

Management Information Circular

Annual and Special Meeting of Shareholders of
CINEPLEX INC.

To be held on October 13, 2020



NOTICE OF ANNUAL AND SPECIAL MEETING

The annual and special meeting (the “**Meeting**”) of shareholders (the “**Shareholders**”) of Cineplex Inc. (the “**Corporation**” or “**Cineplex**”) will be held virtually and in person on October 13, 2020 at Scotiabank Theatre Toronto, 259 Richmond Street West, Toronto, Ontario, at 9:00am (EDT).

In light of the ongoing public health concerns related to the spread of COVID-19 and in order to mitigate potential risks to the health and safety of its Shareholders, employees, communities and other stakeholders, the Corporation is providing facilities to allow its Shareholders to participate in a hybrid meeting format whereby Shareholders and duly appointed proxyholders may attend and participate in the Meeting via live webcast. The legal requirements of the Meeting will be completed, with no traditional social reception. The Corporation welcomes all Shareholders and others who wish to attend the meeting to do so in person or by joining the live webcast that will be available at <https://web.lumiagm.com/486717372> (case sensitive password is “cineplex2020”). Shareholders will be able to submit questions to management of the Corporation through the webcast. The Corporation reserves the right to restrict in person attendance depending on available health and safety information at the time of the Meeting and make such arrangements as are deemed prudent or necessary under the circumstances. The ability of Shareholders to attend in person is also subject to any governmental order applicable at the time of the Meeting, such as restrictions on gatherings and social distancing rules, which might prevent or restrict Shareholders from attending in person.

Due to the evolving concerns associated with COVID-19, the Corporation’s ability to hold the Meeting as planned could be compromised. Should the Corporation be required to alter its plans regarding the meeting, including possibly changing the format of the Meeting from hybrid to virtual only, the details of any such change would be communicated promptly by way of press release, a copy of which will be available on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com.

AT THE MEETING YOU WILL BE ASKED TO:

- receive the consolidated financial statements of the Corporation for the year ended December 31, 2019, together with the auditors’ report thereon (the “**Annual Financial Statements**”);
- elect the directors of the Corporation (the “**Directors**”) to hold office until the close of the next annual meeting of Shareholders;
- appoint PricewaterhouseCoopers LLP as auditors of the Corporation for the coming year and to authorize the Directors to fix the remuneration to be paid to the auditors;
- vote on an advisory resolution on the Corporation’s approach to executive compensation;
- vote on an ordinary resolution ratifying and approving the shareholder rights plan adopted by the board of Directors on June 19, 2020 (the “**Shareholder Rights Plan**”);
- vote on an ordinary resolution ratifying and approving the new omnibus equity incentive plan adopted by the board of Directors on August 9, 2020 (the “**Omnibus Incentive Plan**”); and
- transact such other business as may properly be brought before the Meeting or any continuation of the Meeting after any postponement.

The accompanying management information circular (“**Circular**”) provides detailed information relating to the matters to be addressed at the Meeting, including instructions on how to obtain a control number from AST Trust Company (Canada) in order to attend and vote virtually at the Meeting, and forms part of this notice.

Shareholders are encouraged to express their vote in advance by utilizing the “notice-and-access” process (“**Notice-and-Access**”) for distribution of the Meeting materials to Shareholders as provided by National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 - *Continuous Disclosure Obligations*. Notice-and-Access is a set of rules that allows issuers to post electronic versions of meeting materials, including circulars and annual financial statements, online on SEDAR at www.sedar.com and an alternate website, rather than mailing paper copies of such meeting materials to shareholders. Electronic copies of this Circular,

the Annual Financial Statements and management's discussion and analysis for the year ended December 31, 2019 may be found on SEDAR at www.sedar.com and also on the Corporation's investor relations website at <http://ir.cineplex.com/>. Utilizing Notice-and-Access directly benefits the Corporation through a reduction in both postage and printing costs, and also promotes environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials. It also provides Shareholders with faster access to information about the Corporation.

Shareholders may contact the Corporation's Chief Legal Officer (tel: (416) 323-7274 or email: anne.fitzgerald@cineplex.com) with questions about Notice-and-Access or to obtain paper copies, free of charge, of this Circular and the Annual Financial Statements. Requests should be received by October 1, 2020 in order to receive the Circular and Annual Financial Statements in advance of the proxy voting deadline.

DATED at Toronto, Ontario this 28th day of August, 2020

By order of the Directors

"Ellis Jacob", President and Chief Executive Officer

Note: If you are a Shareholder and you are not able to be present at the Meeting, please exercise your right to vote by signing and returning the enclosed form of proxy to AST Trust Company (Canada) so as to arrive not less than 48 hours before the time set for the holding of the Meeting or any reconvened meeting after an adjournment or postponement thereof (excluding Saturdays, Sundays and holidays). The enclosed form of proxy may be returned by facsimile to (416) 368-2502 or toll-free at (866) 781-3111, or by mail: (a) in the enclosed envelope; or (b) in an envelope addressed to Cineplex Inc., c/o Proxy Department, AST Trust Company (Canada), P.O. Box 721, Agincourt, Ontario, M1S 0A1. The Directors have fixed the record date for the Meeting as August 17, 2020 (the "**Record Date**"). Only Shareholders of record at the close of business on the Record Date will be entitled to notice of the Meeting.

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SCHEDULE A – MANDATE OF THE BOARD OF DIRECTORS

SCHEDULE B – COMPENSATION, NOMINATING AND CORPORATE GOVERNANCE COMMITTEE TERMS OF REFERENCE

SCHEDULE C – OMNIBUS INCENTIVE EQUITY PLAN



Phyllis Yaffe, Chair of the Board of Directors

WELCOME TO THE CINEPLEX INC. ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Dear fellow shareholders,

It is my pleasure to address you today as the Chair of the Board of Directors of Cineplex Inc. As a former Cineplex board member and previous Chair of the Board, I am honoured to be back leading this great group of Directors and be part of an organization that I believe in so strongly.

This year, in light of the ongoing public health concerns related to the spread of COVID-19 and in order to mitigate potential risks to the health and safety of our shareholders, employees, communities and other stakeholders, things will be a little different. We will be hosting a hybrid in-person and virtual Annual and Special Meeting ("AGM") on Tuesday, October 13, 2020. Registered shareholders and duly appointed proxyholders are encouraged to participate in-person or via live webcast, which will include voting and asking questions, all in real time. Since we closed our doors in mid-March, the team has been diligently preparing for our safe return. We used this time to develop and implement an industry-leading program with end-to-end health and safety protocols across the board so that our guests and shareholders can feel confident and relaxed when they return to our venues, whether for entertainment or to attend our AGM. That said, if you would prefer to attend the AGM virtually this year, that option is also available to you.



Prior to our AGM, I want to provide an overview on the Board's approach to responding to the pandemic, protecting our shareholders, good governance, and inclusion and diversity.

Responding to COVID-19

These are truly unprecedented times. After months of closures and reopening preparations, as well as the outcome of the proposed transaction with Cineworld, Cineplex is forging ahead into a new phase of its future. The Board has worked closely with senior management throughout this time to ensure the financial health of the Company as well as focusing on our strategic direction and long-term value for shareholders. In fact, since the beginning of March, when the crisis really took hold, the Board has met over a dozen times to discuss pressing priorities as we navigate through these uncertain times. As such, the Company has significantly reduced operating costs and capital expenditures, worked with partners to abate or defer payments, and focused on growing and supporting our diversified and online businesses. In anticipation of reopening, the team has developed an industry-leading program with end-to-end health and safety protocols to ensure that our employees and guests return to a safe and welcoming environment.

Despite the challenges the retail and entertainment industries, and the world at large, are facing, the Board of Directors has kept our collective focus. We have worked with management to take positive steps to move the business forward and to protect and provide value to our shareholders.

Protecting our Shareholders

Following the repudiation of the Cineworld agreement, and to ensure the fair treatment of all shareholders in connection with any take-over bid for the Company, the Board adopted a Shareholder Rights Plan on June 19, 2020. The main objectives of the Shareholder Rights Plan are to provide adequate time for the Board and shareholders to assess any unsolicited take-over bid, to provide the Board with sufficient time to explore and develop alternatives for enhancing and maximizing shareholder value if a bid is made, and to provide shareholders with an equal opportunity to participate in a bid. The plan has been conditionally approved by the TSX and we will ask shareholders to vote on an ordinary resolution ratifying and approving it at the AGM.

Committing to Good Governance

We have adopted strong governance and transparent reporting practices, which are the cornerstones of creating long-term shareholder value. Our commitment to corporate governance best practices plays a key role in managing the risks and opportunities of the business and ensuring the trust of our stakeholders. We regularly refer to the Mandate of the Board (Schedule A) to ensure that we are fulfilling our governance obligations and occasionally update it to respond to changes in strategic direction and the evolving governance landscape.

Focusing on Inclusion and Diversity

Although diversity was already a key factor considered in the nomination of Directors, in September 2019 we adopted a formal Diversity Policy with regard to the diversity of the Cineplex Board. The Board recognizes that diversity enriches discussions among Directors and better reflects the Company's relationships with various stakeholders. Cineplex also signed the Catalyst Accord in 2015 as a commitment to use its best efforts to increase the representation of women on the Board and has joined the international Catalyst-affiliated '30% Club.' The slate we have proposed for the upcoming AGM will have Cineplex's Board comprised of 44% women and 44% minorities.

Recognizing that racism is a systemic problem that we all need to acknowledge and address, Ellis Jacob recently signed the CEO Pledge with the Black North Initiative. This is a commitment to do our part to end systemic anti-Black racism, while creating opportunities for unrepresented groups. The Pledge includes our commitment to fostering an inclusive, high trust environment where we can have open and sometimes difficult conversations about racism and ensure that no barriers exist to prevent Black employees from advancing in the Company. It includes a commitment to inclusion and diversity at all levels of the organization, including the Board of Directors and senior executive level, as well as fostering diverse talent for the future through coop placements. It also includes a commitment to support cultural and charitable groups and organizations like the Reelworld Film Festival, which empowers Black, Indigenous, and People of Colour storytellers to create and share their work.

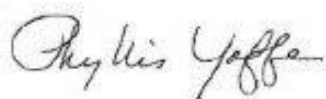
Looking Ahead to our Future

On behalf of the entire Board, I extend our thanks and appreciation to the management team and to all employees for their hard work, passion and dedication during some of the toughest moments in Cineplex's history. I would also like to acknowledge Mr. Ed Sonshine, who resigned from the Board of Directors in May after 14 years of service to the Company and Mr. Ian Greenberg who served for 11 years as a Director, including the past three years as Chair of the Board. Mr. Greenberg has opted not to seek re-election at the upcoming AGM. I thank both of these gentlemen for their dedication, valuable insight and support.

Throughout its history, Cineplex has demonstrated agility and resiliency time and time again. Right now is no different. We are taking the necessary steps to navigate these uncertain times and remain steadfast on driving our business forward, safely operating our network of theatres and entertainment venues across Canada, driving growth in other businesses and building a strong, well-positioned company for the future. We have a highly-strategic and seasoned Board and senior management team who remain committed to you – our shareholders, our employees, our partners and our guests through this time of change.

I look forward to connecting with you at our AGM but should you wish to contact me directly, please send your email to boardchair@cineplex.com.

Sincerely yours,



Phyllis Yaffe
Chair of the Board of Directors
boardchair@cineplex.com

VOTING AND PROXIES: QUESTIONS AND ANSWERS

Q. Why is Cineplex having a hybrid meeting?

A. This year, out of an abundance of caution, to proactively deal with the public health concerns related to the COVID-19 pandemic, and to mitigate risks to the health and safety of its Shareholders, employees, communities and other stakeholders, the Corporation is providing facilities to allow its Shareholders to participate in a hybrid meeting format whereby registered Shareholders and duly appointed proxyholders may attend and participate in the Meeting via live webcast. Attending the Meeting online enables registered Shareholders and duly appointed proxyholders, including non-registered Shareholders who have duly appointed themselves as proxyholder, to participate at the Meeting and ask questions, all in real time.

Q. How will Shareholders be able to participate at the Meeting?

If you are a registered Shareholder or duly appointed proxyholder, you can attend the Meeting in person or by joining the live webcast that will be available online at <https://web.lumiagm.com/486717372> where you will be able to listen to the Meeting, ask questions and vote, all in real time, provided you are connected to the internet and comply with all of the requirements set out under “How do I vote?” below.

Registered Shareholders or duly appointed proxyholders wishing to attend in person may be required to sign a confirmation letter at the Meeting that they have not travelled outside of Canada for a period of two weeks preceding the Meeting date and have no symptoms of illness. The number of individuals in attendance at the Meeting may be limited to ensure compliance with any governmental restrictions on gatherings applicable to the Meeting. Additional attendance restrictions may be added based on the changing nature of the public health advisories related to COVID-19 or otherwise as the Corporation may deem necessary in order to mitigate health and safety risks to its Shareholders, employees, communities and other stakeholders. In the event of any changes to the Meeting due to concerns associated with COVID-19, including possibly changing the format of the Meeting from hybrid to virtual only, the details of any such change would be communicated promptly by way of press release, a copy of which will be available on SEDAR at www.sedar.com.

If you are a non-registered Shareholder who has not duly appointed himself or herself as proxyholder, you will not be able to vote virtually at the Meeting online. You may, however, attend the Meeting as a guest or listen to the Meeting online by logging in to the live webcast by following the instructions

set out under “I am a guest. How do I attend and participate at the Meeting?” below. If you are a non-registered Shareholder and you wish to vote virtually at the Meeting online, see “How do I vote?” below.

Q. Am I entitled to vote?

A. You are entitled to vote if you are a holder of common shares of the Corporation (the “Common Shares”) as of the close of business on August 17, 2020, the Record Date for the Meeting. Each Common Share is entitled to one vote.

Q. What am I voting on?

A. You will be voting on:

- the election of the Directors to hold office until the next annual meeting of Shareholders;
- the appointment of PricewaterhouseCoopers LLP as auditors of the Corporation until the next annual meeting;
- consideration and the approval, in an advisory, non-binding capacity, of the Corporation’s approach to executive compensation disclosed in this Circular;
- the ratification and approval of the Shareholder Rights Plan; and
- the ratification and approval of the Omnibus Incentive Plan.

