrower may open any new location within Canada or the United States of America provided Borrower:(a) gives Lender thirty (30) days prior written notice of the intended opening of any such new location; and (b) executes and delivers, or causes to be executed and delivered, to Lender such agreements, documents, and instruments as Lender may deem necessary or desirable to protect its interests in the Collateral at such location, including PPSA, UCC and other financing statements and such other evidence as Lender may require of the perfection of Lender's first priority security interests and liens where required by Lender.

9.3 COMPLIANCE WITH LAWS, REGULATIONS, ETC.

(a) Borrower shall, at all times, comply in all material respects with all laws, rules, regulations, licenses, permits, approvals and orders applicable to it and duly observe all requirements of any Federal, Provincial or local governmental authority, including, without limitation, all statutes, rules, regulations, orders, permits and stipulations relating to environmental pollution and employee health and safety, including, without limitation, all of the Environmental Laws except for any matter that Borrower is contesting in good faith by appropriate proceedings diligently pursued and which is not reasonably expected to have a material adverse effect on Borrower or its property, operations, business, prospects or conditions (financial or otherwise).

(b) Borrower shall take prompt and appropriate action to respond to any non-compliance with any of the Environmental Laws and shall regularly report to Lender on such response.

(c) Borrower shall give both oral and written notice to Lender immediately upon Borrower's receipt of any notice of, or Borrower's otherwise obtaining knowledge of: (i) the occurrence of any event involving the actual release, spill or discharge of any Hazardous Material that would be in violation of Environmental Laws; or (ii) any investigation, proceeding, complaint, order, directive, claims, citation or notice with respect to: (A) any non-compliance with or violation of any Environmental Law by Borrower, or (B) the release, spill or discharge, threatened or actual, of any Hazardous Material, or (C) the generation, use, storage, treatment, transportation, manufacture, handling, production or disposal of any Hazardous Materials, or (D) any other environmental, health or safety matter, which affects any Borrower or its business, operations or assets or any properties at which Borrower transported, stored or disposed of any Hazardous Materials.

(d) Without limiting the generality of the foregoing, if is non-compliance, or any condition which requires any action by or on behalf of Borrower in order to avoid any material non-compliance, with any Environmental Law, Borrower shall, at Lender's request and Borrower's expense: (i) cause an independent environmental engineer acceptable to Lender to conduct such tests of the site where Borrower's non-compliance or alleged non-compliance with such Environmental Laws has occurred as to such non-compliance and prepare and deliver to Lender a report as to such non-compliance setting forth the results of such tests, a proposed plan for responding to any environmental problems described therein, and an estimate of the costs thereof; and (ii) provide to Lender a supplemental report of such engineer whenever the scope of such non-compliance, or Borrower's response thereto or the estimated costs thereof, shall change in any material respect.

(e) Borrower shall indemnify and hold harmless Lender, its directors, officers, employees, agents, invitees, representatives, successors and assigns, from and against any and all losses, claims, damages, liabilities, costs, and expenses (including reasonable legal fees and expenses) directly or indirectly arising out of or attributable to the use, generation, manufacture, reproduction, storage, release, threatened release, spill, discharge, disposal or presence of a Hazardous Material, including, without limitation, the costs of any required or necessary repair, cleanup or other remedial work with respect to any property of Borrower and the preparation and implementation of any closure, remedial or other required plans. All

representations, warranties, covenants and indemnifications in this Section 9.3 shall survive the payment of the Obligations and the termination or non-renewal of this Agreement.

#### 9.4 PAYMENT OF TAXES AND CLAIMS

Borrower shall duly pay and discharge all taxes, assessments, contributions and governmental charges upon or against it or its properties or assets, except for taxes the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to Borrower and with respect to which adequate reserves have been set aside on its books. Borrower shall be liable for any tax or penalties imposed on Lender as a result of the financing arrangements provided for herein and Borrower agrees to indemnify and hold Lender harmless with respect to the foregoing, and to repay to Lender on demand the amount thereof, and until paid by Borrower such amount shall be added and deemed part of the Revolving Loans, provided, that, nothing contained herein shall be construed to require Borrower to pay any income, capital, financial institution or franchise taxes attributable to the income of Lender from any amounts charged or paid hereunder to Lender. The foregoing indemnity shall survive the payment of the Obligations and the termination or non-renewal of this Agreement.

#### 9.5 INSURANCE

(a) Borrower shall, at all times, maintain with financially sound and reputable insurers insurance with respect to the Collateral against loss or damage and all other insurance of the kinds and in the amounts customarily insured against or carried by corporations of established reputation engaged in the same or similar businesses and similarly situated. Said policies of insurance shall be satisfactory to Lender, acting in good faith, as to form, amount and insurer. Borrower shall furnish certificates, policies or endorsements to Lender as Lender shall require as proof of such insurance, and, if Borrower fails to do so Lender is authorized, but not required, to obtain such insurance at the expense of Borrower. All policies shall provide for at least thirty (30) days prior written notice to Lender of any cancellation or reduction of coverage and that Lender may act as attorney for Borrower in obtaining, and at any time an Event of Default exists or has occurred and is continuing, adjusting, settling, amending and cancelling such insurance.

(b) Borrower shall cause Lender to be named as a loss payee and/or an additional insured, as applicable (but without any liability for any premiums) under such insurance policies and Borrower shall obtain non-contributory lender's loss payable endorsements to all insurance policies (other than third party liability policies) in form and substance satisfactory to Lender. Such lender's loss payable endorsements shall specify that at any time an Event of Default exists or has occurred and is continuing, the proceeds of such insurance shall all be payable to Lender as its interests may appear and at all other times in accordance with this Section 9.5(c).

(c) Subject to Section 9.5(b)(ii) hereof, the proceeds of insurance:

- (i) which are equal to or less than \$2,000,000 per occurrence shall be payable to Borrower;



- (ii) which are greater than \$2,000,000 and less than \$10,000,000 per occurrence, shall be payable to Borrower and Borrower shall provide Lender with evidence, satisfactory to Lender in its discretion, that such Collateral can be repaired and/or replaced within one hundred and eighty (180) days from the date Borrower receives such proceeds. Borrower shall forthwith apply such proceeds to the costs of repairing and/or replacing the Collateral within such one hundred and eighty (180) day period otherwise Borrower shall remit all such proceeds directly into the Payment Account and dealt with in accordance with Section 6.3 hereof; or
- (iii) which are greater than \$10,000,000 per occurrence, shall be payable directly to Lender and in the event that such Collateral can be repaired and/or replaced within one hundred and eighty (180) days from the date Lender receives such proceeds, Borrower shall provide evidence, within five (5) days from the date Lender receives such proceeds, to Lender that such Collateral can be repaired and/or replaced within such one hundred and eighty (180) days and if such evidence is satisfactory Lender, in its discretion, Lender shall release such insurance proceeds to Borrower. Borrower shall forthwith apply such proceeds to the costs of repairing and/or replacing the Collateral within such one hundred and eighty (180) days, in the event Borrower does not provide Lender with the evidence required within five (5) days from the date Lender receives such proceeds, Lender shall forthwith remit such proceeds to the Payment Account to be dealt with in accordance with Section 6.3 hereof.

(d) notwithstanding anything to the contrary contained in Section 9.5(c) hereof, insurance proceeds received in respect of:

- (i) Collateral comprised of real property shall be payable directly into the Payment Account and dealt with in accordance with Section 6.3 hereof;
- (ii) proceeds of the keyman insurance policies, or cash surrender value thereof, assigned to Lender pursuant to Section 4.1(i) hereof, shall be payable to Payment Account and dealt with in accordance with Section 6.3 hereof; and
- (iii) proceeds of business interruption insurance assigned to Lender, shall be payable to the Payment Account and dealt with in accordance with Section 6.3 hereof.

#### 9.6 FINANCIAL STATEMENTS AND OTHER INFORMATION

(a) Borrower shall keep proper books and records in which true and complete entries shall be made of all dealings or transactions of or in relation to the Collateral and the business of Borrower and its Subsidiaries (if any) in accordance with GAAP and Borrower shall furnish or cause to be furnished to Lender: (i) within thirty (30) days after the end of each fiscal month, monthly unaudited consolidated financial statements (including in each case balance

sheets, statements of income and loss, statements of cash flow and statements of shareholders' equity), all in reasonable detail, fairly presenting the financial position and the results of the operations of Borrower and its Subsidiaries as of the end of and through such fiscal month; (ii) within one hundred and twenty (120) days after the end of each fiscal year, audited consolidated financial statements of Borrower and its Subsidiaries (including in each case balance sheets, statements of income and loss, statements of changes in financial position and statements of shareholders' equity), and the accompanying notes thereto, including any consolidating worksheets prepared on a quarterly basis in connection therewith, all in reasonable detail, fairly presenting the financial position and the results of the operations of Borrower and its Subsidiaries as of the end of and for such fiscal year, together with the unqualified opinion of independent chartered accountants, which accountants shall be an independent accounting firm selected by Borrower and acceptable to Lender, that such financial statements have been prepared in accordance with GAAP, and present fairly the results of operations and financial condition of Borrower and its Subsidiaries as of the end of and for the fiscal year then ended; (iii) by January 15 of each year, projections for such fiscal year; and (iv) as Lender may from time to time reasonably request, and provided that Borrower prepares such information in the ordinary course of business, budgets, forecasts, business plans, cash flows and other information respecting the Collateral and the business of Borrower.

(b) Borrower shall promptly notify Lender in writing of the details of (i) any loss, damage, investigation, action, suit, proceeding or claim relating to the Collateral or any other property which is security for the Obligations and which would result in any material adverse change in Borrower's business, properties, assets, goodwill or condition, financial or otherwise and (ii) the occurrence of any Event of Default or event which, with the passage of time or giving of notice or both, would constitute an Event of Default.

(c) Borrower shall promptly after the sending or filing thereof furnish or cause to be furnished to Lender copies of all reports which Borrower sends to its shareholders generally and copies of all reports and registration statements which Borrower files with any provincial securities commission or securities exchange.

(d) Lender is hereby authorized to deliver a copy of any financial statement or any other information relating to the business of Borrower to any court or other government agency, if legally required to do so, or to any participant or assignee or prospective participant or assignee. Borrower hereby irrevocably authorizes and directs, at any time an Event of Default exists or has occurred and is continuing, all accountants or auditors to deliver to Lender, at Borrower's expense, copies of the financial statements of Borrower and any reports or management letters prepared by such accountants or auditors on behalf of Borrower and to disclose to Lender such information as they may have regarding the business of Borrower. Any documents, schedules, invoices or other papers delivered to Lender may be destroyed or otherwise disposed of by Lender one (1) year after the same are delivered to Lender, except as otherwise designated by Borrower to Lender in writing.

(e) Borrower shall within ten (10) days after the end of each month provide a certificate of a senior officer of Borrower, in form and content satisfactory to Lender, certifying that Borrower has paid in full: (i) all rent and other amounts due and payable with respect to any premises, with the exception of theatres owned and operated by Borrower, leased by Borrower

or any Obligor during such month; and (ii) all payments and other amounts due and payable with respect to any Pension Plan during such month.

(f) Borrower shall within thirty (30) days after the end of each month provide a compliance certificate, in form and content satisfactory to Lender, with respect to EBITDA of Borrower, guarantees entered into by Borrower and such other matters relating to Borrower as Lender may from time to time request.

#### 9.7 SALE OF ASSETS, CONSOLIDATION, AMALGAMATION, DISSOLUTION, ETC.

(a) Borrower shall not, directly or indirectly, without the prior written consent of Lender which is not to be unreasonably withheld or unless otherwise permitted herein: (i) amalgamate with any other Person or permit any other Person to amalgamate with it, or (ii) sell, assign, lease, transfer, abandon or otherwise dispose of any Collateral to any other Person, or (iii) form or acquire any Subsidiaries, or (d) wind up, liquidate or dissolve or (iv) agree to do any of the foregoing.

(b) Notwithstanding Section 9.7(a) hereof and provided that an Event of Default does not then exist, Borrower shall be permitted to: (i) sell Inventory in the ordinary course of business; (ii) sell Equipment at fair market value in the ordinary course of business; (iii) dispose of worn-out or obsolete Equipment or Equipment no longer used in the business of Borrower; (iv) except as permitted in this Section 9.7(b), sell assets at fair market value provided that such assets are not real property or IP Collateral; (v) sell assets which include intellectual property as an incidental component of such asset, provided such sale does not materially diminish or impair the IP Collateral to be retained by Borrower hereunder; (vi) amalgamate with an Affiliate or permit an Affiliate to amalgamate with it provided that prior to the completion of such amalgamation Lender shall be entitled to obtain and perfect a security interest from such Affiliate and/or amalgamated entity, in form and substance substantially similar to that obtained from the Obligors existing as at the date hereof, or that obtained from Borrower, if applicable; (vii) form or acquire any Subsidiaries provided that Lender shall be provided with thirty (30) days prior written notice of same and further provided that Lender shall be entitled to obtain and perfect a security interest from such Subsidiary, in form and substance substantially similar to that obtained from the Obligors existing as at the date hereof; and (viii) form or acquire any single purpose Subsidiaries for the purpose of entering into the joint ventures and the third party productions permitted pursuant to Section 9.10 hereof.