Q. What if amendments are made to these matters or if other matters are brought before the Meeting?

A. If you attend the Meeting in person or virtually and are eligible to vote, you may vote on such matters as you choose. If you have completed and returned a proxy, the securities represented by proxy will be voted or withheld from voting in accordance with your instructions on any ballot that may be called for and, if you specify a choice with respect to any matter to be acted upon, the securities will be voted accordingly. The persons named in the proxy form will have discretionary authority with respect to amendments or variations to matters identified in the Notice of Annual and Special Meeting and to other matters that may properly come before the Meeting. If any other matters properly come before the Meeting, the persons named in the proxy form will vote on them in accordance with their best judgment.

Q. Who is soliciting my proxy?

A. The Corporation will use notice-and-access to conduct the solicitation of proxies. Proxies may also be solicited by telephone, over the internet, in writing or in person on behalf of management of the Corporation. The cost of solicitation, if any, will be borne by the Corporation.

Q. How do I vote?

A. **NON-REGISTERED SHAREHOLDERS** – You are a non-registered Shareholder if your shares are held in the name of an intermediary (such as a securities broker, financial institution, trustee, custodian or other nominee who holds

Common Shares on behalf of the Shareholder or in the name of a clearing agency in which the intermediary is a participant). If you receive a voting instruction form, this tells you that you are a non-registered Shareholder.

Option 1 – By Proxy (Voting Instruction Form)

You may vote in the following manners:

Internet	Go to www.proxyvote.com and follow the instructions.
Telephone	Call 1-800-474-7493 (English) or 1-800-474-7501 (French) and follow the instructions. If you use this method you can only appoint, as your proxyholder, the executive officers of the Corporation named on your voting instruction form.
Fax	Not available.
Mail	Return your completed voting instruction form in the postage pre-paid return envelope provided.

Your intermediary is required to seek your voting instructions in advance of the Meeting. You will have received from your intermediary a package of information with respect to the Meeting, including either a proxy form or a voting instruction form. Each intermediary has its own signature and return instructions. It is important that you comply with these instructions if you want the voting rights attached to your shares to be exercised. If you vote by internet or telephone, you must do so no later than 9:00am (EDT) on October 8, 2020 (or at least 48 hours, excluding Saturdays, Sundays and holidays, prior to any reconvened meeting in the event of an adjournment of the Meeting).

The Corporation intends to pay for proximate intermediaries to send the proxy-related materials to objecting beneficial owners.

Option 2 – Virtually at the Meeting Online

If you wish to vote virtually at the Meeting online, you have to follow the complete procedure set out under “*Can I appoint someone other than the individuals named in the form of proxy to vote my shares?*” below to appoint yourself to act as your proxyholder. If you have not duly appointed yourself as proxyholder, you will not be able to vote at the Meeting online but will be able to attend as a guest. That is because the Corporation and/or AST Trust Company (Canada), the Corporation’s transfer agent (the “**Transfer Agent**”), do not have a record of the names of the non-registered Shareholders of the Corporation.

1. Appoint yourself as proxyholder by following the complete procedure set out under “*Can I appoint someone other than the individuals named in the form of proxy to vote my shares?*” below. **All non-registered Shareholders who wish to vote virtually at the Meeting must first obtain a control number from the Transfer Agent.** Without a control number, a non-registered Shareholder (or their representative) will not be able to vote at the Meeting.
2. Log in at <https://web.lumiagm.com/486717372> at least 15 minutes before the Meeting starts.
3. Click on “I have a control number”.
4. Enter the 13-digit control number found in the email notification you received from the Transfer Agent.
5. Enter the password: cineplex2020 (case sensitive).
6. Vote.

You have to be connected to the internet at all times in order to be able to vote when solicited. It is your responsibility to make sure you stay connected for the entire Meeting. You should allow ample time to check into the Meeting online and complete the related procedure.

Option 3 – In Person at the Meeting

The Corporation and/or the Transfer Agent do not have a record of the names of the non-registered Shareholders of the Corporation. If you wish to vote in person at the Meeting, you have to insert your own name in the space provided on the form of proxy or voting instruction form you have received and return it as directed on the form. See “*Can I appoint someone other than the individuals named in the form of proxy to vote my shares?*” below for the complete procedure to follow to appoint yourself to act as your proxyholder. It is not necessary to otherwise complete the form as you will be voting at the Meeting. Upon arrival at the Meeting, you should see a representative of the Transfer Agent.

REGISTERED SHAREHOLDERS – You are a registered Shareholder when your name appears on your share certificate. Your proxy form tells you whether you are a registered Shareholder.

Option 1 – By Proxy (Proxy Form)

You may vote in the following manners:

Email	Return your completed proxy form by email to proxyvote@astfinancial.com .
Fax	Return your completed proxy form by fax at 1-866-781-3111 (Canada and the United States) and at 416-368-2502 (other countries).
Mail	Return your completed proxy form in the postage pre-paid return envelope provided.

In order for your vote to be valid, the Transfer Agent must have received your proxy form no later than 9:00am (EDT) on October 8, 2020 (or at least 48 hours, excluding Saturdays, Sundays and holidays, prior to any reconvened meeting in the event of an adjournment of the Meeting). See *"Can I appoint someone other than the individuals named in the form of proxy to vote my shares?"* below for the complete procedure to follow to appoint another person to act as your proxyholder.

Option 2 – Virtually at the Meeting Online

1. Log in at <https://web.lumiagm.com/486717372> at least 15 minutes before the Meeting starts.
2. Click on "I have a control number".
3. Enter the 13-digit control number found on your proxy form.
4. Enter the password: cineplex2020 (case sensitive).
5. Vote.

You have to be connected to the internet at all times in order to be able to vote when solicited. It is your responsibility to make sure you stay connected for the entire Meeting. You should allow ample time to check into the Meeting online and complete the related procedure.

Option 3 – In Person at the Meeting

You do not need to complete a proxy form. Voting in person at the Meeting will automatically cancel any proxy form you may have earlier completed and submitted. In addition, if you have followed the process for attending and voting virtually at the Meeting online, voting at the Meeting online will revoke any previous proxy.

Q. I am a guest. How do I attend and participate at the Meeting?

Guests, including non-registered Shareholders who have not duly appointed themselves as proxyholder, may attend the Meeting in person or virtually as set out below. Guests can listen to the Meeting but are not able to vote or ask questions.

Log in online at <https://web.lumiagm.com/486717372>. We recommend that you log in at least fifteen minutes before the Meeting starts.

Click on "I am a guest" and then complete the online form.

If you attend the Meeting online, it is important that you are connected to the internet at all times during the Meeting. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedure.

Q. Who votes my shares and how will they be voted if I return a proxy?

A. The persons named in the form of proxy will vote, or withhold from voting, Common Shares in respect of which they

are appointed, on any ballot that may be called for, in accordance with the instructions of the Shareholder as indicated on the proxy. In the absence of such specification, such Common Shares will be voted:

- **FOR** the election of each of the nominees as Directors listed under the heading *Matters to be Considered at the Meeting – Election of Directors*;
- **FOR** the appointment of PricewaterhouseCoopers LLP as auditors of the Corporation;
- **FOR** the approach to executive compensation disclosed in this Circular;
- **FOR** the ratification and approval of the Shareholder Rights Plan; and
- **FOR** the ratification and approval of the Omnibus Incentive Plan.

The persons named in the form of proxy are conferred with discretionary authority with respect to amendments or variations of matters identified in the form of proxy and Notice of Annual and Special Meeting of Shareholders and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Annual and Special Meeting of Shareholders are properly brought before the Meeting, it is the intention of the persons designated in the form of proxy to vote in accordance with their best judgment on such matter or business. At the date of this Circular, the Directors know of no such amendments, variations or other matter.

Q. Can I appoint someone other than the individuals named in the form of proxy to vote my shares?

A. The persons named in the form of proxy are representatives of the Corporation. A Shareholder may authorize these representatives to vote their Common Shares or may appoint another person (who need not be a Shareholder) to represent them at the Meeting.

NON-REGISTERED SHAREHOLDERS – If you are a non-registered Shareholder who wishes to attend and vote at the Meeting (or have another person attend and vote on your behalf), you must do the following:

1. Insert your name (or the name of the person whom you wish to attend and vote on your behalf) in the space provided on the voting instruction form, and sign and return the voting instruction form in accordance with the directions provided on it.
2. Contact the Transfer Agent, AST Trust Company (Canada), for a control number at 1-866-751-6315 (within North America) or 1-212-235-5754 (outside of North America) by no later than 9:00am (EDT) on October 8, 2020 (or at least 48 hours, excluding Saturdays, Sundays and holidays, prior to any reconvened meeting in the event of an adjournment of the Meeting). In doing so you will be asked to provide the Transfer Agent with certain contact

information so that the Transfer Agent may provide the proxyholder with a control number via email.

REGISTERED SHAREHOLDERS – If you are a registered Shareholder who wishes to appoint some other person (who need not be a Shareholder) to represent you at the Meeting, you may do so by writing such other person's name in the blank space provided in the form of proxy.

Q. What if my shares are registered in more than one name or in the name of my company?

A. The document appointing a proxy must be in writing and completed and signed by a Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney thereof. Persons signing as officers, attorneys, executors, administrators, directors, etc., should so indicate and may be asked to provide satisfactory evidence of such authority.

Q. Can I revoke a proxy or voting instruction?

A. A Shareholder who has given a proxy may revoke the proxy: (a) by completing and signing a proxy bearing a later date and depositing it as set forth above; (b) by depositing an instrument in writing executed by the Shareholder or by his or her attorney authorized in writing at the registered office of the Corporation at any time up to and including two business days preceding the date of the Meeting, or any reconvened meeting after an adjournment or postponement thereof, at which the proxy is to be used; or (c) in any other manner permitted by law.

Q. What is electronic delivery?

A. Electronic delivery is voluntary email notification sent to Shareholders when documents such as the Corporation's annual report, quarterly reports and this Circular are available on its website. If you wish, you may elect to be notified by email when documentation is posted on its website. Electronic delivery will save paper, reduce our impact on the environment and reduce costs.

Q. Is my vote confidential?

A. Your proxy vote is confidential. Proxies are received, counted and tabulated by the Transfer Agent. The Transfer Agent does not disclose the results of individual Shareholder

votes unless (a) they contain a written comment clearly intended for management; (b) in the event of a proxy contest or proxy validation issue; or (c) to meet legal requirements.

Q. How many Common Shares are outstanding?

A. As of the Record Date, there were 63,333,238 Common Shares outstanding. We have no other class or series of voting shares outstanding.

As at the date hereof, to the knowledge of the Directors, there are no Shareholders that beneficially own or exercise control or direction over more than 10% of the outstanding Common Shares other than Sand Grove Capital Management LLP, which controls 6,208,000 Common Shares (representing 9.8% of the Common Shares outstanding) and \$55,000,000 principal amount of convertible debentures (which are convertible into 5,027,422 Common Shares which when combined with the Common Shares held by Sand Grove would total 16.44% of the Common Shares outstanding after the conversion of such convertible debentures).¹

Q. How can I request a copy of this Circular?

A. Shareholders may obtain paper or electronic copies of this Circular and the Corporation's Annual Financial Statements free of charge by contacting the Corporation's Chief Legal Officer by telephone at (416) 323-7274 or by email at anne.fitzgerald@cineplex.com.

A request for paper copies before the Meeting should be sent well in advance, so that it is received by the Corporation by October 1, 2020, in order to allow sufficient time for the Shareholders to receive the paper copies and to return the proxy form or voting instruction form by its due date. The Corporation will mail the paper copies within three business days of receipt of any request. Shareholders will receive by pre-paid mail a "notice package" which will include the Notice of Annual and Special Meeting of Shareholders and a form of proxy or voting instruction form.

Q. What if I have other questions?

A. If you have other questions regarding the Meeting, please contact the Transfer Agent, AST Trust Company (Canada) by telephone at 1-800-387-0825 (toll-free in North America) or 416-682-3860 (outside North America) or by email at inquiries@astfinancial.com.

¹ Based on public filings by Sand Grove Capital Management LLP.

Forward-Looking Information and Risks

Certain information included in this management information circular (the “**Circular**”) contains forward-looking statements within the meaning of applicable securities laws. These forward-looking statements include, among others, statements with respect to Cineplex Inc.’s (the “**Corporation**” or “**Cineplex**”) objectives, goals and strategies to achieve those objectives and goals, as well as statements with respect to Cineplex’s beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words “may”, “will”, “could”, “should”, “would”, “suspect”, “outlook”, “believe”, “plan”, “anticipate”, “estimate”, “expect”, “intend”, “forecast”, “objective” and “continue” (or the negative thereof), and words and expressions of similar import, are intended to identify forward-looking statements. Forward-looking statements also include, statements pertaining to:

- Cineplex’s outlook, goals, expectations and projected results of operations, including factors and assumptions underlying Cineplex’s projections regarding the duration and impact of a novel strain of coronavirus (“COVID-19”) pandemic on Cineplex, the movie exhibition industry and the economy in general, as well as Cineplex’s response to the pandemic related to the closure of its theatres and location-based entertainment (“LBE”) venues, employee reductions and other cost-cutting initiatives and increased expenses relating to safety measures taken at its facilities to protect the health and well-being of guests and employees;
- Cineplex’s expectations with respect to net cash burn, liquidity and capital expenditures, including its ability to meet its ongoing capital, operating and other obligations, and anticipated needs for, and sources of, funds; and
- Cineplex’s ability to execute cost-cutting and revenue enhancement initiatives in response to the COVID-19 pandemic.

The COVID-19 pandemic has had an unprecedented impact on Cineplex, along with the rest of the movie exhibition industry and other industries in which Cineplex operates, including material decreases in revenues, results of operations and cash flows. The situation continues to evolve and the social and economic effects are widespread. As an entertainment and media company that operates spaces where guests gather in close proximity, Cineplex’s business has been significantly impacted by the actions taken to control the spread of COVID-19. These actions include, among other things, the introduction of social distancing measures and restrictions on freedom of movement. There is limited visibility on when these restrictions will be lifted in many of the markets in which Cineplex operates and how quickly guests will return to Cineplex’s locations once its operations resume due to prolonged safety concerns and adverse economic conditions. Cineplex is actively monitoring the situation and will respond as the impact of the COVID-19 pandemic evolves.

By their very nature, forward-looking statements involve inherent risks and uncertainties, including those described in Cineplex’s annual information form for the year ended December 31, 2019 (the “**AIF**”), Cineplex’s management’s discussion and analysis for the year ended December 31, 2019 (the “**Annual MD&A**”) (each of which is incorporated herein by reference) and Cineplex’s other disclosure documents. Those risks and uncertainties, both general and specific, give rise to the possibility that predictions, forecasts, projections and other forward-looking statements will not be achieved. Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. Cineplex cautions readers not to place undue reliance on these statements, as a number of important factors, many of which are beyond Cineplex’s control, could cause actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, the duration and impact of the COVID-19 pandemic on Cineplex, the movie exhibition industry and the economy in general, as well as Cineplex’s response to the COVID-19 pandemic as it relates to the closure of its theatres and location-based entertainment venues, employee reductions and other cost-cutting initiatives, and increased expenses relating to safety measures taken at its facilities to protect the health and well-being of customers and employees; Cineplex’s expectations with respect to liquidity and capital expenditures, including its ability to meet its ongoing capital, operating and other obligations, and anticipated needs for, and sources of, funds; Cineplex’s ability to execute cost-cutting and revenue enhancement initiatives in response to the COVID-19 pandemic; risks generally encountered in the relevant industry, competition, customer, legal, taxation and accounting matters; the outcome of any litigation surrounding the termination of the Cineworld transaction; and diversion of management time on litigation related to the Cineworld transaction.

The foregoing list of factors that may affect future results is not exhaustive. When reviewing Cineplex's forward-looking statements, readers should carefully consider the foregoing factors and other uncertainties and potential events. Additional information about factors that may cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the *Risks and Uncertainties* section of the Annual MD&A as well as in the *Compensation Risk Assessment* section of this Circular.

Cineplex does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable Canadian securities law. Additionally, we undertake no obligation to comment on analyses, expectations or statements made by third parties in respect of Cineplex, its financial or operating results or its securities. All forward-looking statements in this Circular are made as of the date hereof and are qualified by these cautionary statements. Additional information, including Cineplex's AIF and Annual MD&A, can be found on SEDAR at www.sedar.com.

MANAGEMENT INFORMATION CIRCULAR

Cineplex is utilizing the “notice-and-access” process (“Notice-and-Access”) under National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”) and National Instrument 51-102 – *Continuous Disclosure Obligations* (“NI 51-102”) for distribution of this Circular to holders (the “Shareholders”) of common shares (the “Common Shares”) of the Corporation. Further information on Notice-and-Access, including how Shareholders may obtain a paper copy of this Circular, is contained below under the heading *Notice-and-Access*.

This Circular is furnished in connection with the solicitation by the directors of the Corporation (the “Directors”) of proxies to be used at the annual and special meeting of Shareholders (the “Meeting”) to be held on October 13, 2020. Such Meeting shall be held virtually and in person at Scotiabank Theatre Toronto, 259 Richmond Street West, Toronto, Ontario at 9:00am EDT, and at any reconvened meeting after any postponement or adjournment thereof, for the purposes set forth in the accompanying Notice of Annual and Special Meeting of Shareholders. All dollar amounts in this Circular are expressed in Canadian dollars. Except where otherwise noted herein, the information contained herein is given as at August 28, 2020.

THE CORPORATION

The history of Cineplex dates back to 1912 when Adolph Zukor founded the Famous Players Film Corporation. Recent decades have seen a series of mergers, acquisitions and growth that created the corporate structure today. Since the initial public offering of Cineplex Galaxy Income Fund in 2003, Cineplex has acquired theatres from, among others, Famous Players Limited Partnership (“FPLP”), American Multi-Cinema Inc. and Empire Theatres Limited, creating a national coast-to-coast movie exhibition company.

Cineplex today is a top-tier Canadian brand that operates in the film entertainment and content, amusement and leisure and media sectors. As a leading entertainment and media company, the Corporation welcomes millions of guests annually through its circuit of theatres and location-based entertainment (“LBE”) venues across the country. In addition to being Canada’s largest and most innovative film exhibitor, the Corporation also operates successful businesses in digital commerce (CineplexStore.com), food service, alternative programming (Cineplex Events), cinema media (Cineplex Media), digital place-based media (Cineplex Digital Media Inc. (“CDM”)) and amusement solutions (Player One Amusement Group Inc. (“P1AG”)). Additionally, the Corporation operates a LBE business through Canada’s newest destinations for ‘Eats & Entertainment’ (The Rec Room) and entertainment complexes specifically designed for teens and families (Playdium). The Corporation is also a joint venture partner in SCENE, Canada’s largest entertainment loyalty program.

The Corporation’s theatre circuit is concentrated in major metropolitan and mid-sized markets. As at the date hereof, the Corporation owns, leases or has a joint venture interest in 1,687 screens in 164 theatres from coast to coast.

Cineplex Entertainment Limited Partnership (“Cineplex Entertainment LP”) is a limited partnership formed under the laws of the Province of Manitoba; the general partner of Cineplex Entertainment LP is Cineplex Entertainment Corporation (the “GP”).

The Corporation is governed by the *Business Corporations Act* (Ontario). The Corporation is a reporting issuer in each of the provinces and territories of Canada and its Common Shares are traded on the Toronto Stock Exchange (“TSX”) under the symbol “CGX”. The principal and head office of the Corporation is located at 1303 Yonge Street, Toronto, Ontario, M4T 2Y9. All references to “Cineplex” in this Circular refer to the Corporation and its subsidiaries, including Cineplex Entertainment LP, the GP, FPLP, CDM, P1AG, Famous Players Co. and Galaxy Entertainment Inc. (“Galaxy”).

PROXY SOLICITATION AND VOTING

Solicitation of Proxies

The Corporation will use Notice-and-Access to conduct the solicitation of proxies. Proxies may also be solicited personally or by telephone on behalf of management of the Corporation. The cost of solicitation, if any, will be borne by the Corporation.

Notice-and-Access

The Corporation will use Notice-and-Access for distribution of this Circular and other Meeting materials to both registered Shareholders and non-registered Shareholders.

Notice-and-Access is a set of rules that allows issuers to post electronic versions of meeting materials, including circulars and annual financial statements online, via the System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com and an alternate website, rather than mailing paper copies of such meeting materials to Shareholders. Electronic copies of this Circular, the Corporation’s consolidated financial statements for the year ended December 31, 2019, together with the auditors’ report thereon (the “**Annual Financial Statements**”) and the Annual MD&A may be found on SEDAR at www.sedar.com and also on the Corporation’s investor relations website at <http://ir.cineplex.com/>.

Utilizing the Notice-and-Access process directly benefits the Corporation through a reduction in both postage and printing costs, and also promotes environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials. It also provides Shareholders with faster access to information about the Corporation.

Shareholders with questions about Notice-and-Access or who wish to obtain paper copies of this Circular and the Annual Financial Statements free of charge may contact the Corporation’s Chief Legal Officer at (416) 323-7274 or by email at anne.fitzgerald@cineplex.com.

A request for paper copies before the Meeting should be sent well in advance, so that the Corporation receives it by October 1, 2020, in order to allow sufficient time for the Shareholders to receive the paper copies and to return the proxy form or voting instruction form by its due date. The Corporation will mail the paper copies within three business days of receipt of any request.

The Corporation has sent the Notice of Annual and Special Meeting of Shareholders and a form of proxy or voting instruction form (the “**Notice Package**”) to all Shareholders informing them that this Circular is available online and explaining how this Circular may be accessed. The Corporation will not directly send the Notice Package to non-registered Shareholders. Instead, the Corporation will pay intermediaries to forward the Notice Package to all non-registered Shareholders.

Shareholders should follow the instructions for completion and delivery contained in the form of proxy or voting instruction form. **Shareholders are reminded to review this Circular before voting.**

Appointment of Proxies

The persons named in the form of proxy sent to you in the Notice Package are representatives of the Corporation. **A registered Shareholder who wishes to appoint some other person to represent him or her at the Meeting may do so by writing the name of such other person in the blank space provided in the form of proxy or by completing another form of proxy. Such other person need not be a Shareholder.**

To be valid, proxies must be deposited at the offices of AST Trust Company (Canada), Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1, or sent by facsimile to (416) 368-2502 (or toll-free facsimile within North America to (866) 781-3111) so as not to arrive later than 9:00am (EDT) on October 8, 2020. If the Meeting is adjourned, proxies must be deposited 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used, or be deposited with the chair (the “**Chair**”) of the board of Directors of the Corporation (the “**Board**”) prior to the commencement of the Meeting or any reconvened meeting.

The document appointing a proxy must be in writing and completed and signed by a Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney thereof. Persons signing as officers, attorneys, executors, administrators, directors, etc., should so indicate and may be asked to provide satisfactory evidence of such authority.

Revocation of Proxies

A Shareholder who has given a proxy may revoke the proxy: (a) by completing and signing a proxy bearing a later date and depositing it as set forth above; (b) by depositing an instrument in writing executed by the Shareholder or by his or her attorney authorized in writing at the registered office of the Corporation at any time up to and including the last business day preceding the date of the

Meeting, or any reconvened meeting after an adjournment or postponement thereof, at which the proxy is to be used; or (c) in any other manner permitted by law.

Voting of Proxies

The persons named in the form of proxy will vote, or withhold from voting, Common Shares in respect of which they are appointed, on any ballot that may be called for, in accordance with the instructions of the Shareholder as indicated on the proxy. In the absence of such specification, such Common Shares will be voted:

- **FOR** the election of each of the nominees as Directors listed under the heading *Matters to be Considered at the Meeting – Election of Directors*;
- **FOR** the appointment of PricewaterhouseCoopers LLP as auditors of the Corporation;
- **FOR** the approach to executive compensation disclosed in this Circular;
- **FOR** the ratification and approval of the Shareholder Rights Plan (as defined below); and
- **FOR** the ratification and approval of the Omnibus Incentive Plan (as defined below).

The persons appointed under the form of proxy are conferred with discretionary authority with respect to amendments or variations of matters identified in the form of proxy and Notice of Annual and Special Meeting of Shareholders and with respect to other matters that may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Annual and Special Meeting of Shareholders are properly brought before the Meeting, it is the intention of the persons designated in the form of proxy to vote in accordance with their best judgment on such matter or business. At the date of this Circular, the Directors know of no such amendments, variations or other matter.

Non-Registered Shareholders

Information set forth in this section is very important to persons who hold Common Shares otherwise than in their own names. A non-registered Shareholder (a “**Beneficial Holder**”) who beneficially owns Common Shares, but such Common Shares are registered in the name of an intermediary (such as a securities broker, financial institution, trustee, custodian or other nominee who holds Common Shares on behalf of the Shareholder or in the name of a clearing agency in which the intermediary is a participant) should note that only proxies deposited by Shareholders whose names are on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting.

Common Shares that are listed in an account statement provided to a Shareholder by a broker are likely not registered in the Shareholder’s own name on the records of the Corporation; such Common Shares are more likely registered in the name of the Shareholder’s broker or an agent of the broker.

Applicable regulatory policy in Canada requires brokers and other intermediaries to seek voting instructions from Beneficial Holders in advance of Shareholders’ meetings. Every broker or other intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Holders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Holder by its broker is identical to that provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Holder. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications (“**Broadridge**”). Broadridge typically prepares a voting instruction form (a “**Voting Form**”) that it mails to the Beneficial Holders and asks Beneficial Holders to return the Voting Form directly to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions representing the voting of Common Shares to be represented at the Meeting. A Beneficial Holder receiving a Voting Form cannot use that Voting Form to vote Common Shares directly at the Meeting. The Voting Form must be returned to Broadridge well in advance of the Meeting to have the Common Shares voted.

Although Beneficial Holders may not be recognized directly at the Meeting for purposes of voting Common Shares registered in the name of their broker or other intermediary, a Beneficial Holder may attend at the Meeting as proxyholder for the registered holder and vote their Common Shares in that capacity. Beneficial Holders who wish to attend the Meeting and indirectly vote their own

Common Shares as proxyholder for the registered holder must instruct the Corporation to do so by either: (i) filing and submitting the Form 54-101F6 – *Request for Voting Instructions Made by Reporting Issuer* previously sent to such Beneficial Holder by the Corporation; or (ii) submitting any other document in writing to the Corporation that requests that the Beneficial Holder or a nominee thereof should be appointed as proxyholder. **In either case, Beneficial Holders should carefully follow the instructions of their intermediaries and their service companies.**

QUORUM

A quorum is required for the Meeting. For the Meeting, at least two persons present in person or represented by proxy and representing in total at least 25% of the votes attached to all outstanding Common Shares will constitute a quorum.

COMMON SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares. Pursuant to the articles and by-laws of the Corporation, Shareholders of record at the close of business on the record date, which the Board has established as August 17, 2020 (the “**Record Date**”), are entitled to notice of and to attend the Meeting in person or by proxy, and to one vote per Common Share on all matters proposed to come before the Meeting. As at the Record Date, there were 63,333,238 Common Shares outstanding.

As at the date hereof, to the knowledge of the Directors, there are no Shareholders that beneficially own or exercise control or direction over more than 10% of the outstanding Common Shares other than Sand Grove Capital Management LLP, which controls 6,208,000 Common Shares (representing 9.8% of the Common Shares outstanding) and \$55,000,000 principal amount of convertible debentures (which are convertible into 5,027,422 Common Shares which when combined with the Common Shares held by Sand Grove would total 16.44% of the outstanding Common Shares outstanding after the conversion of such convertible debentures.²

MATTERS TO BE CONSIDERED AT THE MEETING

Financial Statements

The Annual Financial Statements accompanying this Circular will be placed before the Shareholders at the Meeting. No formal action will be taken at the Meeting to approve the Annual Financial Statements. If any Shareholder has questions regarding the Annual Financial Statements, such questions may be brought forward at the Meeting.