#### 9.8 ENCUMBRANCES

Borrower shall not create, incur, assume or suffer to exist any security interest, mortgage, pledge, lien, charge or other encumbrance of any nature whatsoever on any of its assets or properties, including the Collateral, except: (a) liens and security interests of Lender; (b) liens securing the payment of taxes, either not yet overdue or the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to Borrower and with respect to which adequate reserves have been set aside on its books; (c) non-consensual statutory liens (other than liens securing the payment of taxes) arising in the ordinary course of Borrower's business to the extent: (i) such liens secure indebtedness which is not overdue or (ii) such liens secure indebtedness relating to claims or liabilities which are fully insured and

being defended at the sole cost and expense and at the sole risk of the insurer or being contested in good faith by appropriate proceedings diligently pursued and available to Borrower, in each case prior to the commencement of foreclosure or other similar proceedings and with respect to which adequate reserves have been set aside on its books; (d) zoning restrictions, rights-of-way, easements, licenses, covenants and other restrictions affecting the use of real property which do not interfere in any material respect with the use of such real property or ordinary conduct of the business of Borrower as presently conducted thereon or materially impair the appraised value of the real property which may be subject thereto and the liens permitted in the Charge to be registered in favour of Lender in respect of the property municipally known as 2525 Speakman Drive, Mississauga, Ontario; (e) purchase money security interests in Equipment (including capital leases) and purchase money mortgages on real estate not to exceed \$50,000 in the aggregate at any time outstanding so long as such security interests and mortgages do not apply to any property of Borrower other than the Equipment or real estate so acquired, and the indebtedness secured thereby does not exceed the cost of the Equipment or real estate so acquired, as the case may be; (f) the security interests, mortgages, pledges, liens, charges or other encumbrances set forth on Schedule 8.4 hereto; (g) liens securing performance of bids, contracts, statutory obligations, surety, performance and appeal bonds and other like obligations incurred in the ordinary course of business, (h) pledges or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security legislation; and (i) liens securing indebtedness of a person acquired by or amalgamated with the Borrower or liens securing indebtedness incurred in connection with an acquisition, provided in all such cases that such acquisition or amalgamation, as the case may be, is not prohibited hereunder and provided further that such liens were in existence prior to the date of such acquisition, and were not incurred in anticipation thereof and do not extend to assets other than those acquired. (all of the foregoing being sometimes collectively referred to herein as "PERMITTED ENCUMBRANCES").

#### 9.9 INDEBTEDNESS

Borrower shall not incur, create, assume, become or be liable in any manner with respect to, or permit to exist, any obligations or indebtedness, except (a) the Obligations; (b) trade obligations and normal accruals in the ordinary course of business not yet due and payable, or with respect to which Borrower is contesting in good faith the amount or validity thereof by appropriate proceedings diligently pursued and available to Borrower, and with respect to which adequate reserves have been set aside on its books; (c) purchase money indebtedness (including capital leases) to the extent not incurred or secured by liens (including capital leases) in violation of any other provision of this Agreement; (d) the indebtedness set forth on Schedule 9.9 hereto and the indebtedness, existing as of the date hereof, in respect of letters of credit obligations with the Bank of Montreal and the Toronto-Dominion Bank; (e) the Senior Note Indebtedness; (f) the indebtedness incurred pursuant to a Permitted Refinancing; (g) regularly scheduled payments of interest and scheduled payment of principal on maturity each in respect of the Senior Note Indebtedness and each in accordance with the terms of the Trust Indenture; (h) upon an issue of additional equity, redeem up to 35% of the aggregate principal amount of Securities (as such term is defined in the Trust Indenture) in accordance with the terms set out in Section 1101 of the Trust Indenture; and (i) enter into private placement transactions in respect of the Senior Notes pursuant to Section 3(a)(9) of the Securities Act of 1933. For greater certainty and without limiting the foregoing Borrower shall not, directly or

indirectly, (a) amend, modify, alter or change the terms of such indebtedness or any agreement, document or instrument related thereto as in effect on the date hereof except that Borrower may amend, modify, alter or change the terms of the Senior Note Indebtedness only with the prior written consent of Lender, in its discretion, or (b) redeem, retire, defease, purchase or otherwise acquire such indebtedness, or set aside or otherwise deposit or invest any sums for such purpose except that Borrower may redeem, retire, defease, purchase or otherwise acquire the Senior Note Indebtedness (including, necessary amendments to the Senior Notes and Trust Indenture in respect thereof) only with the prior written consent of Lender, in its discretion. Borrower shall furnish to Lender all notices or demands in connection with such indebtedness either received by Borrower or on its behalf, promptly after the receipt thereof, or sent by Borrower or on its behalf, concurrently with the sending thereof, as the case may be.

9.10 LOANS, INVESTMENTS, GUARANTEES, ETC.

Borrower shall not, directly or indirectly, without the prior written consent of Lender which is not to be unreasonably withheld, make any loans or advance money or property to any person, or invest in (by capital contribution, dividend or otherwise) or purchase or repurchase the shares or indebtedness or all or a substantial part of the assets or property of any person, or guarantee, assume, endorse, or otherwise become responsible for (directly or indirectly) the indebtedness, performance, obligations or dividends of any Person or agree to do any of the foregoing, except: (a) the endorsement of instruments for collection or deposit in the ordinary course of business; (b) investments in: (i) short-term direct obligations of the Canadian Government and the U.S. Government, (ii) negotiable certificates of deposit issued by any bank satisfactory to Lender, payable to the order of Borrower or to bearer and delivered to Lender, (iii) commercial paper rated A1 or P1; and (iv) term deposits with the Bank of Montreal and the Toronto-Dominion Bank existing as of the date hereof; (c) financial guarantees in an amount less than \$7,000,000; (d) in respect of the Senior Note Indebtedness in the manner provided in Section 9.9 hereof; (e) the redemption of the Senior Note Indebtedness by Borrower in exchange for equity in value equal to or less than the Senior Note Indebtedness, provided, that, as to any of the foregoing, unless waived in writing by Lender, Borrower shall take such actions as are deemed necessary by Lender to perfect the security interest of Lender in such investments; (f) the loans, advances and guarantees set forth on Schedule 9.10 hereto; provided, that, as to such loans, advances and guarantees, (i) Borrower shall not, directly or indirectly, (A) amend, modify, alter or change the terms of such loans, advances or guarantees or any agreement, document or instrument related thereto, or (B) as to such guarantees, redeem, retire, defease, purchase or otherwise acquire the obligations arising pursuant to such guarantees, or set aside or otherwise deposit or invest any sums for such purpose, and (ii) Borrower shall furnish to Lender all notices or demands in connection with such loans, advances or guarantees or other indebtedness subject to such guarantees either received by Borrower or on its behalf, promptly after the receipt thereof, or sent by Borrower or on its behalf, concurrently with the sending thereof, as the case may be; (h) purchase or repurchase any and all shares, interest, participations or other equivalents in Borrower's capital stock or other equity interests at any time outstanding, and any and all rights, warrants or options exchangeable for or convertible into such capital stock or other interests (excluding any debt security that is exchangeable for or convertible into such capital stock); (h) enter into joint ventures, acting as a prudent investor, with strategic partners for the purpose of advancing Borrower's business provided that Borrower's investment in such joint ventures, whether direct or indirect, shall not, at any time and in the aggregate, exceed

\$10,000,000 and shall not result in a derogation of the value of the Collateral or Lender's, subject to Permitted Encumbrances, first priority security interest therein; (i) entering into Section 3(a)(9) of the Securities Act of 1933 private placements transactions which are solely made in respect of the Senior Notes; (j) make loans or advance money to Affiliates in the ordinary course of Borrower's business; (k) with the proceeds of such issuance of shares in the capital of Borrower, provided such proceeds are used in the ordinary course of business and shall not, for further clarity, be subject to any other restrictions on use contained herein; and (l) make payments to employees in connection with the repurchase of phantom stock in the ordinary course of business.

9.11 DIVIDENDS AND REDEMPTIONS

Subject to Section 9.10 hereof, Borrower shall not, directly or indirectly, declare or pay any dividends on account of any shares of Borrower now or hereafter outstanding, or set aside or otherwise deposit or invest any sums for such purpose, or redeem, retire, defease, purchase or otherwise acquire any shares of any class (or set aside or otherwise deposit or invest any sums for such purpose) for any consideration other than common shares or apply or set apart any sum, or make any other distribution (by reduction of capital or otherwise) in respect of any such shares or agree to do any of the foregoing with the exception of redemptions of any securities, shares and/or options of Borrower which are held by employees and/or insiders thereof.

9.12 TRANSACTIONS WITH AFFILIATES

Borrower shall not, directly or indirectly, (a) purchase, acquire or lease any property from, or sell, transfer or lease any property to, any officer, director, agent or other person affiliated with Borrower, except in the ordinary course of and pursuant to the reasonable requirements of Borrower's business and upon fair and reasonable terms no less favorable to Borrower than Borrower would obtain in a comparable arm's length transaction with an unaffiliated person or (b) make any payments of management, consulting or other fees for management or similar services, or of any indebtedness owing to any officer, employee, shareholder, director or other person affiliated with Borrower except reasonable compensation to officers, employees and directors for services rendered to Borrower in the ordinary course of business.

9.13 EBITDA

Borrower shall, at all times, maintain EBITDA, calculated quarterly by Lender on a trailing four quarter basis, of not less than \$20,000,000. The EBITDA calculation for the first four quarters occurring subsequent to the date hereof will be based on the historical results set forth on Schedule 9.13 attached hereto until such time as there are a full four quarters of post-closing results. The failure to comply with this Section 9.13 for a single fiscal quarter shall result in a Cash Dominion Event and the failure to comply with this Section 9.13 for two or more successive fiscal quarters shall result in an Event of Default under Section 10.1(a)(iv).

9.14 EXCESS AVAILABILITY

Borrower shall maintain a minimum Excess Availability of \$2,500,000 at all times.

9.15 AGGREGATE BORROWINGS

At all times prior to the occurrence of an Event of Default or an event which with notice or passage of time or both would constitute an Event of Default and subject to Excess Availability, Borrower shall maintain a minimum average daily principal balance of outstanding Revolving Loans of \$2,500,000 and if, and only if, Borrower does not maintain such average daily principal balance, the applicable Interest Rate will not be charged on the difference between the outstanding Revolving Loans and \$2,500,000 however, the unused line fee described in Section 3.4 hereof will be applied to the difference. If Lender applies funds to reduce Obligations which results in the minimum average daily principal balance of outstanding Revolving Loans being less than \$2,500,000 following a Cash Dominion Event or application of insurance proceeds an Event of Default will not occur provided that Borrower increases the minimum average daily principal balance of outstanding Revolving Loans to \$2,500,000 within three (3) days.

9.16 INTELLECTUAL PROPERTY

In the event Borrower obtains or applies for any material intellectual property rights or obtains any material licenses with respect thereto, Borrower shall immediately notify Lender thereof and shall provide to Lender copies of all written materials including, but not limited to, applications and licenses with respect to such intellectual property rights. At Lender's request, Borrower shall promptly execute and deliver to Lender an intellectual property security agreement granting to Lender a perfected security interest in such intellectual property rights in form and substance satisfactory to Lender.

9.17 ADDITIONAL BANK ACCOUNTS

Borrower shall not, without the prior consent of Lender, directly or indirectly, open, establish or maintain any deposit account, investment account or any other account with any bank or other financial institution, other than the Blocked Accounts and the accounts set forth in Schedule 8.8 hereto, except: (a) as to any new or additional Blocked Accounts and other such new or additional accounts which contain any Collateral or proceeds thereof, with the prior written consent of Lender and subject to such conditions thereto as Lender may establish; (b) as to any accounts used by Borrower to make payments of payroll, taxes or other obligations to third parties, after prior written notice to Lender; and (c) as to any new Excluded Accounts.

9.18 APPLICATIONS UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT

Borrower acknowledges that its business and financial relationships with Lender are unique from its relationship with any other of its creditors. Borrower agrees that it shall not file any plan of arrangement under the CCAA ("CCAA PLAN") which provides for, or would permit directly or indirectly, Lender to be classified with any other creditor of Borrower for purposes of such CCAA Plan or otherwise.

9.19 SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Borrower shall not, directly or indirectly, in respect of the USERP: (i) pay or declare any payments thereunder other than those required to be paid and due pursuant to the

terms thereof; (ii) commence payment of contributions which Borrower had not previously been contributing; (iii) amend, modify, alter or otherwise change the terms thereof except for the purpose of reducing the pension benefit to the applicable Borrower executive; or (iv) register the USERP or otherwise establish a new similar registered plan.

#### 9.20 OPERATION OF PENSION PLANS

(a) Borrower shall administer the Pension Plans in accordance with the requirements of the applicable pension plan texts, funding agreements, the Income Tax Act (Canada) and applicable provincial pension benefits legislation.

(b) Borrower shall deliver to Lender, upon Lender's request, an undertaking of the funding agent for each of the Pension Plans stating that the funding agent will notify Lender within thirty (30) days of Borrower's failure to make any required contribution to the applicable Pension Plan.

(c) Borrower shall not accept payment of any amount from any of the Pension Plans without the prior written consent of Lender other than payments for forfeitures in connection with terminated employees to be set-off against future contribution obligations.

(d) Without the prior written consent of Lender, Borrower shall not terminate, or cause to be terminated, any of the Pension Plans, if such plan would have a solvency deficiency on termination.

(e) Borrower shall promptly provide Lender with any documentation relating to any of the Pension Plans as Lender may request. Borrower shall notify Lender within 30 days of: (i) a material increase in the liabilities of any of the Pension Plans; (ii) the establishment of a new registered pension plan; and (iii) commencing payment of contributions to a Pension Plan to which Borrower had not previously been contributing.

#### 9.21 COSTS AND EXPENSES

Borrower shall pay to Lender on demand all reasonable costs, expenses, filing fees and taxes paid or payable in connection with the preparation, negotiation, execution, delivery, recording, administration, collection, liquidation, enforcement and defense of the Obligations, Lender's rights in the Collateral, the Financing Agreements and all other documents related hereto or thereto, including any amendments, supplements or consents which may hereafter be contemplated (whether or not executed) or entered into in respect hereof and thereof, including: (a) all costs and expenses of filing or recording (including PPSA and UCC financing statement and other similar filing and recording fees and taxes, documentary taxes, intangibles taxes and mortgage recording taxes and fees, if applicable); (b) all insurance premiums, appraisal fees and search fees; (c) reasonable costs and expenses of remitting loan proceeds, collecting cheques and other items of payment, and establishing and maintaining the Blocked Accounts, if any, and the Payment Accounts, together with Lender's customary charges and fees with respect thereto; (d) charges, fees or expenses charged by any bank or issuer in connection with the Letter of Credit Accommodations; (e) costs and expenses of preserving and protecting the Collateral; (f) reasonable costs and expenses paid or incurred in connection with obtaining payment of the Obligations, enforcing the security interests and liens of Lender, selling or otherwise realizing



upon the Collateral, and otherwise enforcing the provisions of the Financing Agreements or defending any claims made or threatened against Lender arising out of the transactions contemplated hereby and thereby (including, without limitation, preparations for and consultations concerning any such matters); (g) all reasonable out-of-pocket expenses and costs heretofore and from time to time hereafter incurred by Lender during the course of periodic field examinations of the Collateral and Borrower's operations, plus a per diem charge at the rate of \$750 per person per day for Lender's examiners in the field and office; and (h) the reasonable fees and disbursements of counsel (including legal assistants) to Lender in connection with any of the foregoing.

9.22 FURTHER ASSURANCES

At the request of Lender at any time and from time to time, Borrower shall, at its expense, duly execute and deliver, or cause to be duly executed and delivered, such further agreements, documents and instruments, and do or cause to be done such further acts as may be necessary to evidence, perfect, maintain and enforce the security interests and the priority thereof in the Collateral and to otherwise effectuate the provisions or purposes of any of the Financing Agreements. Lender may at any time and from time to time request a certificate from an officer of Borrower representing that all conditions precedent to the making of Revolving Loans and providing Letter of Credit Accommodations contained herein are satisfied. In the event of such request by Lender, Lender may, at its option, cease to make any further Revolving Loans or provide any further Letter of Credit Accommodations until Lender has received such certificate and, in addition, Lender has determined that such conditions are satisfied. Where permitted by law, Borrower hereby authorizes Lender to execute and file one or more PPSA, UCC or other financing statements or notices signed only by Lender or Lender's representative.

SECTION 10. EVENTS OF DEFAULT AND REMEDIES

10.1 EVENTS OF DEFAULT

The occurrence or existence of any one or more of the following events are referred to herein individually as an "Event of Default", and collectively as "Events of Default":

- (a) Borrower fails to:
  - (i) pay when due any principal due and payable hereunder or subject to 10.1(a)(ii) hereof, fails to perform any of the covenants contained in Section 9.14 of this Agreement or fails to perform any of the covenants contained in Section 9.18 of this Agreement;
  - (ii) perform any of the covenants contained in Section 9.14 of this Agreement, where such failure to perform is caused solely by the exercise of discretion on the part of Lender pursuant to Section 2.1(b) hereof and where such failure to perform is not remedied to the satisfaction of Lender, in its sole discretion, within three (3) days of the date on which such term covenant, condition or provision was to be performed;

- (iii) fails to perform any of the covenants contained in Section 6.3 of this Agreement, where such failure to perform is not remedied to the satisfaction of Lender, in its sole discretion, within one (1) day of the original date on which such term, covenant, condition or provision was to be performed;
- (iv) pay when due any Obligations (other than principal) or fails to perform any of the covenants contained in Sections 6.6, 7.1, 7.2, 9.1, 9.2, 9.3, 9.5, 9.7, 9.8, 9.9, 9.10, 9.12, 9.13, 9.15 or 9.19 of this Agreement, where such failure to pay or perform, as applicable, is not remedied to the satisfaction of Lender, in its sole discretion, within three (3) days of the original date on which such term, covenant, condition or provision was to be performed; or
- (v) fails to perform any other terms, covenants, conditions or provisions, or if any representations and warranties hereunder proves to be false or inaccurate when made, contained in this Agreement or any of the other Financing Agreements, where such failure to perform or to revise such representation or warranty is not remedied to the satisfaction of the Lender, in its sole discretion, within fifteen (15) days from notice by Lender;
- (vi) except as contemplated in Section 9.13 hereunder, fails to maintain EBITDA of not less than \$20,000,000, for two or more successive fiscal quarters, as calculated pursuant to Section 9.13 hereof;

(b) any Obligor:

- (i) revokes or terminates any of the terms, covenants, conditions or provisions of any Financing Agreement;
- (ii) fails to pay principal required pursuant to the terms, covenants, conditions or provisions of any Financing Agreement;
- (iii) fails to pay Obligations (other than principal) required pursuant to the terms covenants, conditions or provisions of any Financing Agreement where such failure to pay is not remedied to the satisfaction of Lender, in its sole discretion, within three (3) days of the original date on which such payment was to be made; or
- (iv) fails to perform any other terms covenants, conditions or provisions of any Financing Agreement, where such failure to perform is not remedied to the satisfaction of Lender, in its sole discretion, within fifteen (15) days from notice by Lender;

(c) any judgment for the payment of money is rendered against Borrower or any Obligor in excess of \$50,000 in any one case or in excess of \$100,000 in the aggregate and shall remain undischarged or unvacated for a period in excess of thirty (30) days or execution shall at any

time not be effectively stayed, or any judgment other than for the payment of money, or injunction, attachment, garnishment or execution is rendered against Borrower or any Obligor or any of their assets;

(d) Borrower dissolves, suspends or discontinues doing business, any Obligor (which is a partnership, limited liability company, limited partnership, limited liability partnership or a corporation) or any general partner of an Obligor that is a general partnership dissolves, suspends or discontinues doing business or any Obligor (who is a natural person) dies;

(e) Borrower or any Obligor becomes insolvent, makes an assignment for the benefit of creditors, proposes to make, makes or sends notice of a bulk sale or calls a meeting of its creditors or principal creditors;

(f) a petition, case or proceeding under the bankruptcy laws of Canada or similar laws of any foreign jurisdiction now or hereafter in effect or under any insolvency, arrangement, reorganization, moratorium, receivership, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction now or hereafter in effect (whether at law or in equity) is filed or commenced against Borrower or any Obligor or all or any part of its properties and such petition or application is not dismissed within thirty (30) days after the date of its filing or Borrower or any Obligor shall file any answer admitting or not contesting such petition or application or indicates its consent to, acquiescence in or approval of, any such action or proceeding or the relief requested is granted sooner;

(g) a petition, case or proceeding under the bankruptcy laws of Canada or similar laws of any foreign jurisdiction now or hereafter in effect or under any insolvency, arrangement, reorganization, moratorium, receivership, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction now or hereafter in effect (whether at a law or equity) is filed or commenced by Borrower or any Obligor for all or any part of its property including, without limitation, if Borrower or any Obligor shall:

- (i) apply for or consent to the appointment of a receiver, trustee or liquidator of it or of all or a substantial part of its property and assets;
- (ii) be unable, or admit in writing its inability, to pay its debts as they mature, or commit any other act of bankruptcy;
- (iii) make a general assignment for the benefit of creditors;
- (iv) file a voluntary petition or assignment in bankruptcy or a proposal seeking a reorganization, compromise, moratorium or arrangement with its creditors;
- (v) take advantage of any insolvency or other similar law pertaining to arrangements, moratoriums, compromises or reorganizations, or admit the material allegations of a petition or application filed in respect of it in any bankruptcy, reorganization or insolvency proceeding; or
- (vi) take any corporate action for the purpose of effecting any of the foregoing;

(h) any default by Borrower or any Obligor under any agreement, document or instrument relating to any indebtedness for borrowed money owing to any person other than Lender, contingent indebtedness in connection with any guarantee, letter of credit, indemnity or similar type of instrument in favour of any person other than Lender, in any case in an amount in excess of \$100,000, which default continues for more than the applicable cure period, if any, with respect thereto, or any default by Borrower or any Obligor under any material contract, lease, license or other obligation to any person other than Lender, in any case in an amount in excess of \$100,000, which default continues for more than the applicable cure period, if any, with respect thereto;

(i) any acquisition of control or change in the controlling ownership of Borrower, if any, which may reasonably be expected to have a material adverse effect on Borrower's financial condition;

(j) there shall be a change in the business or assets of Borrower or any Obligor after the date hereof which is reasonably expected to have a material adverse effect on Borrower or any Obligor;

(k) a requirement from the Minister of National Revenue for payment pursuant to Section 224 or any successor section of the Income Tax Act (Canada) or Section 317, or any successor section or any other Person in respect of Borrower of the Excise Tax Act (Canada) or any comparable provision of similar legislation shall have been received by Lender or any other Person in respect of Borrower or otherwise issued in respect of Borrower; or

(l) the occurrence and continuance of an Event of Default (as such term is defined in the Trust Indenture) which default has not been cured within the applicable grace period provided in respect thereof or has not been waived by the party so entitled to waive same.

#### 10.2 REMEDIES

(a) At any time an Event of Default exists or has occurred and is continuing, Lender shall have all rights and remedies provided in the Financing Agreements, the PPSA, UCC and other applicable law, all of which rights and remedies may be exercised without notice to or consent by Borrower or any Obligor, except as such notice or consent is expressly provided for hereunder or required by applicable law. All rights, remedies and powers granted to Lender, under any of the Financing Agreements, the PPSA, UCC or other applicable law, are cumulative, not exclusive and enforceable, in Lender's discretion, alternatively, successively, or concurrently on any one or more occasions, and shall include, without limitation, the right to apply to a court of equity for an injunction to restrain a breach or threatened breach by Borrower of any of the Financing Agreements. Lender may, at any time or times, proceed directly against Borrower or any Obligor to collect the Obligations without prior recourse to the Collateral.

(b) Without limiting the foregoing and subject to Section 10.2(c) hereof, at any time an Event of Default exists or has occurred and is continuing, Lender may, in its discretion and without limitation: (i) accelerate the payment of all outstanding Obligations and demand immediate payment thereof to Lender (provided, that, upon the occurrence of any Event of

Default described in Sections 10.1(f) and 10.1(g), all outstanding Obligations shall automatically become immediately due and payable); (ii) with or without judicial process or the aid or assistance of others, enter upon any premises on or in which any of the Collateral may be located and take possession of the Collateral or complete processing, manufacturing and repair of all or any portion of the Collateral and carry on the business of Borrower; (iii) require Borrower, at Borrower's expense, to assemble and make available to Lender any part or all of the Collateral at any place and time designated by Lender; (iv) collect, foreclose, receive, appropriate, set-off and realize upon any and all Collateral; (v) remove any or all of the Collateral from any premises on or in which the same may be located for the purpose of effecting the sale, foreclosure or other disposition thereof or for any other purpose; (vi) sell, lease, transfer, assign, deliver or otherwise dispose of any and all Collateral (including entering into contracts with respect thereto, public or private sales at any exchange, broker's board, at any office of Lender or elsewhere) at such prices or terms as Lender may deem reasonable, for cash, upon credit or for future delivery, with the Lender having the right to purchase the whole or any part of the Collateral at any such public sale, all of the foregoing being free from any right or equity of redemption of Borrower, which right or equity of redemption is hereby expressly waived and released by Borrower; (vii) without limiting clause (vi), grant a general, special or other license in respect of any aspect of the Collateral on an exclusive or non-exclusive basis to any person throughout the world or any part of it and on such terms and on such conditions as Lender may consider appropriate; (viii) enforce against any licensee or other person all rights and remedies of the Borrower with respect to all or any part of the Collateral, and take or refrain from taking any action that the Borrower might take with respect to any of those rights and remedies, and for this purpose Lender shall have the exclusive right to enforce or refrain from enforcing those rights and remedies, and may in the name of the Borrower and at its expense retain and instruct counsel and initiate any court or other proceeding that Lender considers necessary or expedient; (ix) take any step necessary to preserve, maintain or insure the whole or any part of the Collateral or to realize upon any of it put it in vendable condition, and any amount paid as a result of any taking any such steps shall be a cost the payment of which is secured by this Agreement; (x) borrow money and use the Collateral directly or indirectly in carrying on Borrower's business or as security for loans or advances for any such purposes; (xi) require Borrower to immediately begin using commercially reasonable efforts to obtain all consents and to provide all notices to any Client, as applicable, which may be required to permit Lender to assign the Eligible Capital Leases and Eligible Operating Leases; (xii) grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges, and otherwise deal with Borrower, debtors of Borrower, sureties and others as Lender may see fit without prejudice to the liability of Borrower or Lender's right to hold and realize the security interest created under any Financing Agreement; and/or (xiii) terminate this Agreement. If any of the Collateral is sold or leased by Lender upon credit terms or for future delivery, the Obligations shall not be reduced as a result thereof until payment therefor is finally collected by Lender. If notice of disposition of Collateral is required by law, five (5) days prior notice by Lender to Borrower designating the time and place of any public sale or the time after which any private sale or other intended disposition of Collateral is to be made, shall be deemed to be reasonable notice thereof and Borrower waives any other notice. In the event Lender institutes an action to recover any Collateral or seeks recovery of any Collateral by way of prejudgment remedy, Borrower waives the posting of any bond which might otherwise be required.

(c) Notwithstanding anything to the contrary contained in this  
Section 10.2:

- (i) (A) for the duration of the IP Grace Period, Lender shall not be permitted to enforce its security interest against the IP Collateral, or to exercise its rights under Section 10.2(b)(vii) hereof except as permitted pursuant to the IP Collateral License Agreement;
- (ii) (B) for the duration of the IP Grace Period, Borrower shall be permitted to use the IMAX name to carry on business;
- (iii) (C) upon the commencement of the IP Grace Period, Lender shall have, pursuant to the IP Collateral License Agreement in favour of Lender, a royalty-free, freely assignable perpetual license to use the IP Collateral required to enable Lender to perform the obligations of the Borrower under the Capital Leases and the Operating Leases; and
- (iv) (D) upon the commencement of the IP Grace Period, Lender may sell, transfer, assign and/or otherwise dispose of the Collateral, other than the IP Collateral, to any transferee or assignee,
- (v) subsequent to the expiry of the IP Grace Period, provided that an Event of Default is then continuing, Lender may sell, transfer, assign and/or otherwise dispose of any of the IP Collateral up to a maximum amount equal to the outstanding Obligations together with all costs, charges and expenses incurred by Lender as a result of enforcing against the IP Collateral.