Election of Directors

The Corporation is required to have a minimum of one Director and a maximum of 20 Directors. The number of Directors was previously fixed by the Board at nine. Directors are appointed at each annual meeting of Shareholders to hold office for a term expiring at the close of the next annual meeting.

Majority Voting Policy

The Board has adopted a policy requiring majority voting in Director elections that applies at any meeting of Shareholders where an uncontested election of Directors is held; for purposes of this policy, an “uncontested election” of Directors of the Corporation means an election where the number of nominees for Directors is equal to the number of Directors to be elected (“**Majority Voting Policy**”). Pursuant to this policy, if the number of proxy votes withheld for a particular Director nominee is greater than the votes in favour of such Director, the Director nominee will be required to submit his or her resignation to the Chair promptly following the Corporation’s annual meeting. The Majority Voting Policy applies regardless of whether any appointment is being contested. Following receipt of the offer of resignation, the Compensation, Nominating and Corporate Governance Committee (the “**CNCG Committee**”) will consider whether or not to accept the offer of resignation. With the exception of special circumstances, the CNCG Committee will be expected

² Based on public filings by Sand Grove Capital Management LLP.

to recommend that the Board accept the resignation. Within 90 days following the Corporation's annual meeting, the Board will make its decision and disclose such decision by a press release, such press release to include the reasons for rejecting the resignation, if applicable. A Director who tenders his or her resignation pursuant to the Majority Voting Policy will not be permitted to participate in any meeting of the Board or the CNCG Committee at which the resignation is considered. A copy of the Majority Voting Policy of the Corporation may be found on the Corporation's investor relations website at <http://ir.cineplex.com/>.

At the annual meeting of the Corporation's Shareholders held on May 29, 2019 (the "**2019 Annual Meeting**"), the following eight individuals who plan to stand for re-election to the Board received the following votes regarding their appointment from voting Shareholders. Edward Sonshine, after years of committed service to the Corporation, resigned from the Board on May 5, 2020 and Phyllis Yaffe was appointed on June 29, 2020 to replace him. Ian Greenberg, after committed service to the Corporation, including having served as Chair for many years, has opted not to stand for re-election.

Director Election Results: May 29, 2019								
Director:	Banks	Bruce	Dea	Fukakusa	Hayes	Jacob	Marwah	Mohamed
For:	43,794,510	43,368,542	43,687,798	43,323,424	43,370,069	43,823,466	43,767,912	43,672,738
Withheld:	73,557	499,525	180,269	544,643	497,998	44,601	100,155	195,329
Total:	43,868,067	43,868,067	43,868,067	43,868,067	43,868,067	43,868,067	43,868,067	43,868,067
% For:	99.83%	98.86%	99.59%	98.76%	98.86%	99.90%	99.77%	99.55%

The persons named in the form of proxy, if not expressly directed to the contrary in such form of proxy, will vote such proxies in favour of the appointment of each of the nominees disclosed below as a Director of the Corporation.

DIRECTOR NOMINEES



Jordan Banks

51

 Ontario, Canada

 Director since May 2013

 Independent

2019 Board/Committee Membership		Meeting Attendance	
Board of Directors		9 of 11	82%
CNCG Committee		5 of 5	100%
Annual Meeting Voting Results			
Year	Votes in Favour	Votes Withheld	
2019	99.83%	0.17%	
2018	99.66%	0.34%	
Securities held as at fiscal year end			
Fiscal Year	Shares or Share Equivalents (#) ⁽¹⁾	Value (\$) ⁽²⁾	% of Share Ownership Requirement ⁽³⁾
2019	27,120	\$918,012	306%
2018	22,965	\$584,230	195%

Mr. Banks is President of Rogers Sports & Media. A highly respected business leader, Mr. Banks was named one of Canada's 50 Most Powerful Business People by Canadian Business magazine, one of the 25 Most Influential Innovators in Canada by Financial Post magazine, as well as being named one of Canada's Top 40 Under 40. Prior to joining Rogers Media, Mr. Banks was the former Managing Director of Facebook & Instagram Canada, leading all domestic commercial operations, while also serving for a period of time as Facebook's Global Head of Vertical Strategy. Mr. Banks's previous roles include CEO at JumpTV, Managing Director of eBay Canada, and working as an executive at the National Hockey League Players' Association in their international business and licensing group. Mr. Banks also practiced corporate law at Goodmans LLP, and was the co-founder of Thunder Road Capital where he provided investment and advisory services to tech companies. Mr. Banks sits on the Board of Directors for SickKids Foundation, the Canadian Children's Literacy Foundation, and Cineplex Inc., and has spent the past two decades raising money and awareness for Alzheimer's research and care.

See page 15 for all footnote references in Director biographies.



Robert Bruce

63

Ontario, Canada

Director since May 2010

Independent

2019 Board/Committee Membership		Meeting Attendance	
Board of Directors		11 of 11	100%
Audit Committee		4 of 4	100%
Annual Meeting Voting Results			
Year	Votes in Favour	Votes Withheld	
2019	98.86%	1.14%	
2018	99.08%	0.92%	
Securities held as at fiscal year end			
Fiscal Year	Shares or Share Equivalents (#) ⁽¹⁾	Value (\$) ⁽²⁾	% of Share Ownership Requirement ⁽³⁾
2019	26,025	\$880,946	294%
2018	23,842	\$606,540	202%

Mr. Bruce is a Corporate Director. He was Executive Chairman and Founding Partner of Mobile Klinik, a Canada-wide 80-store chain of professional smartphone repair stores, until July 2020 when it was sold to TELUS. He started Mobile Klinik and served as Mobile Klinik CEO from early 2015 through late 2018. Prior to founding Mobile Klinik in 2015, Mr. Bruce served as President, Communications running the Wireless and Cable Divisions for Rogers Communications Inc. He served in that capacity from 2009 through 2014, having previously served from 2005 through 2009 as President, Rogers Wireless. Mr. Bruce joined Rogers Wireless in 2001 as Executive Vice President and Chief Marketing Officer of Rogers Wireless and President, Wireless Data Services. Prior to joining Rogers Wireless, Mr. Bruce was Senior Vice President, Marketing at Bell Mobility. Previously, he held senior operating and marketing roles with Pepsi-Cola Canada, Oshawa Foods Limited and Warner Lambert. In addition to his role as a Director of the Corporation, Mr. Bruce currently sits as a Director on Grant Thornton LLP Partnership Board. In the past he has sat on numerous Boards, including but not limited to United Way Board of Trustees for Toronto and York, Canadian Marketing Association and Canadian Wireless Telecom Association. He holds a Master of Science from University of Waterloo and a Master of Business Administration from Queen's University.



Joan Dea

56
 California, USA
 Director Since November 2006
 Independent

2019 Board/Committee Membership		Meeting Attendance	
Board of Directors		11 of 11	100%
CNCG Committee		5 of 5	100%
Annual Meeting Voting Results			
Year	Votes in Favour	Votes Withheld	
2019	99.59%	0.41%	
2018	99.60%	0.40%	
Securities held as at fiscal year end			
Fiscal Year	Shares or Share Equivalents (#) ⁽¹⁾	Value (\$) ⁽²⁾	% of Share Ownership Requirement ⁽³⁾
2019	20,565	\$696,125	232%
2018	16,796	\$427,290	142%

Ms. Dea is the Founder and Managing Director of Beckwith Investments which invests in, and provides advice to, innovative, leading companies. Previously, Ms. Dea served as Executive Vice President, Head of Strategic Management and Corporate Marketing with BMO Financial Group. As a member of the Executive Committee she developed and managed BMO's strategic and change agendas. Ms. Dea was also a partner at the Boston Consulting Group where she was a leader in the Global Financial Services and Consumer Goods, Retail and Media Practices and held several internal leadership positions. In addition to her role as a Director of the Corporation, she serves as a Director of Charles Schwab Corporation (serving on the Nominating and Governance and the Compensation Committees) and Charles Schwab Bank (serving on the Audit Committee). Her past board experience includes Torstar Corporation (from 2009 to 2015) and Performance Sports Group (from 2015 to 2017). In October 2016, Performance Sports Group instituted proceedings under the Canadian Companies' Creditors Arrangement Act and the U.S. Bankruptcy Code (Chapter 11). Ms. Dea also serves as Chair of the Board of Directors of LEAP: The Pecaute Centre for Social Impact, as a member of Broadway Angels and the Yale University Development Council, and as an Advisory Board Member of GlobalGirlMedia. She is past Chair of Women's Initiative, Vice Chair of the National Ballet of Canada, Trustee of Marin Academy and member of a number of advisory boards. Ms. Dea holds a Bachelor of Arts degree from Yale University and Master of Science degree in Economics with Distinction from the London School of Economics. She was previously named one of Canada's Most Powerful Women.



Janice Fukakusa

65
 Ontario, Canada
 Director Since May 2017
 Independent

2019 Board/Committee Membership		Meeting Attendance	
Board of Directors		10 of 11	91%
Audit Committee (Chair)		4 of 4	100%
Annual Meeting Voting Results			
Year	Votes in Favour	Votes Withheld	
2019	98.76%	1.24%	
2018	98.31%	1.69%	
Securities held as at fiscal year end			
Fiscal Year	Shares or Share Equivalents (#) ⁽¹⁾	Value (\$) ⁽²⁾	% of Share Ownership Requirement ⁽³⁾
2019	10,771	\$364,598	122%
2018	6,528	\$166,072	55%

Ms. Fukakusa is The Chancellor of Ryerson University, and a corporate director. She was formerly the Chief Administrative Officer and Chief Financial Officer of Royal Bank of Canada, from which she retired in January 2017 following a distinguished 31-year career. Ms. Fukakusa currently serves on the boards of a number of corporate and not-for-profit organizations, including serving as the Chair of The Princess Margaret Cancer Foundation. She was inducted into Canada's Most Powerful Women Hall of Fame and previously selected as Canada's CFO of the Year by Financial Executives Canada, PwC and Robert Half. In 2016, she was named one of the 25 Most Powerful Women in Banking by American Banker magazine for the fourth consecutive year. Ms. Fukakusa holds the professional designation of Fellow Chartered Professional Accountant (FCPA and CPA). She obtained a Bachelor of Arts from University of Toronto and a Master of Business Administration from Schulich School of Business, and in 2016 was awarded an Honorary Doctorate of Laws from York University.



Donna Hayes

63

Ontario, Canada

Director since November 2016

Independent

2019 Board/Committee Membership		Meeting Attendance	
Board of Directors		11 of 11	100%
Audit Committee		4 of 4	100%
Annual Meeting Voting Results			
Year	Votes in Favour	Votes Withheld	
2019	98.86%	1.14%	
2018	99.08%	0.92%	
Securities held as at fiscal year end			
Fiscal Year	Shares or Share Equivalents (#) ⁽¹⁾	Value (\$) ⁽²⁾	% of Share Ownership Requirement ⁽³⁾
2019	10,629	\$359,792	120%
2018	7,019	\$178,563	60%

Ms. Hayes is the retired Publisher and Chief Executive Officer of Harlequin, one of the world's leading publishers of books for women, and now part of Harper Collins Publishing. She spearheaded Harlequin's industry leading level of innovation by incorporating forward looking technology (eBooks, downloadable audio, mobile applications) into their business model. Recognition of Harlequin under Hayes' leadership included a Levy Home Entertainment Award for best mass market publisher, the Canadian Public Relations Society's Gold Award of Excellence for communications management, a YWCA "W" Award for promoting the empowerment of women and Book Business Magazine's Publishing Innovator of the Year. Ms. Hayes has served on the Board of Directors of the American Association of Publishers, the Toronto Public Library Foundation and the Board of Directors of the TD Financial Group (Toronto-Dominion Bank), where she served on both the Audit and Corporate Governance Committees. She is currently the Co-Chair of the Toronto Wildlife Centre Board, the largest wild animal rescue center in Canada and also serves on the Board of the Pelee Island Bird Observatory (PIBO), founded by Graeme Gibson and Margaret Atwood and dedicated to the study and preservation of Canada's migratory birds. Ms. Hayes holds an Honours Degree in English Literature and Communications from McGill University and has completed the Professional Publishing Course at Stanford University as well as the Executive Management Program at the Richard Ivey School at The University of Western Ontario.



Ellis Jacob, CM

66

 Ontario, Canada

 Director President & Chief
 Executive Officer since
 November 2003

 Not Independent

2019 Board/Committee Membership		Meeting Attendance	
Board of Directors		11 of 11	100%
Annual Meeting Voting Results			
Year	Votes in Favour	Votes Withheld	
2019	99.90%	0.10%	
2018	99.94%	0.06%	
Securities held as at fiscal year end			
Fiscal Year	Shares or Share Equivalents (#) ⁽¹⁾⁽⁵⁾	Value (\$) ⁽²⁾	% of Share Ownership Requirement ⁽³⁾⁽⁵⁾
2019	373,682	\$12,649,138	422%
2018	382,830	\$9,739,170	325%

Mr. Jacob has been working in the motion picture exhibition industry since 1987. Prior to assuming his current position as President and Chief Executive Officer of the Corporation in 2003, Mr. Jacob was Chief Executive Officer and co-founder of Galaxy. Prior to founding Galaxy, Mr. Jacob represented Alliance Atlantis Communications Inc. as Head of Integration during 1998 and 1999. From 1987 to 1998, Mr. Jacob held various positions with Cineplex Odeon Corporation as Vice President, Finance, Chief Financial Officer, Executive Vice President and, ultimately, Chief Operating Officer. In addition to his role as a Director of the Corporation, Mr. Jacob also serves as a director and member of the Audit and Risk Committee of Rogers Communication Inc. He is the Chairman of the National Association of Theatre Owners (NATO), an executive committee member of the Global Cinema Federation (GCF) as well as a member of the Board of Directors of the Movie Theatre Association of Canada. He also serves as a director and member of the audit committee of the Toronto International Film Festival. Mr. Jacob is an active community member, currently serving as a member of the Board of Directors at Toronto's Baycrest Centre for Geriatrics, where he also sits on the Executive Committee, the Commercialization Committee and is a member of Baycrest's Finance and Audit Committee. Along with his position at Baycrest, Mr. Jacob is a founding director of the Canadian Children's Literacy Foundation as well as a member of the Board of Governors for Mount Sinai Hospital. He holds an MBA from the Schulich School of Business as well as the accounting designations of Fellow Chartered Professional Accountant (FCPA), Fellow Chartered Accountant (FCA) and Fellow Certified Management Accountant (FCMA). He also holds the ICD.D designation from the Institute of Corporate Directors. In 2010, Mr. Jacob was appointed a Member of the Order of Canada, in 2013 he was recognized as Canada's Most Innovative CEO by Canadian Business Magazine, in 2014, he was recognized as Canada's Most Admired CEO, Enterprise, by Waterstone Human Capital and in 2019 he received the ICTA Global Cinema Innovation Award.