(d) Lender may apply the cash proceeds of Collateral actually received by Lender from any sale, lease, foreclosure or other disposition of the Collateral to payment of the Obligations, in whole or in part and in such order as Lender may elect, whether or not then due. Borrower shall remain liable to Lender for the payment of any deficiency with interest at the highest rate provided for herein and all costs and expenses of enforcement including, without limitation, legal costs and expenses.

(e) Without limiting the foregoing, upon the occurrence of an Event of Default that is continuing, Lender may, at its option, without notice, (i) cease making Revolving Loans or arranging Letter of Credit Accommodations or reduce the Lending Formulas or amounts of Revolving Loans and Letter of Credit Accommodations available to Borrower and/or (ii) terminate any provision of this Agreement providing for any future Revolving Loans or Letter of Credit Accommodations to be made by Lender to Borrower

(f) Lender may appoint, remove and reappoint any person or persons, including an employee or agent of Lender to be a receiver (the "RECEIVER") which term shall include a receiver and manager of, or agent for, all or any part of the Collateral. Any such Receiver shall, as far as concerns responsibility for his acts, be deemed to be the agent of Borrower and not of Lender, and Lender shall not in any way be responsible for any misconduct, negligence or non-feasance of such Receiver, his employees or agents. Except as otherwise directed by Lender, all money received by such Receiver shall be received in trust for and paid to Lender.

Such Receiver shall have all of the powers and rights of Lender described in this Section 10.2. Lender may, either directly or through its agents or nominees, exercise any or all powers and rights of a Receiver.

(g) Where Lender realizes upon any of the Collateral, and in particular upon any of the IP Collateral, Borrower shall provide without charge its know-how and expertise relating to the use and application of the Collateral, and in particular shall instruct Lender, and any purchaser of the Collateral designated by Lender, concerning any IP Collateral including without limitation, any confidential information or trade secrets of Borrower. For greater certainty, the parties agree that unless such confidential information or trade secrets form part of the Collateral being realized upon, such confidential information or trade secrets shall be provided for use only subject to any agreement regarding the confidentiality thereof or for the protection thereof as may be reasonably requested by the Borrower.

(h) Borrower shall pay all reasonable costs, charges and expenses incurred by Lender or any Receiver or any nominee or agent of Lender, whether directly or for services rendered (including, without limitation, solicitor's costs on a solicitor and his own client basis, auditor's costs, other legal expenses and Receiver remuneration) in enforcing any Financing Agreement and in enforcing or collecting Obligations and all such expenses together with any money owing as a result of any borrowing permitted hereby shall be a charge on the proceeds of realization and shall be secured hereby.

#### SECTION 11. JURY TRIAL WAIVER; OTHER WAIVERS AND CONSENTS; GOVERNING LAW

##### 11.1 GOVERNING LAW; CHOICE OF FORUM; SERVICE OF PROCESS; JURY TRIAL WAIVER

(a) The validity, interpretation and enforcement of the Financing Agreements and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

(b) Borrower and Lender irrevocably consent and submit to the non-exclusive jurisdiction of the Superior Court of Justice (Ontario) and waive any objection based on venue or forum non conveniens with respect to any action instituted therein arising under any of the Financing Agreements or in any way connected with or related or incidental to the dealings of the parties hereto in respect of any of the Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agree that any dispute with respect to any such matters shall be heard only in the courts described above (except that Lender shall have the right to bring any action or proceeding against Borrower or its property in the courts of any other jurisdiction which Lender deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against Borrower or its property).

(c) To the extent permitted by law, Borrower hereby waives personal service of any and all process upon it and consents that all such service of process may be made by registered mail (return receipt requested) directed to its address set forth on the signature pages hereof and

service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the Canadian mails, or, at Lender's option, by service upon Borrower in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, Borrower shall appear in answer to such process, failing which Borrower shall be deemed in default and judgment may be entered by Lender against Borrower for the amount of the claim and other relief requested.

(d) BORROWER AND LENDER EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER ANY OF THE FINANCING AGREEMENTS OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF ANY OF THE FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. BORROWER AND LENDER EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT BORROWER OR LENDER MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) Lender shall not have any liability to Borrower (whether in tort, contract, equity or otherwise) for losses suffered by Borrower in connection with, arising out of, or in any way related to the transactions or relationships contemplated by any Financing Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Lender, that the losses were the result of acts or omissions constituting gross negligence or wilful misconduct.

(f) Borrower hereby expressly waives all rights of notice and hearing of any kind prior to the exercise of rights by Lender from and after the occurrence of an Event of Default that is continuing to repossess the Collateral with judicial process or to replevy, attach or levy upon the Collateral or other security for the Obligations. Borrower waives the posting of any bond otherwise required of Lender in connection with any judicial process or proceeding to obtain possession of, replevy, attach or levy upon the Collateral or other security for the Obligations, to enforce any judgment or other court order entered in favour of Lender, or to enforce by specific performance, temporary restraining order, preliminary or permanent injunction or any other Financing Agreement.

#### 11.2 WAIVER OF NOTICES

Borrower hereby expressly waives demand, presentment, protest and notice of protest and notice of dishonour with respect to any and all instruments and commercial paper, included in or evidencing any of the Obligations or the Collateral, and any and all other demands and notices of any kind or nature whatsoever with respect to the Obligations, the Collateral and this Agreement, except such as are expressly provided for herein. No notice to or demand on Borrower which Lender may elect to give shall entitle Borrower to any other or further notice or demand in the same, similar or other circumstances.



11.3 AMENDMENTS AND WAIVERS

Neither this Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of Lender, and as to amendments, as also signed by an authorized officer of Borrower. Lender shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Lender. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

11.4 WAIVER OF COUNTERCLAIM

Borrower waives all rights to interpose any claims, deductions, setoffs or counterclaims of any nature (other than compulsory counterclaims) in any action or proceeding with respect to this Agreement, the Obligations, the Collateral or any matter arising therefrom or relating hereto or thereto.

11.5 INDEMNIFICATION

Borrower shall indemnify and hold Lender, and its directors, agents, employees and counsel, harmless from and against any and all losses, claims, damages, liabilities, costs or expenses imposed on, incurred by or asserted against any of them in connection with any litigation, investigation, claim or proceeding commenced or threatened related to the negotiation, preparation, execution, delivery, enforcement, performance or administration of any Financing Agreements, or any undertaking or proceeding related to any of the transactions contemplated hereby or any act, omission, event or transaction related or attendant thereto, including, without limitation, amounts paid in settlement, court costs, and the fees and expenses of counsel. Such indemnification shall not apply to losses, claims, damages, liabilities, costs or expenses resulting from the gross negligence or wilful misconduct of Lender and/or its employees, officers, directors and authorized agents as determined pursuant to a final non-appealable order of a court of competent jurisdiction. To the extent that the undertaking to indemnify, pay and hold harmless set forth in this Section may be unenforceable because it violates any law or public policy, Borrower shall pay the maximum portion which it is permitted to pay under applicable law to Lender in satisfaction of indemnified matters under this Section. The foregoing indemnity shall survive the payment of the Obligations and the termination or non-renewal of this Agreement.

SECTION 12. TERM OF AGREEMENT; MISCELLANEOUS

12.1 TERM

(a) The Financing Agreements shall become effective as of the date set forth on the first page hereof and shall continue in full force and effect for a term ending on the earlier of: (i) the date which is three (3) years from the date hereof (the "RENEWAL DATE"), and from year to year thereafter, unless sooner terminated pursuant to the terms hereof; provided, that, each of Lender

and Borrower may, provided mutually agreed, extend the original Renewal Date to the date three hundred sixty-five (365) days from the Renewal Date by giving the other party, as applicable, notice at least sixty (60) days prior to the Renewal Date and in the event such option to extend the original Renewal Date to the date three hundred sixty-five (365) days from the original Renewal Date is exercised by Lender or Borrower, Borrower shall pay to Lender, upon the date such option is exercised, a fully earned additional commitment fee in the amount of \$50,000.00. Lender or Borrower may terminate the Financing Agreements effective on the Renewal Date or on the anniversary of the Renewal Date in any year by giving to the other party at least sixty (60) days prior written notice; provided, that, all Financing Agreements must be terminated simultaneously. Upon the effective date of termination or non-renewal of the Financing Agreements, Borrower shall pay to Lender, in full, all outstanding and unpaid Obligations and shall furnish cash collateral to Lender in such amounts as Lender determines are reasonably necessary to secure Lender from loss, cost, damage or expense, including legal fees and expenses, issued and outstanding Letter of Credit Accommodations and cheques or other payments provisionally credited to the Obligations and/or as to which Lender has not yet received final and indefeasible payment. Such payments in respect of the Obligations and cash collateral shall be remitted by wire transfer in Canadian Dollars to such bank account of Lender, as Lender may, in its discretion, designate in writing to Borrower for such purpose. Interest shall be due until and including the next Business Day, if the amounts so paid by Borrower to the bank account designated by Lender are received in such bank account later than 12:00 noon, Toronto time.

(b) No termination of any of the Financing Agreements shall relieve or discharge Borrower of its respective duties, obligations and covenants under the Financing Agreements until all Obligations have been fully and finally discharged and paid, and Lender's continuing security interest in the Collateral and the rights and remedies of Lender, under the Financing Agreements and applicable law, shall remain in effect until all such Obligations have been fully and finally discharged and paid.

(c) If this Agreement is terminated by Borrower prior to the end of the then current term or renewal term of this Agreement or by Lender pursuant to its right to terminate pursuant to Section 10.2, in view of the impracticality and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of Lender's lost profits as a result thereof, Borrower agrees to pay to Lender, upon the effective date of such termination, an early termination fee in the amount set forth below if such termination is effective in the period indicated:

Amount	Period
-----	-----
(i) 1.5% of Maximum Credit	- From the date hereof to and including the first anniversary of the date hereof.
(ii) 1.0% of Maximum Credit	- After the first anniversary of the date hereof to and including the second anniversary of the date hereof.

- (iii) 0.5% of Maximum Credit - After the second anniversary of the date hereof to and including the third anniversary of the date hereof and if the term of this Agreement is extended for an additional year, then to and including the end of the then current term.

Such early termination fee shall be presumed to be the amount of damages sustained by Lender as a result of such early termination and Borrower agrees that it is reasonable under the circumstances currently existing. In addition, Lender shall be entitled to such early termination fee upon the occurrence of any Event of Default described in Sections 10.1(f) and 10.1(g) hereof, even if Lender does not exercise its right to terminate this Agreement, but elects, at its option, to provide financing to Borrower or permit the use of cash collateral under any applicable reorganization or insolvency legislation. The early termination fee provided for in this Section 12.1 shall be deemed included in the Obligations.

(d) Notwithstanding anything else herein, if at any time during the term of this Agreement, the amount that would otherwise have been available to be borrowed hereunder by Borrower has been reduced as a result of the exercise of any discretion by Lender by an amount that, when aggregated, exceeds \$4,000,000, then Borrower may terminate this Agreement, without penalty and without any early termination fee (including under this Section 12.1), provided that each of the following conditions is satisfied: (i) Borrower shall have notified Lender of its intention to terminate this Agreement within ninety (90) days of notice to Lender that the aforementioned \$4,000,000 threshold has been reached (the "NOTICE"); (ii) all of the Obligations shall be fully and indefeasibly satisfied within sixty (60) days after delivery of the Notice to Lender, and (iii) Lender shall not have previously sent any written notice to Borrower of its intention to terminate this Agreement in accordance with the terms hereof. Notwithstanding the foregoing sentence, a reduction in availability as a result of due but unpaid tax obligations, past due trade payables and/or the establishment of a Priority Payables Reserve shall not be considered in the calculation of the aforementioned \$4,000,000 threshold. The failure of Borrower to exercise its rights under the foregoing provision at any time does not preclude its right to exercise such rights at a future time.

#### 12.2 NOTICES

All notices, requests and demands hereunder shall be in writing and (a) made to Lender at its address set forth below and to Borrower at its chief executive office set forth below, or to such other address as either party may designate by written notice to the other in accordance with this provision, and (b) deemed to have been given or made: if delivered in person, immediately upon delivery; if by facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next Business Day, one (1) Business Day after sending; and if by registered mail, return receipt requested, five (5) days after mailing.

#### 12.3 PARTIAL INVALIDITY

If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement

shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

12.4                   SUCCESSORS

The Financing Agreements and any other document referred to herein or therein shall be binding upon and inure to the benefit of and be enforceable by Lender, Borrower and their respective successors and assigns, except that Borrower may not assign its rights under the Financing Agreements and any other document referred to herein or therein without the prior written consent of Lender. Lender may, after notice to Borrower, assign its rights and delegate its obligations under the Financing Agreements at any time: (a) assign, or sell participations in, all or any part of the Revolving Loans, the Letter of Credit Accommodations or any other interest herein to another financial institution that is not a non-resident in Canada, other than a direct competitor of Borrower; and (b) after an Event of Default exists or has occurred and is continuing, assign, or sell participations in, all or any part of the Revolving Loans, the Letter of Credit Accommodations or any other interest herein to another financial institution or other Person, which in each circumstance, the assignee or participant shall have, to the extent of such assignment or participation, the same rights and benefits as it would have if it were the Lender hereunder, except as otherwise provided by the terms of such assignment or participation.

12.5                   ENTIRE AGREEMENT

The Financing Agreements, any supplements hereto or thereto, and any instruments or documents delivered or to be delivered in connection herewith or therewith represents the entire agreement and understanding concerning the subject matter hereof and thereof between the parties hereto, and supersedes all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written. In the event of any inconsistency between the terms of this Agreement and any schedule or exhibit hereto, the terms of this Agreement shall govern.

12.6                   HEADINGS

The division of this Agreement into Sections and the insertion of headings and a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

12.7                   JUDGMENT CURRENCY

To the extent permitted by applicable law, the obligations of Borrower in respect of any amount due under this Agreement shall, notwithstanding any payment in any other currency (the "OTHER CURRENCY") (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the currency in which it is due (the "AGREED CURRENCY") that Lender may, in accordance with normal banking procedures, purchase with the sum paid in the Other Currency (after any premium and costs of exchange) on the Business Day immediately after the day on which Lender receives the payment. If the amount in the Agreed Currency that may be so purchased for any reason falls short of the amount originally due, Borrower shall pay

all additional amounts, in the Agreed Currency, as may be necessary to compensate for the shortfall. Any obligation of Borrower not discharged by that payment shall, to the extent permitted by applicable law, be due as a separate and independent obligation and, until discharged as provided in this Section, continue in full force and effect.

12.8 COUNTERPARTS AND FACSIMILE

This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. The delivery of a facsimile copy of an executed counterpart of this Agreement shall be deemed to be valid execution and delivery of this Agreement, but the party delivering a facsimile copy shall deliver to the other party an original copy of this Agreement as soon as possible after delivering the facsimile copy.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Lender and Borrower have caused these presents to be duly executed as of the day and year first above written.

LENDER

BORROWER

CONGRESS FINANCIAL  
CORPORATION (CANADA)

IMAX CORPORATION

By: /s/ Carmela Massari  
-----

By: /s/ Robert D. Lister  
-----

Title: VP, Loan Officer

Title: Executive Vice President, Business  
and Legal Affairs

By: /s/ G. Mary Ruby  
-----

Title: Sr. Vice President, Legal Affairs

Address:

Address of Chief Executive Office:

141 Adelaide Street West, Suite 1500  
Toronto, Ontario, M5H 3L9  
Fax: (416) 364-6068

110 East 59th Street  
New York, New York, 10022  
Fax: (212) 371-7584

IMAX CORPORATION  
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

For the purpose of computing the ratios of earnings to fixed charges, "earnings" consist of earnings (loss) from continuing operations before income taxes and minority interest, loss (income) from equity-accounted investees, capitalized interest, amortization of capitalized interest and fixed charges. "Fixed charges" consist of interest expense, amortization of expenses related to indebtedness (which are included in interest expense), capitalized interest and an estimate of the interest within rental expense, deemed to be one-third of rental expense. Due to the losses incurred by IMAX Corporation in 2000 and 2001, as well as the shortfall in earnings for the nine months ended September 30, 2003, the ratio coverage is less than 1:1. IMAX Corporation would have had to generate additional earnings of \$39.0 million in 2000, \$65.1 million in 2001 and \$0.7 million for the nine months ended September 30, 2003 to achieve a ratio of 1:1 in those periods.

	YEARS ENDED DECEMBER 31,					NINE MONTHS ENDED SEPTEMBER 30,	
	1998	1999	2000	2001	2002	2002	2003
	(IN THOUSANDS)						
Earnings (loss) from continuing operations before income taxes and minority interest.....	\$ 11,917	\$ 43,529	\$ (42,921)	\$ (66,416)	\$ 9,906	\$ 9,222	\$ (261)
Loss (income) from equity-accounted investees..	6,763	683	4,811	(73)	(283)	(88)	(501)
Capitalized interest.....	--	(754)	(1,393)	(511)	--	--	--
Amortization of capitalized interest.....	--	44	500	1,853	26	20	20
	18,680	43,502	(39,003)	(65,147)	9,649	9,154	(742)
Fixed Charges:							
Interest expense.....	14,646	21,860	21,961	22,020	17,570	13,048	11,949
Capitalized interest.....	--	754	1,393	511	--	--	--
Estimate of the interest within rental expense.....	500	967	1,833	1,868	1,326	939	1,212
Total fixed charges.....	15,146	23,581	25,187	24,399	18,896	13,987	13,161
Earnings.....	\$ 33,826	\$ 67,082	\$ (13,816)	\$ (40,748)	\$28,545	\$23,140	\$12,418
Ratio of earnings to fixed charges.....	2.23x	2.84x	--	--	1.51x	1.65x	--

The following table shows how we calculate the pro forma ratio of earnings to fixed charges. The pro forma ratio of earnings to fixed charges reflects the effects of the issuance and sale of the 9 5/8% senior notes due 2010 and the application of the net proceeds from the sale thereof on the ratio of earnings to fixed charges for the year ended December 31, 2002 and the nine months ended September 30, 2003. Due to the shortfall in earnings for the nine months ended September 30, 2003, the pro forma ratio coverage is less than 1:1. We would have had to generate additional earnings of \$2.9 million for the nine months ended September 30, 2003 to achieve a pro forma ratio of 1:1 in that period.

NINE MONTHS YEAR ENDED DECEMBER 31, SEPTEMBER 30, 2002	
2003	(IN THOUSANDS)
Fixed charges, as above.....	\$18,896
\$13,161 Adjustments: Estimated net increase in interest expense from refinancing(a).....	2,757
Total pro forma fixed charges.....	21,653
Earnings, as above.....	\$12,418
Pro forma ratio of earnings to fixed charges.....	1.32x

(a) Does not reflect any change in interest expense of the repurchase in October 2003 of \$15.7 million aggregate principal amount of our 7 7/8% senior notes due 2005 in exchange for 1,864,077 of our common shares.

Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549

CONSENT OF INDEPENDENT AUDITORS

We refer to the registration statement on Form S-4 (the "Registration Statement") filed by IMAX Corporation (the "Company") under the Securities Act of 1933, as amended.

We hereby consent to the incorporation by reference in this Registration Statement on Form S-4 of our report dated February 14, 2003 with respect to the consolidated balance sheets of the Company as at December 31, 2002 and 2001 and the consolidated statements of operations, cash flows and shareholders' equity (deficit) for each year in the three-year period ended December 31, 2002 prepared in accordance with generally accepted accounting principles in the United States of America. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

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PricewaterhouseCoopers LLP  
Chartered Accountants  
February 27, 2004



February 17, 2004

IMAX Corporation  
2525 Speakman Drive  
Mississauga, Ontario L5K 1B1

Ladies and Gentlemen:

RE: REGISTRATION STATEMENT

We have acted as Canadian counsel to IMAX Corporation, a Canadian corporation (the "Company"), in connection with the preparation of the registration statement on Form S-4 (the "Registration Statement") being filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Act"), relating to the exchange offer, as set forth in the prospectus contained in the Registration Statement (the "Prospectus"), by the Company of up to \$160,000,000 aggregate principal amount of its 9 5/8% Senior Notes due 2010 which are to be registered under the Act (the "Registered Notes") in exchange for its outstanding 9 5/8% Senior Notes due 2010 issued on December 4, 2003. The Registered Notes are to be fully and unconditionally guaranteed, jointly and severally, by each of the Guarantors (as defined below) as to payment of principal, premium, if any, and interest (the "Guarantees"). The Registered Notes and the Guarantees are to be issued under an indenture dated as of December 4, 2003 (the "Indenture"), between the Company, each of the Company's subsidiary guarantors and U.S. Bank National Association, as trustee.

We hereby consent to the use of our name under the heading "Legal Matters" in the Prospectus. In giving such consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Act and the rules and regulations of the Commission promulgated thereunder.

Yours very truly,

/s/ MCCARTHY TETRAULT LLP

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY UNDER  
THE TRUST INDENTURE ACT OF 1939 OF A  
CORPORATION DESIGNATED TO ACT AS TRUSTEE

Check if an Application to Determine Eligibility of  
a Trustee Pursuant to Section 305(b)(2) [ ]

U.S. BANK NATIONAL ASSOCIATION  
(Exact name of Trustee as specified in its charter)

31-0841368  
(I.R.S. Employer Identification No.)

800 Nicollet Mall  
Minneapolis, Minnesota

55402

(Address of principal executive offices)

(Zip Code)

Frank Leslie  
U.S. Bank National Association  
60 Livingston Avenue  
St. Paul, MN 55107  
(651) 495-3913  
(Name, address and telephone number of agent for service)

IMAX CORPORATION  
(Exact name of obligor as specified in its charter)

Canada

98-0140269

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer Identification No.)

2525 Speakman Drive  
Mississauga, Ontario, Canada

L5K 1B1

(Address of Principal Executive Offices)

(Zip Code)

SEE TABLE OF ADDITIONAL OBLIGORS

9 5/8% SENIOR NOTES DUE 2010  
(Title of the indenture securities)

TABLE OF ADDITIONAL OBLIGORS

EXACT NAME OF ADDITIONAL OBLIGOR -----	JURISDICTION OF FORMATION -----	IRS EMPLOYER IDENTIFICATION NO. -----	PRINCIPAL EXECUTIVE OFFICE -----
1329507 ONTARIO INC.	Ontario	--	2525 Speakman Drive, Mississauga, Ontario L5K 1B1 phone: (905) 403-6500
924689 ONTARIO INC.	Ontario	--	2525 Speakman Drive, Mississauga, Ontario L5K 1B1 phone: (905) 403-6500
DAVID KEIGHLEY PRODUCTIONS 70MM INC.	Delaware	95-3996963	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
IMAX (TITANIC) INC.	Delaware	98-0123185	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
IMAX (TITANICA) LTD.	Ontario	--	2525 Speakman Drive, Mississauga, Ontario L5K 1B1 phone: (905) 403-6500
IMAX CHICAGO THEATRE LLC	Delaware	82-0565362	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
IMAX FILM HOLDING CO.	Delaware	--	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
IMAX FORUM RIDE, INC.	Nevada	88-0360462	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
IMAX II U.S.A. INC.	Delaware	51-0373323	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
IMAX INDIANAPOLIS LLC	Indiana	--	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
IMAX MINNESOTA HOLDING CO.	Delaware	52-2254901	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
IMAX MUSIC LTD.	Ontario	--	2525 Speakman Drive, Mississauga, Ontario L5K 1B1 phone: (905) 403-6500
IMAX PICTURES CORPORATION	Delaware	98-0153647	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
IMAX PROVIDENCE GENERAL PARTNER CO.	Delaware	52-2054994	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100

EXACT NAME OF ADDITIONAL OBLIGOR	JURISDICTION OF FORMATION	IRS EMPLOYER IDENTIFICATION NO.	PRINCIPAL EXECUTIVE OFFICE
IMAX PROVIDENCE LIMITED PARTNER CO.	Delaware	52-2054995	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
IMAX RHODE ISLAND LIMITED PARTNERSHIP	Rhode Island	98-0176677	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
IMAX SANDDE ANIMATION INC.	Ontario	--	2525 Speakman Drive, Mississauga, Ontario L5K 1B1 phone: (905) 403-6500
IMAX SCRIBE INC.	Delaware	51-0373325	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
IMAX SPACE LTD.	Ontario	--	2525 Speakman Drive, Mississauga, Ontario L5K 1B1 phone: (905) 403-6500
IMAX THEATRE HOLDING (BROSSARD) INC.	Canada	--	2525 Speakman Drive, Mississauga, Ontario L5K 1B1 phone: (905) 403-6500
IMAX THEATRE HOLDING (CALIFORNIA I) CO.	Delaware	52-2054998	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
IMAX THEATRE HOLDING (CALIFORNIA II) CO.	Delaware	52-2054999	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
IMAX THEATRE HOLDING (NYACK I) CO.	Delaware	52-2055001	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
IMAX THEATRE HOLDING (NYACK II) CO.	Delaware	52-2055002	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
IMAX THEATRE HOLDING CO.	Delaware	52-2054997	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
IMAX THEATRE HOLDINGS (OEI) INC.	Delaware	52-2054993	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
IMAX THEATRE MANAGEMENT (SCOTTSDALE), INC.	Arizona	86-0686026	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
IMAX THEATRE MANAGEMENT COMPANY	Delaware	52-2054996	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
IMAX THEATRE SERVICES LTD.	Ontario	--	2525 Speakman Drive, Mississauga, Ontario L5K 1B1 phone: (905) 403-6500
IMAX U.S.A. INC.	Delaware	98-0159490	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100

EXACT NAME OF ADDITIONAL OBLIGOR	JURISDICTION OF FORMATION	IRS EMPLOYER IDENTIFICATION NO.	PRINCIPAL EXECUTIVE OFFICE
IMMERSIVE ENTERTAINMENT INC.	Delaware	98-0153646	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
MIAMI THEATRE LLC	Delaware	65-0888857	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
MITEY CINEMA INC.	Ontario	--	2525 Speakman Drive, Mississauga, Ontario L5K 1B1 phone: (905) 403-6500
MOUNTAINVIEW THEATRE MANAGEMENT LTD.	Alberta	--	2525 Speakman Drive, Mississauga, Ontario L5K 1B1 phone: (905) 403-6500
NYACK THEATRE LLC	New York	98-0202278	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
PANDA PRODUCTIONS INC.	Delaware	95-4785483	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
RIDEFILM CORPORATION	Delaware	04-3222960	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
RPM PICTURES LTD.	Ontario	--	2525 Speakman Drive, Mississauga, Ontario L5K 1B1 phone: (905) 403-6500
SACRAMENTO THEATRE LLC	Delaware	68-0432572	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
SONICS ASSOCIATES, INC.	Alabama	63-0623302	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
STARBOARD THEATRES LTD.	Canada	--	2525 Speakman Drive, Mississauga, Ontario L5K 1B1 phone: (905) 403-6500
STRATEGIC SPONSORSHIP CORPORATION	Delaware	52-1723753	110 E. 59th Street, Suite 2100 New York, New York 10022 phone: (212) 821-0100
TANTUS FILMS LTD.	Canada	--	2525 Speakman Drive, Mississauga, Ontario L5K 1B1 phone: (905) 403-6500
TANTUS II FILMS LTD.	Ontario	--	2525 Speakman Drive, Mississauga, Ontario L5K 1B1 phone: (905) 403-6500
WIRE FRAME FILMS LTD.	Ontario	--	2525 Speakman Drive, Mississauga, Ontario L5K 1B1 phone: (905) 403-6500

FORM T-1

ITEM 1. GENERAL INFORMATION. FURNISH THE FOLLOWING INFORMATION AS TO THE TRUSTEE.

a) Name and address of each examining or supervising authority to which it is subject.