Sarabjit S. Marwah

68

Ontario, Canada

Director since November 2009

Independent

2019 Board/Committee Membership		Meeting Attendance	
Board of Directors		11 of 11	100%
CNCG Committee		5 of 5	100%
Annual Meeting Voting Results			
Year	Votes in Favour	Votes Withheld	
2019	99.77%	0.23%	
2018	99.66%	0.34%	
Fiscal Year	Shares or Share Equivalents (#) ⁽¹⁾	Value (\$) ⁽²⁾	% of Share Ownership Requirement ⁽³⁾
2019	38,052	\$1,288,060	429%
2018	33,224	\$845,219	282%

Mr. Marwah retired in 2014 as the Vice-Chairman and Chief Operating Officer of Scotiabank. In that capacity, he had been responsible for many of Scotiabank's corporate financial and administrative functions, and was actively involved in developing Scotiabank's strategic plans and priorities. He joined Scotiabank's Finance Division in 1979, and over the years held successively more senior positions, including Deputy Comptroller, Senior Vice-President and Comptroller, and Executive Vice-President Finance. He was appointed Chief Financial Officer in 1998, Senior Executive Vice-President & Chief Financial Officer in 2002 and Vice-Chairman and Chief Operating Officer in 2008. In addition to his role as a Director of Cineplex, Mr. Marwah is a member of the Board of Directors of George Weston Ltd, serving on the Audit and Governance Committees. In addition, he was previously on the Board of Directors of TELUS Corporation and Torstar Corporation. He also served as Chair of the Hospital for Sick Children, the Chair of the Humber River Regional Hospital, member of the Board of Directors of the C.D. Howe Institute, the Toronto International Film Festival, and the 2008 and 2009 United Way Cabinets. In 2016, he was appointed as a Senator to the Senate of Canada by the Governor General of Canada.



Nadir Mohamed

64

Ontario, Canada

Director since May 2017

Independent

2019 Board/Committee Membership		Meeting Attendance	
Board of Directors		7 of 11	64%
CNCG Committee (Chair)		4 of 5	80%
Annual Meeting Voting Results			
Year	Votes in Favour	Votes Withheld	
2019	99.55%	0.45%	
2018	98.92%	1.08%	
Securities held as at fiscal year end			
Fiscal Year	Shares or Share Equivalents (#) ⁽¹⁾	Value (\$) ⁽²⁾	% of Share Ownership Requirement ⁽³⁾
2019	10,007	\$338,737	113%
2018	5,962	\$151,673	51%

Mr. Mohamed began his communications career more than 30 years ago. He joined Rogers Communications in August 2000 and was President and CEO of Rogers Wireless from 2001 through 2005 when he was appointed President and COO of Rogers Communications Group. He was appointed the President and CEO of Rogers Communications Inc. in March 2009 and retired in December 2013. Mr. Mohamed has been engaged in a spectrum of community organizations and over the past few years has focused on Canada's innovation and entrepreneurship agenda. He is the Co-Founder and Chair of Scale Up Ventures and Chair of Ryerson Futures Inc. Mr. Mohamed serves on the Board of TD Bank Financial Group and Trilogy International Partners and is the Chair of Alignvest Management Corporation. Mr. Mohamed was named by Bloomberg as one of the world's most successful immigrants and in October 2013 was honoured by the UN Association in Canada at their 2013 Global Citizens Dinner. In 2019, Mr. Mohamed was appointed a Member of the Order of Canada.



Phyllis Yaffe

71

Ontario, Canada

Director since June 2020

Proposed Independent

Director⁽⁶⁾

2019 Board/Committee Membership		Meeting Attendance	
N/A		N/A	N/A

Annual Meeting Voting Results		
Year	Votes in Favour	Votes Withheld
2019	N/A	N/A
2018	N/A	N/A

Securities held as at fiscal year end			
Fiscal Year	Shares or Share Equivalents (#) ⁽¹⁾	Value (\$) ⁽²⁾	% of Share Ownership Requirement ⁽³⁾
2019	N/A	N/A	N/A ⁽⁷⁾
2018	N/A	N/A	N/A

Ms. Yaffe has held a number of strategic positions in film and television in Canada since the 1980s including Chief Executive Officer and Chief Operating Officer of Alliance Atlantis Communications Inc. and Chief Executive Officer of Alliance Atlantis Broadcasting Inc. Most recently, she served as Consul General to New York for the Government of Canada from July 2016 through December 2019. In addition to serving as Chair of the Board of the Corporation, she currently serves on the board of directors of Blue Ant Media, a privately held Canadian media company. She has previously served on the boards of Lions Gate Entertainment Corporation, Torstar Corporation and Astral Media Inc. In 1999, Ms. Yaffe was selected as the Canadian Women in Communications Woman of the Year and received the Lifetime Achievement Award from Women in Film and Television in 2000. In 2006, she was included in the Women's Executive Network's list of Canada's 100 Most Powerful Women; in 2007, she was inducted into the Canadian Association of Broadcasters' Broadcast Hall of Fame; in 2015, she was honoured as a recipient of the Order of Canada. In her volunteer time, Ms. Yaffe has previously served on each of the boards of directors for Baycrest Health Sciences and Women Against Multiple Sclerosis, and served on the Board of Governors for Ryerson University.

Notes:

- (1) The information as to Common Shares beneficially owned, directly or indirectly, including by associates or affiliates, not being within the knowledge of the Corporation, has been furnished by the respective nominees, and includes Common Share equivalents of deferred share units ("DSUs").
- (2) 2019 line represents the total value of the Common Shares and Common Share equivalents beneficially owned or controlled by the noted nominee based on the TSX Common Share closing price of \$33.85 on December 31, 2019. 2018 line represents the total value of the Common Shares and Common Share equivalents beneficially owned or controlled by the noted nominee based on the TSX Common Share closing price of \$25.44 on December 29, 2018.
- (3) For all Directors other than the CEO, ownership percentage is based upon the Common Share ownership value threshold for Directors of \$300,000; the CEO ownership threshold is \$3,000,000.
- (4) The Director ownership guidelines provide for a three year period of time from initial election to the Board before a Director is expected to meet the ownership threshold.
- (5) The CEO is not compensated for his services as a Director; his ownership guideline is based upon three times his base salary. For details of the CEO ownership, see *Management Common Share Ownership Guidelines*.
- (6) Ms. Yaffe previously served as a trustee of Cineplex Galaxy Income Fund from February, 2008 through January, 2011 and then as a Director of the Corporation from January, 2011 through September, 2016.
- (7) As a proposed nominee, Ms. Yaffe is expected to meet the share ownership requirement by October 13, 2023.

Appointment of Auditors

It is proposed that the firm of PricewaterhouseCoopers LLP, Chartered Accountants, be re-appointed as auditors of the Corporation, to hold office until the next annual meeting of the Shareholders or until its successor is appointed, and that the Directors be authorized to fix the remuneration of the auditors. PricewaterhouseCoopers LLP have been the auditors of the Corporation, as successor to the Cineplex Galaxy Income Fund since its inception in 2003. At the 2019 Annual Meeting, PricewaterhouseCoopers LLP received the vast majority of votes in favour of its re-appointment from voting Shareholders, calculated as set forth in the following chart.

Auditor Election Results: May 29, 2019	
For:	43,562,284
Withheld:	580,065
Total:	44,142,349
% For:	98.69%

The persons named in the form of proxy, if not expressly directed to the contrary in such form of proxy, will vote such proxies in favour of a resolution to re-appoint PricewaterhouseCoopers LLP as auditors of the Corporation and authorize the Directors to fix its remuneration.

Non-Binding Advisory Vote on Executive Compensation ("Say on Pay")

The Board believes that Shareholders should have the opportunity to fully understand the philosophy, objectives and principles that the Board has used to make executive compensation decisions. The Board has adopted a policy to hold at each annual meeting of Shareholders a non-binding advisory vote on the Corporation's approach to executive compensation as disclosed in this Circular. This Shareholder advisory vote forms an important part of the ongoing process of engagement between Shareholders and the Board on executive compensation. At the 2019 Annual Meeting, the following votes were cast regarding the Corporation's executive compensation practices:

Say on Pay Vote Results: May 2019 AGM	
For:	39,535,674
Against:	4,332,393
Total:	43,868,067
% For:	90.12%

The Board hopes that Shareholders carefully review the *Compensation Discussion & Analysis* section of this Circular before voting on this matter. The *Compensation Discussion & Analysis* section describes the Corporation's compensation philosophy, the objectives of the different elements of the compensation programs and the way the Board assesses performance and makes decisions. It explains how the Corporation's compensation programs are based upon on a pay-for-performance culture and are aligned with strong risk management principles and the long-term interests of Shareholders. The executive compensation program supports the Corporation's goal of delivering strong, consistent and predictable results to Shareholders over the longer term.

The Board recommends that Shareholders vote in favour of the following non-binding advisory resolution: **"RESOLVED THAT, on an advisory basis and not to diminish the role and responsibilities of the board of directors, that the shareholders accept the approach to executive compensation disclosed in the management information circular delivered in advance of the 2020 annual and special meeting of common shareholders."**

As this is an advisory vote, the results will not be binding upon the Board. However, in considering its approach to executive compensation in the future, the Board will take into account the results of the vote, together with feedback received from Shareholders in the course of other engagement activities. If a significant number of Common Shares are voted against the advisory resolution, the CNCG Committee will review its approach to executive compensation in the context of any specific Shareholder concerns that have been identified and may make recommendations to the Board.

The Corporation's practices meet the model policy on "say on pay" for boards of directors developed by the Canadian Coalition for Good Governance.

Ratification and Approval of the Shareholder Rights Plan

Cineplex adopted a shareholder rights plan agreement between the Corporation and AST Trust Company (Canada) on June 19, 2020 (the "**Shareholder Rights Plan**"). The Shareholder Rights Plan was adopted to ensure the fair treatment of all Shareholders in connection with any take-over bid for the Corporation. The Shareholder Rights Plan has been conditionally approved by the TSX and is subject to ratification by the Shareholders. At the Meeting, Shareholders will be asked to consider and, if deemed advisable, pass a resolution, ratifying and approving the Shareholder Rights Plan. The Shareholder Rights Plan must be ratified by a resolution passed by a majority of the votes cast at the Meeting, without giving effect to any votes cast (i) by any Shareholder that, directly or indirectly, on its own or in concert with others, holds or exercises control over more than 20% of the outstanding Common Shares, if any; and (ii) by the associates, affiliates and insiders of any referred to in (i) above. If the Shareholder Rights Plan is not approved at the Meeting, the Shareholder Rights Plan will terminate at the end of the Meeting. If the Shareholder Rights Plan is approved at the Meeting, it will remain in effect and will next require reconfirmation by Shareholders at the 2023 annual meeting of Shareholders. The Shareholder Rights Plan must be reapproved by the Shareholders at every third annual meeting of Shareholders.

The following is a brief summary of the Shareholder Rights Plan which is qualified in its entirety by reference to the complete text of the Shareholder Rights Plan available on SEDAR at www.sedar.com.

Unless otherwise defined below, all capitalized terms shall have the meanings specified in the Shareholder Rights Plan.

Objectives of the Shareholder Rights Plan

The fundamental objectives of the Shareholder Rights Plan are to provide adequate time for the Board and Shareholders to assess an unsolicited Take-over Bid for the Corporation, to provide the Board with sufficient time to explore and develop alternatives for enhancing and maximizing Shareholder value if a Take-over Bid is made, and to provide Shareholders with an equal opportunity to participate in a Take-over Bid.

Issuance of Rights

The Shareholder Rights Plan provides that one right (a "**Right**") was issued by the Corporation to Shareholders of record as of the close of business on June 19, 2020 in respect of each of the outstanding Common Shares. In addition, one Right will be issued in respect of each Common Share issued after the effective date of the Shareholder Rights Plan and prior to the earlier of the Separation Time (as defined below) or the Expiration Time (as defined in the Shareholder Rights Plan).

Trading of Rights

Notwithstanding the effectiveness of the Shareholder Rights Plan, the Rights are not exercisable until the Separation Time and certificates representing the Rights will not be sent to the Shareholders. Certificates for the Common Shares issued after the effective date of the Shareholder Rights Plan will contain a notation incorporating the Shareholder Rights Plan by reference. Until the Separation Time, or earlier termination or expiry of the Rights, the Rights are evidenced by and transferred with the associated Common Shares and the surrender for transfer of any certificate representing Common Shares also will constitute the surrender for transfer of the Rights associated with those Common Shares. After the Separation Time, the Rights will become exercisable and begin to trade separately from the associated Common Shares. The initial "Exercise Price" under each Right in order to acquire a Common Share is three times the Market Price at the Separation Time. "Market Price" is generally defined as the average of the daily closing prices per Common Share on each of the 20 consecutive trading days through and including the trading day immediately preceding the Separation Time.