Comptroller of the Currency  
Washington, D.C.

b) Whether it is authorized to exercise corporate trust powers.

Yes

ITEM 2. AFFILIATIONS WITH OBLIGORS. IF ANY OF THE OBLIGORS IS AN AFFILIATE OF THE TRUSTEE, DESCRIBE EACH SUCH AFFILIATION.

None.

ITEMS 3-15. Items 3-15 are not applicable because to the best of the Trustee's knowledge, none of the obligors is in default under any indenture for which the Trustee acts as trustee.

ITEM 16. LIST OF EXHIBITS: LIST BELOW ALL EXHIBITS FILED AS A PART OF THIS STATEMENT OF ELIGIBILITY AND QUALIFICATION.

1. A copy of the Articles of Association of the Trustee.\*
2. A copy of the certificate of authority of the Trustee to commence business.\*
3. A copy of the certificate of authority of the Trustee to exercise corporate trust powers.\*
4. A copy of the existing bylaws of the Trustee.\*
6. The consent of the Trustee required by Section 321(b) of the Trust Indenture Act of 1939.
7. Report of Condition of the Trustee as of September 30, 2003, published pursuant to law or the requirements of its supervising or examining authority.

\* Incorporated by reference to Registration Statement No. 333-67188.

NOTE

The answers to this statement insofar as such answers relate to what persons have been underwriters for any securities of the obligors within three years prior to the date of filing this statement, or what persons are owners of 10% or more of the voting securities of the obligors, or affiliates, are based upon information furnished to the Trustee by the obligors. While the Trustee has no reason to doubt the accuracy of any such information, it cannot accept any responsibility therefor.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the Trustee, U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility and qualification to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of St. Paul, State of Minnesota on the 2nd day of February, 2004.

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Frank P. Leslie III

-----  
Frank P. Leslie III  
Vice President

By: /s/ Benjamin J. Krueger

-----  
Benjamin J. Krueger  
Trust Officer

CONSENT

In accordance with Section 321(b) of the Trust Indenture Act of 1939, the undersigned, U.S. BANK NATIONAL ASSOCIATION hereby consents that reports of examination of the undersigned by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Dated: February 2, 2004

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Frank P. Leslie III

-----  
Frank P. Leslie III  
Vice President

By: /s/ Richard H. Prokosch

-----  
Richard H. Prokosch  
Vice President



U.S. BANK NATIONAL ASSOCIATION  
STATEMENT OF FINANCIAL CONDITION  
AS OF 9/30/2003

(\$000'S)

	9/30/2003
-----	
<b>ASSETS</b>	
Cash and Due From Depository Institutions	\$ 9,363,408
Federal Reserve Stock	0
Securities	34,719,100
Federal Funds	2,322,794
Loans & Lease Financing Receivables	118,943,010
Fixed Assets	1,915,381
Intangible Assets	9,648,952
Other Assets	9,551,844
-----	
TOTAL ASSETS	\$186,464,489
<b>LIABILITIES</b>	
Deposits	\$122,910,311
Fed Funds	6,285,092
Treasury Demand Notes	3,226,368
Trading Liabilities	246,528
Other Borrowed Money	21,879,472
Acceptances	145,666
Subordinated Notes and Debentures	6,148,678
Other Liabilities	5,383,119
-----	
TOTAL LIABILITIES	\$166,225,234
<b>EQUITY</b>	
Minority Interest in Subsidiaries	\$ 1,003,166
Common and Preferred Stock	18,200
Surplus	11,676,398
Undivided Profits	7,541,491
-----	
TOTAL EQUITY CAPITAL	\$ 20,239,255
TOTAL LIABILITIES AND EQUITY CAPITAL	\$186,464,489

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To the best of the undersigned's determination, as of the date hereof, the above financial information is true and correct.

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Frank P. Leslie III

-----  
Vice President

Date: February 2, 2004

LETTER OF TRANSMITTAL  
IMAX CORPORATION

OFFER TO EXCHANGE ANY AND ALL OUTSTANDING 9 5/8% SENIOR NOTES DUE 2010 ISSUED  
ON DECEMBER 4, 2003 FOR 9 5/8% SENIOR NOTES DUE 2010 WHICH HAVE BEEN REGISTERED  
UNDER THE SECURITIES ACT OF 1933

Pursuant to the Prospectus, dated \_\_\_\_\_, 2004

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON \_\_\_\_\_, 2004  
UNLESS EXTENDED (THE "EXPIRATION DATE"). TENDERS MAY BE WITHDRAWN PRIOR TO  
5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE. WHERE THE EXPIRATION  
DATE HAS BEEN EXTENDED, TENDERS PURSUANT TO THE EXCHANGE OFFER AS OF THE  
PREVIOUSLY SCHEDULED EXPIRATION DATE MAY NOT BE WITHDRAWN AFTER THE DATE OF THE  
PREVIOUSLY SCHEDULED EXPIRATION DATE.

DELIVERY TO:

U.S. BANK NATIONAL ASSOCIATION, EXCHANGE AGENT

BY HAND, MAIL OR OVERNIGHT COURIER:  
60 Livingstone Avenue  
St. Paul, Minnesota 55107-2292  
Attention: Specialized Finance

For Information Call: BY FACSIMILE: Confirm Receipt of  
(for eligible institutions only) Facsimile by Telephone:  
(651) 495-8097 (651) 495-8097 (651) 495-8097  
Attention: Mr. Frank Leslie

Delivery of this letter of transmittal to an address other than as set  
forth above, or transmission of this Letter of Transmittal via facsimile to a  
number other than as set forth above, will not constitute a valid delivery.  
Please read this entire Letter of Transmittal carefully before completing any  
box below.

The undersigned acknowledges that he, she or it has received this Letter of  
Transmittal (the "Letter") and the Prospectus, dated \_\_\_\_\_, 2004  
(the "Prospectus"), of IMAX Corporation (the "Company") or, if resident in  
Canada, the Canadian Offering Memorandum dated \_\_\_\_\_, 2004 (the "Canadian  
Offering Memorandum"), relating to its offer to exchange up to \$160,000,000  
aggregate principal amount of its 9 5/8% Senior Notes due 2010 (the "New  
Notes"), which have been registered under the Securities Act of 1933, as amended  
(the "Securities Act"), for a like principal amount of its issued and  
outstanding 9 5/8% Senior Notes due 2010 (the "Old Notes") from the registered  
holders thereof (the "Holders"). The Prospectus (or, for Canadian residents, the  
Canadian Offering Memorandum) and this Letter of Transmittal together constitute  
the Company's offer to exchange (the "Exchange Offer") its Old Notes for a like  
principal amount of its New Notes from the Holders.

For each Old Note accepted for exchange, the Holder of such Old Note will  
receive a New Note having a principal amount equal to that of, and representing  
the same indebtedness or that represented by, the surrendered Old Note. The New  
Notes will accrue interest from the last interest payment date on which interest  
was paid on the Old Notes or, if no interest has been paid on the Old Notes,  
from the issue date of the Old Notes. Accordingly, registered Holders of New  
Notes on the relevant record date for the first interest payment date following  
the consummation of the Exchange Offer will receive interest accruing from the  
last interest payment date on which interest was paid or, if no interest has  
been paid, from the issue date of the Old Notes. Old Notes accepted for exchange  
will cease to accrue interest from and after the date of consummation of the  
Exchange Offer. Holders of Old Notes whose Old Notes are accepted for exchange  
will not receive any payment in respect of accrued interest on such Old Notes  
otherwise payable on any interest payment date the record date for which occurs  
on or after consummation of the Exchange Offer.

This Letter of Transmittal is to be completed by a Holder of Old Notes either if certificates are to be forwarded herewith or if a tender of certificates for Old Notes, if available, is to be made by book-entry transfer to the account maintained by the Exchange Agent at The Depository Trust Company ("DTC") (the "Book-Entry Transfer Facility") pursuant to the procedures set forth in "The Exchange Offer--Book-Entry Transfer" section of the Prospectus. Holders of Old Notes whose certificates are not immediately available, or who are unable to deliver confirmation of the book-entry tender of their Old Notes into the Exchange Agent's account at the Book-Entry Transfer Facility (a "Book-Entry Confirmation") and all other documents required by this Letter of Transmittal to the Exchange Agent on or prior to the Expiration Date, must tender their Old Notes according to the guaranteed delivery procedures set forth in "The Exchange Offer--Guaranteed Delivery Procedures" section of the Prospectus. See Instruction 1. Delivery of documents to the Book-Entry Transfer Facility does not constitute delivery to the Exchange Agent.

List below the Old Notes to which this Letter of Transmittal relates. If the space provided below is inadequate, the certificate numbers and principal amount of Old Notes should be listed on a separate signed schedule affixed hereto.

DESCRIPTION OF OLD NOTES

NAME(S) AND ADDRESS(ES) OF REGISTERED HOLDER(S) (PLEASE FILL IN, IF BLANK)	CERTIFICATE NUMBER(S)	AGGREGATE PRINCIPAL AMOUNT*	PRINCIPAL AMOUNT OF OLD NOTE(S) TENDERED**
-----	-----	-----	-----
-----	-----	-----	-----
-----	-----	-----	-----
		TOTAL	

\* Need not be completed if Old Notes are being tendered by book-entry transfer.

\*\* Unless otherwise indicated in this column, a holder will be deemed to have tendered ALL of the Old Notes represented by the Old Notes indicated in column 2. See Instruction 2. Old Notes tendered hereby must be in denominations of principal amount of \$1,000 and any integral multiple thereof. See Instruction 1.

[ ] CHECK HERE IF TENDERED OLD NOTES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO THE ACCOUNT MAINTAINED BY THE EXCHANGE AGENT WITH THE BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING:

Name of Tendering Institution \_\_\_\_\_  
 Account Number \_\_\_\_\_  
 Transaction Code Number \_\_\_\_\_

[ ] CHECK HERE IF TENDERED OLD NOTES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE EXCHANGE AGENT AND COMPLETE THE FOLLOWING:

Name(s) of Registered Holder(s) \_\_\_\_\_  
 Window Ticket Number (if any) \_\_\_\_\_  
 Date of Execution of Notice of Guaranteed Delivery \_\_\_\_\_  
 Name of Institution That Guaranteed Delivery \_\_\_\_\_

IF DELIVERED BY BOOK-ENTRY TRANSFER, COMPLETE THE FOLLOWING:  
 Account Number \_\_\_\_\_  
 Transaction Code Number \_\_\_\_\_

[ ] CHECK HERE IF YOU ARE A BROKER-DEALER OR OTHER PARTY ENTITLED, PURSUANT TO THE TERMS OF THE REGISTRATION RIGHTS AGREEMENT REFERRED TO IN THE PROSPECTUS, TO RECEIVE, AND WISH TO RECEIVE, 10 ADDITIONAL COPIES OF THE

PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO WITHIN  
180 DAYS AFTER THE EXPIRATION DATE.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of New Notes. If the undersigned is a broker-dealer that will receive New Notes for its own account in exchange for Old Notes that were acquired as a result of market-making activities or other trading activities, it acknowledges and represents that it will deliver a prospectus meeting the requirements of the Securities Act, in connection with any resale of such New Notes; however, by so acknowledging and representing and by delivering such a prospectus the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. If the undersigned is a broker-dealer that will receive New Notes, it represents that the Old Notes to be exchanged for the New Notes were acquired as a result of market-making activities or other trading activities. In addition, such broker-dealer represents that it is not acting on behalf of any person who could not truthfully make the foregoing representations.

Ladies and Gentlemen:

Upon the terms and subject to the conditions of the Exchange Offer, the undersigned hereby tenders to the Company the aggregate principal amount of Old Notes indicated above. Subject to, and effective upon, the acceptance for exchange of the Old Notes tendered hereby, the undersigned hereby sells, assigns and transfers to, or upon the order of, the Company all right, title and interest in and to such Old Notes as are being tendered hereby.

The undersigned hereby irrevocably constitutes and appoints the Exchange Agent as the undersigned's true and lawful agent and attorney-in-fact with respect to such tendered Old Notes, with full power of substitution, among other things, to cause the Old Notes to be assigned, transferred and exchanged.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Old Notes, and to acquire New Notes issuable upon the exchange of such tendered Old Notes, and that, when such Old Notes are accepted for exchange, the Company will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim when the same are accepted by the Company. The undersigned hereby further represents and warrants that any New Notes acquired in exchange for Old Notes tendered hereby will have been acquired in the ordinary course of business of the person receiving such New Notes, whether or not such person is the undersigned, that neither the Holder of such Old Notes nor any such other person is participating in, intends to participate in or has an arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of Old Notes or New Notes, that neither the Holder of such Old Notes nor any such other person is an "affiliate," as defined in Rule 405 under the Securities Act, of the Company, and that neither the Holder of such Old Notes nor such other person is acting on behalf of any person who could not truthfully make the foregoing representations and warranties.

The undersigned, in the case only of residents of Canada, represents and warrants that it:

- (a) is resident in the Province of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick or Prince Edward Island and is entitled under the applicable provincial securities laws to acquire the New Notes without the benefit of a prospectus qualified under those securities laws and, in the case of provinces other than Ontario, without the services of a dealer registered pursuant to those securities laws;
- (b) is basing its investment decision solely on the Canadian Offering Memorandum dated \_\_\_\_\_, 2004 and not on any other information concerning the Company or the New Offer;
- (c) has reviewed and acknowledges the terms referred to under the heading "Resale Restrictions" in the Canadian Offering Memorandum;
- (d) if in Ontario, is an "accredited investor" as defined in Ontario Securities Commission Rule 45-501 ("Rule 45-501"), and is not an individual unless purchasing from a fully registered dealer within the meaning of Section 204 of the Regulation to the Securities Act (Ontario);
- (e) if in Quebec, is: (i) a government, department or agency referred to in Section 43 of the Securities Act (Quebec); (ii) a "sophisticated purchaser" within the meaning of Section 44 of the Securities Act (Quebec); or (iii) a "sophisticated purchaser" within the meaning of Section 45 of the Securities Act (Quebec) purchasing for the portfolio of a person managed solely by it;
- (f) if in British Columbia, Alberta, Saskatchewan, Manitoba or Prince Edward Island, is an "accredited investor" as defined in Multilateral Instrument 45-103 ("MI 45-103");
- (g) if in New Brunswick, is purchasing New Notes as principal in an amount not less than Cdn. \$97,000; and

(h) is either purchasing New Notes as principal for its own account, or is deemed to be purchasing New Notes as principal for its own account in accordance with the applicable securities laws of the province in which such purchaser is resident, by virtue of being either: (i) a designated trust company; (ii) a designated insurance company; (iii) a portfolio manager; or (iv) another entity similarly deemed by those laws to be purchasing as principal for its own account when purchasing on behalf of other beneficial purchasers.

By acquiring New Notes under the Exchange Offer, each Canadian resident acknowledges that its name and other specified information, including the principal amount of New Notes it has acquired, may be disclosed to Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable laws. The tendering holder consents to the disclosure of that information. Each tendering holder of New Notes in Canada hereby agrees that it is such tendering holder's express wish that all documents evidencing or relating in any way to the offer and sale of New Notes be drafted in the English language only. Chaque acheteur au Canada des valeurs mobilières reconnaît que c'est sa volonté expresse que tous les documents faisant foi ou se rapportant de quelque manière à l'offre et vente des valeurs mobilières soient rédigés uniquement en anglais.

The undersigned acknowledges that this Exchange Offer is being made in reliance on interpretations by the staff of the Securities and Exchange Commission (the "SEC"), as set forth in no-action letters issued to third parties, that the New Notes issued pursuant to the Exchange Offer in exchange for the Old Notes may be offered for resale, resold and otherwise transferred by Holders thereof (other than any such Holder that is a broker-dealer or an "affiliate" of the Company within the meaning of Rule 405 under the Securities Act), without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such New Notes are acquired in the ordinary course of such Holder's business, at the time of commencement of the Exchange Offer such Holder has no arrangement or understanding with any person to participate in a distribution of such New Notes, and such Holder is not engaged in, and does not intend to engage in, a distribution of such New Notes. However, the SEC has not considered the Exchange Offer in the context of a no-action letter and there can be no assurance that the staff of the SEC would make a similar determination with respect to the Exchange Offer as in other circumstances. If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of New Notes and has no arrangement or understanding to participate in a distribution of New Notes. If the undersigned is a broker-dealer that will receive New Notes for its own account in exchange for Old Notes, it represents that the Old Notes to be exchanged for the New Notes were acquired by it as a result of market-making activities or other trading activities and acknowledges that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such New Notes; however, by so acknowledging and by delivering a prospectus meeting the requirements of the Securities Act, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

The SEC has taken the position that such broker-dealers may fulfill their prospectus delivery requirements with respect to the New Notes (other than a resale of New Notes received in exchange for an unsold allotment from the original sale of the Old Notes) with the Prospectus. The Prospectus, as it may be amended or supplemented from time to time, may be used by certain broker-dealers (as specified in the Registration Rights Agreement referenced in the Prospectus) ("Participating Broker-Dealers") for a period of time, starting on the Expiration Date and ending on the close of business 90 days after the Expiration Date in connection with the sale or transfer of such New Notes. The Company has agreed that, for such period of time, it will make the Prospectus (as it may be amended or supplemented) available to such a broker-dealer which elects to exchange Old Notes, acquired for its own account as a result of market making or other trading activities, for New Notes pursuant to the Exchange Offer for use in connection with any resale of such New Notes. By accepting the Exchange Offer, each broker-dealer that receives New Notes pursuant to the Exchange Offer acknowledges and agrees to notify the Company prior to using the Prospectus in connection with the sale or transfer of New Notes and that, upon receipt of notice from the Company of the happening of any event which makes any statement in the Prospectus untrue in any material respect or which requires the making of any changes in the Prospectus in order to make the statements therein (in light of the circumstances under which they were made) not misleading, such broker-dealer will suspend use of the Prospectus until (i) the Company has amended or supplemented the Prospectus to correct such misstatement or omission and (ii) either the Company has furnished copies of the amended or supplemented Prospectus to such broker-dealer or, if the Company has not otherwise agreed to furnish such copies and declines to do so after such broker-dealer so requests, such broker-dealer has obtained a copy of such amended or supplemented Prospectus as filed with the SEC. Except

as described above, the Prospectus may not be used for or in connection with an offer to resell, a resale or any other retransfer of New Notes. A broker-dealer that acquired Old Notes in a transaction other than as part of its market-making activities or other trading activities will not be able to participate in the Exchange Offer.

The undersigned will, upon request, execute and deliver any additional documents deemed by the Company to be necessary or desirable to complete the sale, assignment and transfer of the Old Notes tendered hereby. All authority conferred or agreed to be conferred in this Letter and every obligation of the undersigned hereunder shall be binding upon the successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of the undersigned and shall not be affected by, and shall survive, the death or incapacity of the undersigned. This tender may be withdrawn only in accordance with the procedures set forth in "The Exchange Offer--Withdrawal of Tenders" section of the Prospectus.

Unless otherwise indicated herein in the box entitled "Special Issuance Instructions" below, please deliver the New Notes (and, if applicable, substitute certificates representing Old Notes for any Old Notes not exchanged) in the name of the undersigned or, in the case of a book-entry delivery of Old Notes, please credit the account indicated above maintained at the Book-Entry Transfer Facility. Similarly, unless otherwise indicated under the box entitled "Special Delivery Instructions" below, please send the New Notes (and, if applicable, substitute certificates representing Old Notes for any Old Notes not exchanged) to the undersigned at the address shown above in the box entitled "Description of Old Notes."

THE UNDERSIGNED, BY COMPLETING THE BOX ENTITLED "DESCRIPTION OF OLD NOTES" ABOVE AND SIGNING THIS LETTER, WILL BE DEEMED TO HAVE TENDERED THE OLD NOTES AS SET FORTH IN SUCH BOX ABOVE.

PLEASE READ THIS ENTIRE LETTER OF TRANSMITTAL CAREFULLY BEFORE COMPLETING ANY BOX ABOVE.

PLEASE SIGN HERE  
(TO BE COMPLETED BY ALL TENDERING HOLDERS)

SIGNATURE(S) OF OWNER \_\_\_\_\_

DATE \_\_\_\_\_

Area Code and Telephone Number \_\_\_\_\_

If a Holder is tendering an Old Note, this Letter must be signed by the registered Holder(s) as the name(s) appear(s) on the certificate(s) for the Old Note or by any person(s) authorized to become registered Holder(s) by endorsements and documents transmitted herewith. If, signature is by a trustee, executor, administrator, guardian, officer or other person acting in a fiduciary or representative capacity, please set forth full title. See Instruction 3.

Name(s) \_\_\_\_\_  
(PLEASE TYPE OR PRINT)

Capacity: \_\_\_\_\_

Address: \_\_\_\_\_

SIGNATURE GUARANTEE (IF REQUIRED BY INSTRUCTION 3) SIGNATURE(S) GUARANTEED BY AN ELIGIBLE INSTITUTION:

\_\_\_\_\_  
(AUTHORIZED SIGNATURE)

\_\_\_\_\_  
(TITLE)

\_\_\_\_\_  
(NAME AND FIRM)

DATED: \_\_\_\_\_, 2004



SPECIAL ISSUANCE INSTRUCTIONS  
(SEE INSTRUCTIONS 3, 4 AND 6)

To be completed ONLY if certificates for Old Notes not exchanged and/or New Notes are to be issued in the name of and sent to someone other than the person or persons whose signature(s) appear(s) on this Letter above, or if Old Notes delivered by book-entry transfer which are not accepted for exchange are to be returned by credit to an account maintained at the Book-Entry Transfer Facility other than the account indicated above.

Issue: New Notes and/or Old Notes to: \_\_\_\_\_  
(Please Type or Print)

Names(s) and Taxpayer Identification or Social Security Number(s):  
\_\_\_\_\_  
(Please Type or Print)

\_\_\_\_\_  
(Please Type or Print)

Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Zip/Postal Code)

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[ ] Credit unexchanged Old Notes delivered by book-entry transfer to the Book-Entry Transfer Facility account set forth below:

\_\_\_\_\_  
(Book-Entry Transfer Facility Account Number, if Applicable)

SPECIAL DELIVERY INSTRUCTIONS  
(SEE INSTRUCTIONS 3, 4 AND 6)

To be completed ONLY if certificates for Old Notes not exchanged and/or New Notes are to be sent to someone other than the person or persons whose signature(s) appear(s) on this Letter above or to such person or persons at an address other than shown in the box entitled "Description of Old Notes" on this Letter above.

Mail: New Notes and/or Old Notes to: \_\_\_\_\_  
(Please Type or Print)

Names(s): \_\_\_\_\_  
(Please Type or Print)

\_\_\_\_\_  
(Please Type or Print)

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(Zip/Postal Code)

IMPORTANT: UNLESS GUARANTEED DELIVERY PROCEDURES ARE COMPLIED WITH, THIS LETTER OR A FACSIMILE HEREOF (TOGETHER WITH THE CERTIFICATES FOR OLD NOTES OR A BOOK-ENTRY CONFIRMATION AND ALL OTHER REQUIRED DOCUMENTS) MUST BE RECEIVED BY THE EXCHANGE AGENT PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

INSTRUCTIONS FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER TO EXCHANGE ANY AND ALL OUTSTANDING 9 5/8% SENIOR NOTES DUE 2010 ISSUED ON DECEMBER 4, 2003 OF IMAX CORPORATION FOR 9 5/8% SENIOR NOTES DUE 2010 OF IMAX CORPORATION THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED

1. DELIVERY OF THIS LETTER AND NOTES; GUARANTEED DELIVERY PROCEDURES. This Letter is to be completed by Holders of Old Notes either if certificates are to be forwarded herewith or if tenders are to be made pursuant to the procedures for delivery by book-entry transfer set forth in "The Exchange Offer--Book-Entry Transfer" section of the Prospectus. Certificates for all physically tendered Old Notes, or Book-Entry Confirmation, as the case may be, as well as a properly completed and duly executed Letter (or manually signed facsimile hereof) and any other documents required by this Letter, must be received by the Exchange Agent at the address set forth herein on or prior to the Expiration Date, or the tendering Holder must comply with the guaranteed delivery procedures set forth below. Old Notes tendered hereby must be in denominations of principal amount of \$1,000 and any integral multiple thereof.

Holders whose certificates for Old Notes are not immediately available or who cannot deliver their certificates and all other required documents to the Exchange Agent on or prior to the Expiration Date, or who cannot complete the procedure for book-entry transfer on a timely basis, may tender their Old Notes pursuant to the guaranteed delivery procedures set forth in "The Exchange Offer--Guaranteed Delivery Procedures" section of the Prospectus. Pursuant to such procedures, (i) such tender must be made through an Eligible Institution (as defined herein), (ii) prior to 5:00 P.M., New York City time, on the Expiration Date, the Exchange Agent must receive from such Eligible Institution a properly completed and duly executed Letter (or a facsimile thereof) and Notice of Guaranteed Delivery, substantially in the form provided by the Company (by facsimile transmission, mail or hand delivery), setting forth the name and address of the Holder of Old Notes and the amount of Old Notes tendered, stating that the tender is being made thereby and guaranteeing that within three New York Stock Exchange ("NYSE") trading days after the date of execution of the Notice of Guaranteed Delivery, the certificates for all physically tendered Old Notes, in proper form for transfer, or a Book-Entry Confirmation, as the case may be, and any other documents required by this Letter will be deposited by the Eligible Institution with the Exchange Agent, and (iii) the certificates for all physically tendered Old Notes, in proper form for transfer, or a Book-Entry Confirmation, as the case may be, and all other documents required by this Letter, are received by the Exchange Agent within three NYSE trading days after the date of execution of the Notice of Guaranteed Delivery.

The method of delivery of this Letter, the Old Notes and all or any other required documents is at the election and risk of the tendering Holders, but the delivery will be deemed made only when actually received or confirmed by the Exchange Agent. If Old Notes, this Letter and all other required documents are sent by mail, it is suggested that the mailing be registered mail, properly insured, with return receipt requested, made sufficiently in advance of the Expiration Date to permit delivery to the Exchange Agent prior to 5:00 P.M., New York City time, on the Expiration Date. See the "The Exchange Offer" section of the Prospectus.

2. PARTIAL TENDERS (NOT APPLICABLE TO NOTEHOLDERS WHO TENDER BY BOOK-ENTRY TRANSFER). If less than all of the Old Notes evidenced by a submitted certificate are to be tendered, the tendering Holder(s) should fill in the aggregate principal amount of Old Notes to be tendered in the box above entitled "Description of Old Notes--Principal Amount Tendered." A reissued certificate representing the balance of nontendered Old Notes will be sent to such tendering Holder, unless otherwise provided in the appropriate box on this Letter, promptly after the Expiration Date.

ALL OF THE OLD NOTES DELIVERED TO THE EXCHANGE AGENT WILL BE DEEMED TO HAVE BEEN TENDERED UNLESS OTHERWISE INDICATED.

3. SIGNATURES ON THIS LETTER; BOND POWERS AND ENDORSEMENTS; GUARANTEE OF SIGNATURES. If this Letter is signed by the registered Holder of the Old Notes tendered hereby, the signature must correspond exactly with the name as written on the face of the certificates without any change whatsoever.

If any tendered Old Notes are owned of record by two or more joint owners, all of such owners must sign this Letter.

If any tendered Old Notes are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate copies of this Letter as there are different registrations of certificates.

When this Letter is signed by the registered Holder or Holders of the Old Notes specified herein and tendered hereby, no endorsements of certificates or separate bond powers are required. If, however, the New Notes are to be issued, or any untendered Old Notes are to be reissued, to a person other than the registered Holder, then endorsements of any certificates transmitted hereby or separate bond powers are required. Signatures on such certificate(s) must be guaranteed by an Eligible Institution.