Separation of Rights

The Rights will become exercisable and begin to trade separately from the associated Common Shares at the Separation Time, which, unless deferred by the Board in the instances permitted by the Shareholder Rights Plan, is generally the close of business on the tenth trading day after the earliest to occur of:

- (a) a public announcement that a person or a group of affiliated or associated persons has acquired beneficial ownership of 20% or more of the outstanding Voting Shares (i.e. become an **"Acquiring Person"**) other than as a result of, among other things;
 - (i) a reduction in the number of Voting Shares outstanding; (ii) a "Permitted Bid" or a "Competing Permitted Bid" (each as defined below); (iii) certain specified "Exempt Acquisitions" (as defined below); (iv) an acquisition by a person of Voting Shares pursuant to a stock dividend, stock split, dividend reinvestment plan, rights offering or other "Pro Rata Acquisition"; and (v) an acquisition by a person of Voting Shares upon the exercise, conversion or exchange of a security convertible, exercisable or exchangeable into a Voting Share received by a person pursuant to (ii), (iii) or (iv), above;
- (b) the date of commencement of, or the first public announcement of an intention of any person (other than the Corporation or any of its subsidiaries) to commence, a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid) where the Voting Shares subject to the bid, together with the Voting Shares Beneficially Owned by that person (including affiliates, associates and others acting jointly or in concert therewith), would constitute 20% or more of the outstanding Voting Shares; and
- (c) the date upon which a Permitted Bid or a Competing Permitted Bid ceases to be such.

An "Exempt Acquisition" would include the acquisition of Voting Shares or securities convertible into Voting Shares (i) in respect of which the Board has waived the application of the Shareholder Rights Plan; (ii) pursuant to a distribution made under a prospectus or private placement provided that the person does not increase his, her or its ownership percentage in such transaction; (iii) pursuant to an amalgamation, plan of arrangement, merger or other statutory procedure requiring Shareholder approval; (iv) pursuant to such other written agreements in respect of a Voting Share acquisition from treasury entered into by the Corporation after the date of the Shareholder Rights Plan provided that the person does not increase his, her or its ownership percentage in such transaction; (v) which was made pursuant to a Dividend Reinvestment Plan or other plan made available by the Corporation to the Shareholders generally; and (vi) pursuant to the exercise of Rights.

As soon as practicable, following the Separation Time, separate certificates evidencing rights ("**Rights Certificates**") will be mailed to the holders of record of the Common Shares as of the Separation Time and the Rights Certificates alone will evidence the Rights.

When Rights Become Exercisable

Subject to adjustment, each Right will entitle the holder, after the Separation Time and prior to the Expiration Time, to purchase one Common Share for the Exercise Price as at the Business Day immediately preceding the day of exercise of the Right (which Exercise Price and number of Shares are subject to adjustment). Following a transaction that results in a person becoming an Acquiring Person (a **"Flip-in Event"**), the Rights entitle the holder thereof to receive, upon exercise, such number of Common Shares that have an aggregate market value (as of the date of the Flip-in Event) equal to twice the then Exercise Price for an amount in cash equal to the Exercise Price. In such event, however, any Rights Beneficially Owned by an Acquiring Person (including affiliates, associates and others acting jointly or in concert therewith), or certain transferees of any such person, will be null and void without any further action. By permitting holders of Rights other than an Acquiring Person to acquire Common Shares at a discount to the Market Price, the Rights have the potential to cause substantial dilution to an Acquiring Person. Accordingly, the Shareholder Rights Plan acts as a deterrent to potential Acquiring Persons and forces them to either make a Permitted Bid or negotiate with the Board to avoid application of the Shareholder Rights Plan.

Permitted Bids

The Shareholder Rights Plan includes a "Permitted Bid" concept whereby a Take-over Bid will not trigger a separation of the Rights (and will not cause the Rights to become exercisable) if the bid meets certain conditions. A "Permitted Bid" is defined as an offer to acquire Voting Shares made by means of a Take-over Bid circular where the Voting Shares (including Voting Shares that may be acquired upon conversion of securities convertible into Voting Shares) subject to the offer, together with Voting Shares Beneficially Owned by the offeror at the date of the offer (including its affiliates, associates and others acting jointly or in concert therewith), constitute 20% or more of the outstanding Voting Shares and that also complies with the following additional provisions:

- (a) the Take-over Bid is made to all holders of Voting Shares on the books of the Corporation, other than the Offeror;
- (b) the Take-over Bid shall contain, and the take-up and payment for securities tendered or deposited under the Take-over Bid shall be subject to, irrevocable and unqualified conditions that no Voting Shares shall be taken up or paid for pursuant to the Take-over Bid: (A) prior to the close of business not less than 105 days following the date of the Take-over Bid or such shorter minimum initial deposit period that a Take-over Bid (that is not exempt from the general takeover bid requirements contained in Part 2 of NI 62-104) must remain open for deposits of securities thereunder, in the applicable circumstances at such time, pursuant to NI 62-104; and (B) then only if, at the close of business on the date Voting Shares are first taken up or paid for

pursuant to such Take-over Bid, more than 50% of then outstanding Voting Shares held by Independent Shareholders have been deposited or tendered pursuant to the Take-over Bid and not withdrawn;

- (c) the Take-over Bid contains an irrevocable and unqualified provision that unless the Take-over Bid is withdrawn, Voting Shares may be deposited pursuant to such Take-over Bid at any time during the period of time between the date of the Takeover Bid and the date on which Voting Shares may be taken up and paid for and that any Voting Shares deposited pursuant to the Take-over Bid may be withdrawn until taken up and paid for; and
- (d) the Take-over Bid contains an irrevocable and unqualified provision that if, on the date on which Voting Shares may be taken up and paid for, more than 50% of the Voting Shares held by Independent Shareholders shall have been deposited pursuant to the Take-over Bid and not withdrawn, the Offeror will make a public announcement of that fact and the Take-over Bid will remain open for deposits and tenders of Voting Shares for not less than ten Business Days from the date of such public announcement.

For purposes of the Shareholder Rights Plan, (A) should a Take-over Bid which qualified as a Permitted Bid when made cease to be a Permitted Bid because it ceases to meet any or all of the requirements mentioned above prior to the time it expires (after giving effect to any extension) or is withdrawn, any acquisition of Voting Shares made pursuant to such Takeover Bid shall not be a Permitted Bid Acquisition and (B) the term “Permitted Bid” shall include a Competing Permitted Bid.

“Independent Shareholders” is defined generally as holders of Voting Shares other than (i) an Acquiring Person, (ii) any offeror making a Take-over Bid, (iii) any affiliate or associate of an Acquiring Person or offeror, (iv) persons acting jointly or in concert with an Acquiring Person or offeror, and (v) any person holding Common Shares under any employee benefit, stock purchase or certain other plans or trusts for employees of the Corporation unless the beneficiaries of such plans or trusts direct the voting or tendering to a Take-over Bid of the Voting Shares.

Competing Permitted Bids

A “Competing Permitted Bid” is a Take-over Bid that is made by means of a Take-over Bid circular and which also complies with the provisions of a Permitted Bid, except the condition that no Voting Shares shall be taken up or paid for pursuant to the Take-over Bid prior to the close of business not less than 105 days following the date of the Take-over Bid or such shorter minimum initial deposit period that a Take-over Bid (that is not exempt from the general takeover bid requirements contained in Part 2 of NI 62-104) must remain open for deposits of securities thereunder, in the applicable circumstances at such time, pursuant to NI 62-104, and only if it contains, and the take-up and payment for securities tendered or deposited thereunder is subject to, an irrevocable and unqualified provision that no Voting Shares will be taken up or paid for pursuant to such Take-over Bid prior to the close of business on the last day of the minimum initial deposit period that such Take-over Bid must remain open for deposits of securities thereunder pursuant to NI 62-104 after the date of the Take-over Bid constituting the Competing Permitted Bid.

Redemption and Waiver

Under the Shareholder Rights Plan, the Board can (i) waive the application of the Shareholder Rights Plan to enable a particular Take-over Bid to proceed, in which case the Shareholder Rights Plan will be deemed to have been waived with respect to any other Take-over Bid made prior to the expiry of any bid subject to such waiver, or (ii) with the prior approval of the holders of Voting Shares or Rights, as the case may be, redeem the Rights at a redemption price of \$0.00001 per Right at any time prior to a Flip-in Event. Rights are deemed to have been redeemed if a bidder successfully completes a Permitted Bid or a Competing Permitted Bid.

Protection Against Dilution

The Exercise Price, the number and nature of Common Shares that may be purchased upon the exercise of Rights and the number of Rights outstanding are subject to adjustment from time to time to prevent dilution in the event of stock dividends, subdivisions, consolidations, reclassifications or other changes in the outstanding Common Shares, pro rata distributions to holders of Common Shares and other circumstances where adjustments are required to appropriately protect the interests of the holders of Rights.

Supplements and Amendments

The Corporation may, without the approval of the Shareholders or holders of Rights, make amendments to (i) correct clerical or typographical errors and (ii) to maintain the validity and effectiveness of the Shareholder Rights Plan as a result of any change in applicable law, rule or regulatory requirement. Any amendment referred to in (ii) must, if made before the Separation Time, be

submitted for approval to the holders of Voting Shares at the next meeting of Shareholders and, if made after the Separation Time, must be submitted to the holders of Rights for approval.

At any time before the Separation Time, the Corporation may with prior written consent of the Shareholders amend, vary or rescind any of the provisions of the Shareholder Rights Plan or the Rights, whether or not such action would materially adversely affect the interests of the Rights generally, in order to effect any amendments, variations or rescissions of any of the provisions of the Shareholder Rights Plan which the Board, acting in good faith, considers necessary or desirable. At any time after the Separation Time, the Corporation may with prior written consent of the holders of Rights amend, vary or rescind any of the provisions of the Shareholder Rights Plan or the Rights, whether or not such action would materially adversely affect the interests of the Rights generally.

Vote Required and Recommendation of the Board

The Board believes that the adoption of the Shareholder Rights Plan is in the best interests of the Corporation and its Shareholders and, accordingly, recommends that Shareholders approve the following ordinary resolution:

“RESOLVED THAT:

- 1. The Shareholder Rights Plan of Cineplex Inc. (“Cineplex”) as set forth in the shareholder rights plan agreement between Cineplex and AST Trust Company (Canada) dated as of June 19, 2020, is hereby ratified and approved and Cineplex is authorized to issue rights pursuant thereto; and**
- 2. Any one or more of the directors and officers of Cineplex are hereby authorized and directed to execute and deliver all such documents and to do or cause to be done all such other acts and things as they may deem necessary or desirable to give effect to or carry out the intent of this resolution, including but not limited to making such filings as may be required by the rules and policies of the Toronto Stock Exchange.”**

Unless contrary instructions are indicated on the form of proxy or the voting instruction form, the persons designated in the accompanying form of proxy or voting instruction form intend to vote **FOR** the resolution adopting the Shareholder Rights Plan.

Ratification and Approval of the New Omnibus Incentive Plan

Overview

Attracting, retaining and motivating talent is critical to achieving our strategic goals, including our focus on increasing shareholder value. Long-term incentives are a key element of our total compensation package. The ability to grant various types of awards allows the Corporation to remain competitive in the marketplace and enables the link between pay outcomes and share price performance.

The Corporation originally adopted an option plan in 2008 (the “**Existing Option Plan**”), which provides for the granting of options to purchase Common Shares (the “**Options**”) to reward senior executives and eligible participants for enhancing long-term Shareholder value. Through prudent management, the share reserve has been sustained over the past 10 years. Subsequently, the Board approved the adoption of a performance share unit (“**PSU**”) plan in 2011 (the “**PSU Plan**”) and a restricted share unit (“**RSU**”) plan in 2017 (the “**RSU Plan**”), with all awards under the PSU Plan and the RSU Plan settled in cash.

The Corporation believes strongly that the experience of its executives should be aligned with the experience of our Shareholders. This is reflected by the actual value received or the current value of the Chief Executive Officer’s long-term incentive awards, including Options, PSUs and RSUs, granted over the last five years. On average, the current value of outstanding awards is 38.46% of the original grant value.

CEO Long-term Incentive Value (year of grant)		2015	2016	2017	2018	2019
Options	Fair Value at Grant Date	\$500,000	\$750,000	\$400,000	\$400,000	\$400,000
	Value as at July 31, 2020 ⁽¹⁾	\$0	\$0	\$0	\$0	\$0
PSUs	Grant Value	\$1,500,000	\$2,250,000	\$1,200,000	\$800,000	\$800,000
	Paid / Current Value ⁽²⁾	\$1,485,124	\$808,401	\$865,152	\$188,190	\$207,389
RSUs	Grant Value	N/A	N/A	N/A	\$400,000	\$400,000
	Current Value ⁽³⁾	N/A	N/A	N/A	\$93,684	\$103,241
Total Current Value (% of Grant Value)		74.26%	26.95%	54.07%	17.62%	19.41%

Notes:

- (1) Option value is based on the TSX closing price per Common Share of \$8.00, as at July 31, 2020.
- (2) Reflects actual value paid based on performance factors for the 2015, 2016 and 2017 PSU awards; current value for 2018 and 2019 reflects a current tracking performance factor of 20% of target and the TSX closing share price per Common Share of \$8.00 as at July 31, 2020.
- (3) RSU current value reflects the number of RSUs awarded multiplied by the TSX closing share price per Common Share of \$8.00 as at July 31, 2020.

With respect to future grants of long-term incentives, the Omnibus Incentive Plan provides the Corporation with flexibility to elect to settle PSUs and RSUs in shares issued from treasury, in lieu of cash. This change is intended to help facilitate share ownership, reinforce an ownership culture, conserve cash within the Corporation if desired and continue to align the interests of plan participants with those of Shareholders.

Shareholder Approval of a New Omnibus Equity Incentive Plan

Upon the recommendation of the CNCG Committee, on August 9, 2020, the Board approved the adoption of a new omnibus equity incentive plan (the “**Omnibus Incentive Plan**”), subject to, and effective upon, approval by the Shareholders at the Meeting. A copy of the Omnibus Incentive Plan is attached as Schedule “C” to this Circular.

The Omnibus Incentive Plan will supplement the Existing Option Plan, RSU Plan and PSU Plan (collectively, the “**Existing Plans**”). Awards granted under the Existing Plans will remain outstanding and governed by the respective terms of such plans, but no new awards will be granted under any of the Existing Plans if the Omnibus Incentive Plan is approved by Shareholders. If the Omnibus Incentive Plan is not approved by Shareholders, the Existing Plans will remain in place and Options, RSUs and PSUs may continue to be granted under the Existing Plans, subject to their terms.

Purpose

The purpose of the Omnibus Incentive Plan is to, among other things: (a) provide the Corporation with a mechanism to attract, retain and motivate qualified employees and consultants of the Corporation, including its subsidiaries, (b) reward employees and consultants that have been granted awards under the Omnibus Incentive Plan for their contributions toward the long-term goals and success of the Corporation, and (c) enable and encourage such employees and consultants to acquire Common Shares of the Corporation as long-term investments and proprietary interests in the Corporation.

The Omnibus Incentive Plan provides flexibility to the Corporation to grant equity-based incentive awards in the form of Options, RSUs, and PSUs (collectively, “**Awards**”), as described in further detail below. The following is a summary of the material terms of the Omnibus Incentive Plan, which is qualified in its entirety by reference to the text of the Omnibus Incentive Plan attached as Schedule “C” to this Circular.

Maximum Number of Shares which may be Issued Pursuant to the Omnibus Incentive Plan

The Omnibus Incentive Plan is a ‘fixed’ plan in that, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Common Shares), it provides that the aggregate maximum number of Common Shares that may be issued upon the exercise of options and settlement of awards granted under the Omnibus Incentive Plan shall not exceed 1,761,345 Common Shares (the “**Reserved Shares**”), representing approximately 2.8% of the Corporation’s issued and outstanding Common Shares as at the date of this Circular (or 1.9% on a fully diluted basis assuming the conversion of all of the convertible debentures), of which no more than 1,200,000 Common Shares may be issued pursuant to the settlement of RSUs and PSUs. The Existing Option Plan has a fixed maximum number of Common Shares that could be issued thereunder of 5,250,000 Common Shares, of which 1,161,345 Common Shares that remain available for issuance thereunder as July 31, 2020 will be effectively transferred to be available for issuance pursuant to the Omnibus Incentive Plan instead of the Existing Option Plan, together with an additional 600,000 Common Shares will in aggregate constitute the Reserved Shares. To the extent any Options granted under the Omnibus Incentive Plan or the Existing Option Plan are terminated or cancelled for any reason prior to exercise in full, the Common Shares subject to such Options (or any portion(s) thereof) shall be added to the number of Common Shares reserved for issuance under the Omnibus Incentive Plan.

The total equity reserved and outstanding under all plans was as follows:

Plan Details	As of August 17, 2020
Omnibus Incentive Plan – Common Shares available for issuance (assuming Shareholder approval)	1,761,345 ^{(1) (2)}
Aggregate Options outstanding under the Existing Option Plan	3,025,590 ⁽³⁾
Weighted average exercise price	\$38.80
Weighted average remaining term to maturity	6.76

Notes:

- (1) Includes a total of 725,758 Options, 277,105 RSUs and 284,214 PSUs which the Board granted on August 17, 2020 pursuant to the Omnibus Incentive Plan, contingent upon Shareholder approval of the Omnibus Incentive Plan. Such grants were originally approved by the Board in November 2019 in connection with the 2019 compensation year, and granted on August 17, 2020. The delay in effecting the actual grants was due to restrictive covenants in the arrangement agreement between the Corporation and Cineworld Group plc (“**Cineworld**”) relating to Cineworld’s proposed acquisition of Cineplex (the “**Cineworld Transaction**”), which has since been terminated. Specifically, the arrangement agreement restricted new grants of equity incentives to any Cineplex employee after December 15, 2019. Cineworld repudiated the arrangement agreement on June 12, 2020, at which time all restrictions thereunder ceased to have effect.
- (2) As of as of July 31, 2020 and includes a cap of 1,200,000 Common Shares available for issuance upon settlement of RSUs and PSUs granted pursuant to the Omnibus Incentive Plan.
- (3) Reflects Common Shares reserved for issuance upon the exercise of Options currently outstanding under the Existing Option Plan, which may become available for future equity grants under the Omnibus Incentive Plan upon forfeiture, termination or cancellation.

On August 17, 2020, the Board granted an aggregate of 725,758 Options, 284,214 PSUs and 277,105 RSUs to eligible participants pursuant to the terms of the Omnibus Incentive Plan. These awards are intended to be governed by and subject to the Omnibus Incentive Plan, but if Shareholders do not approve the Omnibus Incentive Plan, these awards will remain outstanding and instead be amended to become subject to and governed by the applicable Existing Plan. These awards cannot be exercised or settled under the terms of the proposed Omnibus Incentive Plan until such time that Shareholders have approved and ratified the Omnibus Incentive Plan. If the Omnibus Incentive Plan is approved, all future awards of Options, RSUs and PSUs will be issued pursuant to and governed by the Omnibus Incentive Plan and no future awards will be issued pursuant to or governed by the terms of the Existing Plans. Any outstanding Options, RSUs and PSUs that were issued pursuant to any of the Existing Plans will continue to be governed by their respective terms.

Insider Participation Limit

The Omnibus Incentive Plan also provides that the aggregate number of Common Shares (a) issuable to insiders at any time (under all of the Corporation’s security-based compensation arrangements, including the Existing Plans) cannot exceed 10% of the Corporation’s issued and outstanding Common Shares and (b) issued to insiders within any one-year period (under all of the Corporation’s security-based compensation arrangements) cannot exceed 10% of the Corporation’s issued and outstanding Common Shares.

Any Common Shares issued by the Corporation through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of Common Shares available for issuance pursuant to the exercise of awards granted under the Omnibus Incentive Plan.

Administration of the Omnibus Incentive Plan

The Plan Administrator is the Board, which may in the future delegate administration of the Omnibus Incentive Plan to a committee of the Board. The Plan Administrator determines which consultants and employees are eligible to receive awards under the Omnibus Incentive Plan, the time or times at which awards may be granted, the conditions under which awards may be granted or forfeited to the Corporation, the number of Common Shares to be covered by any award, the exercise price of any award, whether restrictions or limitations are to be imposed on the Common Shares issuable pursuant to grants of any award, and the nature of any such restrictions or limitations, any acceleration of exercisability or vesting, or waiver of termination regarding any award, based on such factors as the Plan Administrator may determine.

In addition, the Plan Administrator interprets the Omnibus Incentive Plan and may adopt administrative rules, regulations, procedures and guidelines governing the Omnibus Incentive Plan or any awards granted under the Omnibus Incentive Plan as it deems appropriate.

Eligibility

All consultants and employees are eligible to participate in the Omnibus Incentive Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the Omnibus Incentive Plan will be determined in the discretion of the Plan Administrator. Non-executive Directors are not eligible to participate in the Omnibus Incentive Plan.

Types of Awards

Awards of Options, RSUs and PSUs may be made under the Omnibus Incentive Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Plan Administrator, in its sole discretion, subject to such limitations provided in the Omnibus Incentive Plan, and will generally be evidenced by an award agreement. In addition, subject to the limitations provided in the Omnibus Incentive Plan and in accordance with applicable law, the Plan Administrator may accelerate or defer the vesting or payment of awards, cancel or modify outstanding awards, and waive any condition imposed with respect to awards or Common Shares issued pursuant to awards.

Options

An Option entitles a holder thereof to purchase a prescribed number of treasury Shares at an exercise price set at the time of the grant. The Plan Administrator will establish the exercise price at the time each Option is granted, which exercise price must in all cases be not less than the volume weighted average closing price of the Common Shares on the TSX for the five trading days immediately preceding the date of grant (the “**Market Price**”) on the date of grant. Subject to any accelerated termination as set forth in the Omnibus Incentive Plan, each Option expires on its respective expiry date. The Plan Administrator will have the authority to determine the vesting terms applicable to grants of Options. Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as otherwise set forth in any written employment agreement, award agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the participant. The Plan Administrator has the right to accelerate the date upon which any Option becomes exercisable. The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in the Omnibus Incentive Plan, such as vesting conditions relating to the attainment of specified performance goals.

Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in the particular award agreement, an exercise notice must be accompanied by payment of the exercise price. A participant may, in lieu of exercising an Option pursuant to an exercise notice, elect to surrender such Option to the Corporation (a “**Cashless Exercise**”) in consideration for an amount from the Corporation equal to (i) the Market Price of the Common Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate exercise price of the Option (or portion thereof) surrendered relating to such Shares (the “**In-the-Money Amount**”) by written notice to the Corporation indicating the number of Options such participant wishes to exercise using the Cashless Exercise, and such other information that the Corporation may require. Subject to the provisions of the Omnibus Incentive Plan, the Corporation will satisfy payment of the In-the-Money Amount by delivering to the participant such number of Shares having a fair market value equal to the In-the-Money Amount. Only the number of Shares actually granted to the participant in connection with a Cashless Exercise will reduce the number of Shares reserved for issuance under the Omnibus Incentive Plan.

Restricted Share Units

A RSU is a unit equivalent in value to a Share credited by means of a bookkeeping entry in the books of the Corporation which entitles the holder to receive one Share (or the value thereof) for each RSU after a specified vesting period. The Plan Administrator may, from time to time, subject to the provisions of the Omnibus Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the “**RSU Service Year**”).

The number of RSUs granted at any particular time under the Omnibus Incentive Plan will be calculated by dividing (a) the amount of any bonus or similar payment that is to be paid in RSUs, as determined by the Plan Administrator, by (b) the greater of (i) the Market Price of a Share on the date of grant and (ii) such amount as determined by the Plan Administrator in its sole discretion. The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs.

Upon settlement, holders will receive (a) one fully paid and non-assessable treasury Share in respect of each vested RSU, (b) a cash payment or (c) a combination of Shares and cash, in each case as determined by the Plan Administrator. Any such cash payments

made by the Corporation shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Share as at the settlement date.

Performance Share Units

A PSU is a unit equivalent in value to a Share credited by means of a bookkeeping entry in the books of the Corporation which entitles the holder to receive one Share (or the value thereof) for each PSU after specific performance-based vesting criteria determined by the Plan Administrator, in its sole discretion, have been satisfied. The performance goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the termination of a participant's employment and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable award agreement. The Plan Administrator may, from time to time, subject to the provisions of the Omnibus Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the "**PSU Service Year**").

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs. Upon settlement, holders will receive (a) one fully paid and non-assessable Share in respect of each vested PSU, (b) a cash payment, or (c) a combination of Shares and cash, in each case as determined by the Plan Administrator. Any such cash payments made by the Corporation to a participant shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Share as at the settlement date.

Dividend Equivalents

RSUs and PSUs shall be credited with dividend equivalents in the form of additional RSUs and PSUs, as applicable. Dividend equivalents shall vest in proportion to, and settle in the same manner as, the awards to which they relate. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs and PSUs, as applicable, held by the participant on the record date for the payment of such dividend, by (b) the Market Value at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places.

Black-out Periods

If an award expires during, or within five business days after, a routine or special trading black-out period imposed by the Corporation to restrict trades in the Corporation's securities, then, notwithstanding any other provision of the Omnibus Incentive Plan, unless the delayed expiration would result in negative tax consequences to the holder of the award, the award shall expire ten business days after the trading black-out period is lifted by the Corporation.

Term

While the Omnibus Incentive Plan does not stipulate a specific term for awards granted thereunder, as discussed below, shareholder approval is required to permit an award to be exercisable beyond 10 years from its date of grant, except where an expiry date would have fallen within a blackout period of the Corporation. All awards must vest and settle in accordance with the provisions of the Omnibus Incentive Plan and any applicable award agreement, which award agreement may include an expiry date for a specific award.

Termination of Employment or Services

The following table describes the impact of certain events upon the participants under the Omnibus Incentive Plan, including termination for cause, resignation, termination without cause, disability, death or retirement, subject, in each case, to the terms of a participant's applicable employment agreement, award agreement or other written agreement:

Event	Provisions
Termination for Cause	<ul style="list-style-type: none">Any vested and unvested awards held by the participant that have not been exercised, settled or surrendered as of the Termination Date (as defined in the Omnibus Incentive Plan) shall be immediately forfeited and cancelled.

Event	Provisions
Resignation	<ul style="list-style-type: none"> Any unvested awards held by the participant that have not been exercised, settled or surrendered as of the Termination Date shall be immediately forfeited and cancelled. Any vested awards may be exercised, settled or surrendered to the Corporation by the participant at any time during the period that terminates on the earlier of: (a) the expiry date of such award, and (b) the date that is 30 days after the Termination Date, with any award that has not been exercised, settled or surrendered at the end of such period being immediately forfeited and cancelled. With respect to any vested PSUs held by a participant, where the determination regarding achievement of performance goals has not been made by the end of such period, any such PSUs will be forfeited.
Termination without Cause	<ul style="list-style-type: none"> Any unvested awards held by the participant that have not been exercised, settled or surrendered as of the Termination Date shall be immediately forfeited and cancelled. Any vested awards may be exercised, settled or surrendered to the Corporation by the participant at any time during the period that terminates on the earlier of: (a) the expiry date of such award, and (b) the date that is 30 days after the Termination Date, provided that, with respect to any PSUs held by a participant, the attainment of performance goals shall be assessed based on the lesser of (i) the actual achievement of the performance goals up to the Termination Date and (ii) Target Performance (as defined in the Omnibus Incentive Plan). Any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled.
Disability	<ul style="list-style-type: none"> Any award held by the participant that has not vested as of the date of the Disability (as defined in the Omnibus Incentive Plan) of such participant shall vest on such date and may be exercised or surrendered to the Corporation by the participant at any time until the expiry date of such award. With respect to any PSUs held by a participant, the attainment of performance goals shall be assessed based on the lesser of (i) the actual achievement of performance goals up to the Termination Date and (ii) Target Performance.
Death	<ul style="list-style-type: none"> Any award held by the participant that has not vested as of the date of the death of such participant shall vest on such date and may be exercised, settled or surrendered to the Corporation by the participant at any time during the period that terminates on the earlier of: (a) the expiry date of such award, and (b) the first anniversary of the date of the death of such participant, with any award that has not been exercised, settled or surrendered at the end of such period being immediately forfeited and cancelled.
Retirement	<ul style="list-style-type: none"> Any Option held by the participant that has not vested as of the date of Retirement (as defined in the Omnibus Incentive Plan) shall continue to vest in accordance with its terms and may be exercised or surrendered to the Corporation by a participant at any time during the period that terminates on the earlier of (A) the expiry date of such Option and (B) the fourth anniversary of the participant's date of Retirement. Any RSU held by the participant that has not vested as of the date of Retirement shall continue to vest in accordance with its terms and, if such RSU vests, shall be settled in accordance with the Omnibus Incentive Plan. Any PSU held by the participant that has not vested as of the date of Retirement shall continue to vest in accordance with its terms and the attainment of performance goals with respect to any such PSUs shall be assessed on the basis of the actual achievement of performance goals.