If this Letter is signed by a person other than the registered Holder or Holders of any certificate(s) specified herein, such certificate(s) must be accompanied by appropriate bond powers, in either case signed exactly as the name or names of the registered Holder or Holders appear(s) on the certificate(s) and signatures on such certificate(s) must be guaranteed by an Eligible Institution.

If this Letter or any certificates or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and, unless waived by the Company, proper evidence satisfactory to the Company of their authority to so act must be submitted.

ENDORSEMENTS ON CERTIFICATES FOR OLD NOTES OR SIGNATURES ON BOND POWERS REQUIRED BY THIS INSTRUCTION 3 MUST BE GUARANTEED BY ANY MEMBER FIRM OF A REGISTERED NATIONAL SECURITIES EXCHANGE OR OF THE NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC., A COMMERCIAL BANK OR TRUST COMPANY HAVING AN OFFICE OR CORRESPONDENT IN THE UNITED STATES OR AN "ELIGIBLE GUARANTOR INSTITUTION" WITHIN THE MEANING OF RULE 17AD-15 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (EACH AN "ELIGIBLE INSTITUTION").

SIGNATURES ON THIS LETTER NEED NOT BE GUARANTEED BY AN ELIGIBLE INSTITUTION, PROVIDED THE OLD NOTES ARE TENDERED: (I) BY A REGISTERED HOLDER OF OLD NOTES (WHICH TERM, FOR PURPOSES OF THE EXCHANGE OFFER, INCLUDES ANY PARTICIPANT IN THE BOOK-ENTRY TRANSFER FACILITY SYSTEM WHOSE NAME APPEARS ON A SECURITY POSITION LISTING AS THE HOLDER OF SUCH OLD NOTES) WHO HAS NOT COMPLETED THE BOX ENTITLED "SPECIAL ISSUANCE INSTRUCTIONS" OR "SPECIAL DELIVERY INSTRUCTIONS" IN THIS LETTER, OR (II) FOR THE ACCOUNT OF AN ELIGIBLE INSTITUTION.

4. SPECIAL ISSUANCE AND DELIVERY INSTRUCTIONS. Tendering Holders of Old Notes should indicate in the applicable box the name and address to which New Notes issued pursuant to the Exchange Offer and/or

substitute certificates evidencing Old Notes not exchanged are to be issued or sent, if different from the name or address of the person signing this Letter. In the case of issuance in a different name, the employer identification or social security number of the person named must also be indicated. Holders tendering Old Notes by book-entry transfer may request that Old Notes not exchanged be credited to such account maintained at the Book-Entry Transfer Facility as such Holder may designate herein. If no such instructions are given, such Old Notes not exchanged will be returned to the name and address of the person signing this Letter.

5. **TRANSFER TAXES.** The Company will pay all transfer taxes, if any, applicable to the transfer of Old Notes to it or its order pursuant to the Exchange Offer. If, however, New Notes and/or substitute Old Notes not exchanged are to be delivered to, or are to be registered or issued in the name of, any person other than the registered Holder of the Old Notes tendered hereby, or if tendered Old Notes are registered in the name of any person other than the person signing this Letter, or if a transfer tax is imposed for any reason other than the transfer of Old Notes to the Company or its order pursuant to the Exchange Offer, the amount of any such transfer taxes (whether imposed on the registered Holder or any other persons) will be payable by the tendering Holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted herewith, the amount of such transfer taxes will be billed directly to such tendering Holder.

Except as provided in this instruction 6, it will not be necessary for transfer tax stamps to be affixed to the old notes specified in this letter.

6. **WAIVER OF CONDITIONS.** The Company reserves the absolute right to waive satisfaction of any or all conditions enumerated in the Prospectus.
7. **NO CONDITIONAL TENDERS.** No alternative, conditional, irregular or contingent tenders will be accepted. All tendering Holders of Old Notes, by execution of this Letter, shall waive any right to receive notice of the acceptance of their Old Notes for exchange.

Neither the Company, the Exchange Agent nor any other person is obligated to give notice of any defect or irregularity with respect to any tender of Old Notes nor shall any of them incur any liability for failure to give any such notice.

8. **MUTILATED, LOST, STOLEN OR DESTROYED OLD NOTES.** Any Holder whose Old Notes have been mutilated, lost, stolen or destroyed should contact the Exchange Agent at the address indicated above for further instructions.
9. **WITHDRAWAL RIGHTS.** Tenders of Old Notes of a series may be withdrawn at any time prior to 5:00 P.M., New York City time, on the Expiration Date.

For a withdrawal of a tender of Old Notes to be effective, a written notice of withdrawal must be received by the Exchange Agent at the address set forth above prior to 5:00 P.M., New York City time, on the Expiration Date with respect to such series. Any such notice of withdrawal must (i) specify the name of the person having tendered the Old Notes to be withdrawn (the "Depositor"), (ii) identify the Old Notes to be withdrawn (including the principal amount of such Old Notes), (iii) in the case of Old Notes tendered by book-entry transfer, specify the number of the account at the Book-Entry Transfer Facility from which the Old Notes were tendered and specify the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn Old Notes and otherwise comply with the procedures of such facility, (iv) contain a statement that such Holder is withdrawing its election to have such Old Notes exchanged, (v) be signed by the Holder in the same manner as the original signature on the Letter by which such Old Notes were tendered (including any required signature guarantees) or be accompanied by documents of transfer to have the Trustee with respect to the Old Notes register the transfer of such Old Notes in the name of the person withdrawing the tender and (vi) specify the name in which such Old Notes are registered, if different from that of the Depositor. All questions as to the validity, form and eligibility (including time of receipt) of such notices will be determined by the Company, whose determination shall be final and binding on all parties. Any Old Notes so withdrawn will be deemed not to have been validly tendered

for exchange for purposes of the Exchange Offer and no New Notes will be issued with respect thereto unless the Old Notes so withdrawn are validly retendered. Any Old Notes that have been tendered for exchange but which are not exchanged for any reason will be returned to the tendering Holder thereof without cost to such Holder (or, in the case of Old Notes tendered by book-entry transfer into the Exchange Agent's account at the Book-Entry Transfer Facility pursuant to the book-entry transfer procedures set forth in "The Exchange Offer--Book-Entry Transfer" section of the Prospectus, such Old Notes will be credited to an account maintained with the Book-Entry Transfer Facility for the Old Notes) as soon as practicable after withdrawal, rejection of tender or termination of the Exchange Offer. Properly withdrawn Old Notes may be retendered by following the procedures described above at any time on or prior to 5:00 P.M., New York City time, on the Expiration Date with respect to such series of Old Notes.

10. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES. Questions relating to the procedure for tendering, as well as requests for additional copies of the Prospectus and this Letter, and requests for Notices of Guaranteed Delivery and other related documents may be directed to the Exchange Agent, at the address and telephone number indicated above.

NOTICE OF GUARANTEED DELIVERY FOR IMAX CORPORATION

9 5/8% SENIOR NOTES DUE 2010

This form or one substantially equivalent hereto must be used to accept the Exchange Offer of IMAX Corporation (the "Company") made pursuant to the Prospectus, dated , 2004 (the "Prospectus") and, in Canada, pursuant to a Canadian Offering Memorandum dated , 2004, if certificates for outstanding 9 5/8% Senior Notes due 2010 (except those which have been deposited with a custodian for, and registered in the name of, The Depository Trust Company ("DTC")) (the "Old Notes") of the Company are not immediately available or if the procedure for book-entry transfer cannot be completed on a timely basis or time will not permit all required documents to reach U.S. Bank National Association, as exchange agent (the "Exchange Agent") prior to 5:00 P.M., New York City time, on the Expiration Date of the Exchange Offer.

Such form may be delivered or transmitted by facsimile transmission, mail or hand delivery to the Exchange Agent as set forth below. In addition, in order to utilize the guaranteed delivery procedure to tender Old Notes pursuant to the Exchange Offer, a completed, signed and dated Letter of Transmittal (or facsimile thereof) relating to the tender for exchange of Old Notes (the "Letter of Transmittal") must also be received by the Exchange Agent prior to 5:00 P.M., New York City time, on the Expiration Date. Any Old Notes tendered pursuant to the Exchange Offer may be withdrawn at any time before the Expiration Date. Where the Expiration Date has been extended, tenders pursuant to the Exchange Offer as of the previously scheduled Expiration Date may not be withdrawn after the date of the previously scheduled Expiration Date. Capitalized terms not defined herein are defined in the Prospectus or the Letter of Transmittal.

DELIVERY TO:

U.S. BANK NATIONAL ASSOCIATION, EXCHANGE AGENT

BY HAND, MAIL OR OVERNIGHT COURIER:  
60 Livingstone Avenue  
St. Paul, Minnesota 55107-2292  
Attention: Specialized Finance

For Information Call: BY FACSIMILE: Confirm Receipt of  
(for eligible institutions only) Facsimile by Telephone:  
(651) 495-8097 (651) 495-8097 (651) 495-8097  
Attention: Mr. Frank Leslie

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

Ladies and Gentlemen:

Upon the terms and conditions set forth in the Prospectus and the accompanying Letter of Transmittal, the undersigned hereby tenders to the Company the principal amount of Old Notes set forth below pursuant to the guaranteed delivery procedure described in "The Exchange Offer -- Guaranteed Delivery Procedures" section of the Prospectus.

PLEASE SIGN AND COMPLETE

Principal Amount of Old Notes Tendered (must be in denominations of principal amount of \$1,000 and any integral multiple thereof):\* \_\_\_\_\_

Certificate Numbers of Old Notes (if available): \_\_\_\_\_

If Old Notes will be delivered by book entry transfer at The Depository Trust Company, insert Account No.: \_\_\_\_\_

Name(s) of Registered Holder(s): \_\_\_\_\_

Address including Zip/Postal Code: \_\_\_\_\_

Telephone Number including Area Code: \_\_\_\_\_

Signature(s) of Registered Owner(s) or Authorized Signatory: \_\_\_\_\_

Date: \_\_\_\_\_

This Notice of Guaranteed Delivery must be signed by the Holder(s) of Old Notes exactly as its (their) names(s) appear on certificates for old notes or a security position listing as the owner of unregistered senior securities, or by person(s) authorized to become registered Holder(s) by endorsements and documents transmitted with this Notice of Guaranteed Delivery. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer or other person acting in a fiduciary or representative capacity, such person must provide the following information.

PLEASE PRINT NAME(S) AND ADDRESS(ES):

Name(s): \_\_\_\_\_

Taxpayer Identification or Social Security Numbers(s): \_\_\_\_\_

Capacity: \_\_\_\_\_

Address(es): \_\_\_\_\_

DO NOT SEND OLD NOTES WITH THIS FORM. OLD NOTES SHOULD BE SENT TO THE DEPOSITARY TOGETHER WITH A PROPERLY COMPLETED AND DULY EXECUTED CONSENT AND LETTER OF TRANSMITTAL.



GUARANTEE

(Not to be used for signature guarantee)

The undersigned, a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States or an "Eligible Guarantor Institution" within the meaning of Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended, hereby guarantees that the certificates representing the principal amount of Old Notes tendered hereby in proper form for transfer, or timely confirmation of the book-entry transfer of such Old Notes into the Exchange Agent's account at DTC pursuant to the procedures set forth in "The Exchange Offer-Guaranteed Delivery Procedures" section of the Prospectus, together with any required signature guarantee and any other documents required by the Letter of Transmittal, will be received by the Exchange Agent at the address set forth above, no later than three New York Stock Exchange trading days after the date of execution of this Notice of Guaranteed Delivery.

Name of Firm \_\_\_\_\_

Address \_\_\_\_\_

Zip/Postal Code \_\_\_\_\_

Area Code and Telephone No. \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Title \_\_\_\_\_

Name: (Please Type or Print) \_\_\_\_\_

Dated: \_\_\_\_\_

INSTRUCTIONS FOR NOTICE OF GUARANTEED DELIVERY

1. DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY. A properly completed and duly executed copy of this Notice of Guaranteed Delivery and any other documents required by this Notice of Guaranteed Delivery must be received by the Exchange Agent at its address set forth herein prior to 5:00 p.m., New York City time, on the Expiration Date. The method of delivery of this Notice of Guaranteed Delivery and any other required documents to the Exchange Agent is at the election and risk of the Holder and the delivery will be deemed made only when actually received by the Exchange Agent. If delivery is by mail, registered or certified mail properly insured, with return receipt requested, is recommended. In all cases sufficient time should be allowed to assure timely delivery. For a description of the guaranteed delivery procedure, see Instruction 1 of the Letter of Transmittal.
2. SIGNATURES OF THIS NOTICE OF GUARANTEED DELIVERY. If this Notice of Guaranteed Delivery is signed by the registered Holder(s) of the Old Notes referred to herein, the signature must correspond with the name(s) written on the face of the Old Notes without alteration, enlargement, or any change whatsoever. If this Notice of Guaranteed Delivery is signed by a participant of the Book-Entry Transfer Facility whose name appears on a security position listing as the owner of Old Notes, the signature must correspond with the name shown on the security position listing as the owner of the Old Notes. If this Notice of Guaranteed Delivery is signed by a person other than the registered Holder(s) of any Old Notes listed or a participant of the Book-Entry Transfer Facility, this Notice of Guaranteed Delivery must be accompanied by appropriate bond powers, signed as the name of the registered Holder(s) appears on the Old Notes or signed as the name of the participant shown on the Book-Entry Transfer Facility's security position listing. If this Notice of Guaranteed Delivery is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or other person acting in a fiduciary or representative capacity, such person should so indicate when signing.
3. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES. Questions and requests for assistance and requests for additional copies of the Prospectus may be directed to the Exchange Agent at the address specified in the Prospectus. Holders may also contact their broker, dealer, commercial bank, trust company, or other nominee for assistance concerning the Exchange Offer.