Change in Control

Under the Omnibus Incentive Plan, except as may be set forth in an employment agreement, award agreement or other written agreement between the Corporation or a subsidiary of the Corporation and a participant:

- (a) If within 12 months following the completion of a transaction resulting in a Change in Control (as defined below), a participant's employment is terminated without Cause (as defined in the Omnibus Incentive Plan), without any action by the Plan Administrator:
 - (i) any unvested awards held by the participant that have not been exercised, settled or surrendered as of the Termination Date shall immediately vest; and
 - (ii) any vested awards may be exercised, settled or surrendered to the Corporation by the participant at any time during the period that terminates on the earlier of: (a) the expiry date of such award; and (b) the date that is 90 days after the Termination Date, provided that, with respect to any PSUs held by a participant, the attainment of performance goals shall be assessed on the basis of the lesser of (i) the actual achievement of performance goals up to the Termination Date and (ii) Target Performance. Any award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled.
- (b) Unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Common Shares of the Corporation will cease trading on the TSX, the Corporation may terminate all of the awards, other than an Option held by a participant that is a resident of Canada for the purposes of the *Income Tax Act* (Canada), granted under the Omnibus Incentive Plan at the time of, and subject to the completion of, the Change in Control transaction by paying to each holder an amount equal to the fair market value of his or her respective award (as determined by the Plan Administrator, acting reasonably) at or within a reasonable period of time following completion of such Change in Control transaction.

Subject to certain exceptions (including with respect to a transaction that constitutes an internal reorganization of the Corporation), a "**Change in Control**" means any sale, disposition, assignment, reorganization, amalgamation, merger or other transaction, or series of related transactions, as a result of which a person or group of persons unrelated to the Corporation or any of its subsidiaries acting jointly or in concert, or persons associated or affiliated with any such person or group within the meaning of the *Securities Act* (Ontario), becomes the owner, legal or beneficial, directly or indirectly, of more than 50% of the Common Shares or exercises control or direction over more than 50% of the Common Shares (on a fully-diluted basis) and holders of Shares prior to such acquisition hold less than 50% of the Common Shares (on a fully diluted basis) following such acquisition.

Non-Transferability of Awards

Unless otherwise provided by the Plan Administrator, and except to the extent that certain rights may pass to a beneficiary or legal representative upon the death of a participant by will or as required by law, no assignment or transfer of awards granted under the Omnibus Incentive Plan, whether voluntary, involuntary, by operation of law or otherwise, is permitted.

Amendments to the Omnibus Incentive Plan

The Plan Administrator may also from time to time, without notice and without approval of the holders of voting shares, amend, modify, change, suspend or terminate the Omnibus Incentive Plan or any awards granted pursuant thereto as it, in its discretion, determines appropriate, provided that (a) no such amendment, modification, change, suspension or termination of the Omnibus Incentive Plan or any award granted pursuant thereto may materially impair any rights of a participant or materially increase any obligations of a participant under the Omnibus Incentive Plan without the consent of such participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements, and (b) any amendment that would cause an award held by a U.S. Taxpayer (as such term is defined in the Omnibus Incentive Plan) to be subject to the additional tax penalty under Section 409A(1)(b)(i)(II) of the *United States Internal Revenue Code of 1986*, as amended, shall be null and void ab initio.

Notwithstanding the above, and subject to the rules of the TSX (which requires approval of disinterested shareholders), the approval of shareholders is required to effect any of the following amendments to the Omnibus Incentive Plan:

- (a) increasing the number of Shares reserved for issuance under the Omnibus Incentive Plan, except pursuant to the provisions in the Omnibus Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (b) increasing or removing the 10% limits on Shares issuable or issued to insiders;
- (c) reducing the exercise price of an Option award (for this purpose, a cancellation or termination of an award of a participant prior to its expiry date for the purpose of reissuing an award to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an award) except pursuant to the provisions in the Omnibus Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (d) extending the term of an Option award beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the participant or within five business days following the expiry of such a blackout period);
- (e) permitting awards to be transferred to a person;
- (f) changing the eligible participants; and
- (g) deleting or otherwise limiting the amendments which require approval of the shareholders.

Except for the items listed above, amendments to the Omnibus Incentive Plan will not require shareholder approval. Such amendments include (but are not limited to): (a) amending the general vesting provisions of an award, (b) amending the provisions for early termination of awards in connection with a termination of employment or service, (c) adding covenants of the Corporation for the protection of the participants, (d) amendments that are desirable as a result of changes in law in any jurisdiction where a participant resides, and (e) curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.

Anti-Hedging Policy

Participants are restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of awards granted to them.

Shareholder Approval of the Omnibus Incentive Plan

The Board believes that the adoption of the Omnibus Incentive Plan is in the best interests of the Corporation and its Shareholders and, accordingly, recommends that Shareholders approve the following ordinary resolution:

“RESOLVED THAT:

1. The Omnibus Incentive Plan of Cineplex Inc. (“**Cineplex**”) adopted by the Board on August 9, 2020, as more particularly described in the management information circular of Cineplex dated August 28, 2020, is hereby ratified and approved and Cineplex is authorized to grant awards pursuant thereto;
2. The total number of additional Shares to be reserved and available for grant and issuance pursuant to the Omnibus Incentive Plan shall be 600,000 Shares (resulting in an aggregate total of 1,761,345 Shares reserved and available for grant and issuance pursuant to the Omnibus Incentive Plan inclusive of Shares already approved by Shareholders under the Existing Option Plan), subject to adjustments as may be required in accordance with the terms of the Omnibus Incentive Plan;
3. All Options, PSUs, and RSUs granted under the Omnibus Incentive Plan prior to the date of this resolution are hereby approved;

4. The Board is hereby authorized to make such amendments to the Omnibus Incentive Plan from time to time, as may be required by the applicable regulatory authorities, or as may be considered appropriate by the Board, in its sole discretion, provided always that such amendments be subject to the approval of the regulatory authorities, if applicable, and in certain cases, in accordance with the terms of the Omnibus Incentive Plan, the approval of the Shareholders; and
5. Any one or more of the directors and officers of Cineplex are hereby authorized and directed to execute and deliver all such documents and to do or cause to be done all such other acts and things as they may deem necessary or desirable to give effect to or carry out the intent of this resolution, including but not limited to making such filings as may be required by the rules and policies of the Toronto Stock Exchange.”

Unless contrary instructions are indicated on the form of proxy or the voting instruction form, the persons designated in the accompanying form of proxy or voting instruction form intend to vote **FOR** the resolution adopting the Omnibus Incentive Plan.

DIRECTOR COMPENSATION PHILOSOPHY

The Board is responsible for overseeing the management team to ensure decisions are made in the best interests of the Corporation and Shareholders. Director compensation is reviewed approximately bi-annually to assess the competitive positioning relative to the comparator group. The companies in the comparator group are consistent with those used to assess executive compensation. (See the *Competitive Benchmarking* section herein for additional detail on the comparator group constituents and development rationale.) Cineplex periodically engages an independent consulting firm, Willis Towers Watson, to provide competitive compensation data. Cineplex considers this data in making compensation decisions.

COMPENSATION OF THE DIRECTORS

Directors receive an annual retainer in the form of cash with an election to defer all or a portion of compensation in DSUs, described below. The Directors are also reimbursed for out-of-pocket expenses for attending meetings. Mr. Jacob, as a member of management, does not receive any compensation for his service as a Director.

Compensation Component		2019
Annual Retainer	Board Chair	\$175,000
	Non-Executive Board Member	\$100,000
Chair Retainer (additional)	Audit Committee	\$20,000
	CNCG Committee	\$15,000

DIRECTOR COMMON SHARE OWNERSHIP GUIDELINES

Directors are subject to Common Share ownership guidelines as set forth in the chart below, which must be met within three years of appointment. Directors may use their earned retainers to meet such obligation. The calculation of the Common Share ownership of Directors includes DSUs as Common Share equivalents.

	Multiple of Annual Retainer	Value of Ownership Requirement
2019	3x (\$100,000)	\$300,000
2018	3x (\$100,000)	\$300,000

DIRECTORS' DEFERRED SHARE UNIT PLAN

The Corporation has adopted the Board of Directors' DSU Plan (the "**Directors' DSU Plan**").

DSU Election

Under the Directors' DSU Plan, independent Directors are entitled to elect to receive all or a portion of the annual Board and, if applicable, Chair retainer, in the form of DSUs. Such election for the retainer for the following fiscal year may be delivered no later than the last day of the Corporation's fiscal year. For a Director who is elected during a year, the election shall be made as soon as practicable following election as a Director, and in any event no later than the date that such Director becomes eligible to participate in the Directors' DSU Plan. Elections made under the Directors' DSU Plan in 2019 are reported in the Director Compensation Table.

Discretionary Grants

The CNCG Committee, with the approval of the Board, may make additional grants ("**Discretionary Grants**") of DSUs to the Directors at such times and in such amounts as the CNCG Committee may determine. To date, no additional Discretionary Grants have been made to Directors under the Directors' DSU Plan.

Directors' DSU Plan Terms

The Director participant will be credited with a number of DSUs equal to the amount of the elected portion of the annual retainer divided by the "fair market value" of the Common Shares on the date the annual retainer would have been paid. The "fair market value" is defined as the value of a Common Share determined by reference to the five-day average closing price of a Common Share on the immediately preceding five trading days.

Additional DSUs will be credited to each DSU participant equal to cash dividends paid on the same number of Common Shares, based on the "fair market value" of a Common Share at the time cash dividends are paid on the Common Shares.

The terms and conditions of DSUs granted under the Directors' DSU Plan are subject to adjustments in certain circumstances at the discretion of the Board. The Board may discontinue or amend the Directors' DSU Plan at any time (including amendments to change the terms and conditions of any DSU). If the Directors' DSU Plan is terminated, prior awards remain outstanding and in effect in accordance with their applicable terms and conditions.

DIRECTOR COMPENSATION TABLE

The table below sets out all compensation provided to the Directors for the year ended December 31, 2019. As Mr. Jacob did not receive compensation for his services as a Director of the Corporation, his total compensation is discussed under *Compensation Discussion & Analysis*.

	Chair / Committee Chair	Fees Earned (\$)	Total Compensation (\$)	% of Total Compensation Taken as DSUs ⁽¹⁾
Jordan Banks		100,000	100,000	75%
Robert Bruce		100,000	100,000	15%
Joan Dea		100,000	100,000	56%
Janice Fukakusa	✓	120,000	120,000	75%
Ian Greenberg	✓	175,000	175,000	75%
Donna Hayes		100,000	100,000	75%
Sarabjit Marwah		100,000	100,000	75%
Nadir Mohamed	✓	115,000	115,000	75%
Edward Sonshine		100,000	100,000	75%

Notes:

(1) All Directors received 100% of their fourth quarter 2019 fees paid in cash as a result of the proposed Cineworld Transaction.

COMMITTEE MEMBERSHIP

As of the date hereof, the following table sets forth the committee members, all of whom are non-employee and independent Directors. Mr. Jacob does not serve on a committee in light of his role as CEO; Mr. Banks does not serve on a Committee in light of his role as CEO of Rogers Sport & Media and Mr. Jacob's service as a director of Rogers Communication Inc., the parent entity of Rogers Sports & Media.

Committee Members	Audit Committee	CNCG Committee
Robert Bruce	✓	
Joan Dea		✓
Janice Fukakusa	Chair	
Ian Greenberg		✓
Donna Hayes	✓	
Sarabjit Marwah		✓
Nadir Mohamed		Chair
Phyllis Yaffe		✓

COMPENSATION DISCUSSION & ANALYSIS

NAMED EXECUTIVE OFFICERS

The *Compensation Discussion & Analysis* section describes the Corporation's approach to executive compensation philosophy, objectives and principles and outlines compensation paid to the named executive officers ("NEOs").

2019 NEOs	
Ellis Jacob	Chief Executive Officer ("CEO")
Gord Nelson	Chief Financial Officer ("CFO")
Dan McGrath	Chief Operating Officer ("COO")
Michael Kennedy	Executive Vice President, Filmed Entertainment ("EVP")
Shawn Mandel	Chief Digital & Technology Officer ("CDTO")

Biographies for the NEOs and other members of the executive team can be found in the AIF.

OBJECTIVES & PHILOSOPHY

OBJECTIVE. *"To attract, motivate and retain executives critical to the success of the Corporation and the enhancement of Shareholder value."*

The CNCG Committee achieves these objectives through:

- Aligning the financial interests of the NEOs with those of Shareholders, in both the short and long-term;
- Providing incentives to meet and exceed performance-based goals; and
- Differentiating the level of compensation based on market benchmarks, individual performance, contribution to overall business performance, leadership qualities and scope of responsibilities.

The CNCG Committee believes compensation decisions should be highly correlated to long-term performance and should align the interests of Shareholders and executives, while attracting, motivating and retaining top talent.

PHILOSOPHY

At-Risk Compensation	A meaningful portion of an executive's pay should be at-risk and be subject to business results. Incentive compensation should fluctuate with the Corporation's success.
Pay-for-performance	Encourage management to make decisions and take actions that are aligned with the Corporation's business objectives and Shareholders' interests.
Competitive	Compensation opportunities are to be competitive with both similarly-sized Canadian organizations and US organizations in the film exhibition industry because Cineplex is the only publicly-traded Canadian film exhibition company.
Shareholder Value	There is a strong link between incentive compensation and long-term Shareholder value creation.
Long-term Growth	Management's compensation opportunity must be tied to the achievement of objectives that create sustainable growth and long-term value.

In structuring executive compensation packages, the CNCG Committee considers how each component of compensation promotes retention and/or motivates performance by the executive. Non-performance-based compensation (base salaries, perquisites and personal benefits, severance and other termination benefits) are primarily intended to attract and retain highly qualified executives and provide predictable compensation levels that reward their continued service, which the Corporation believes necessary to attract and retain top executives.

COMPENSATION GOVERNANCE

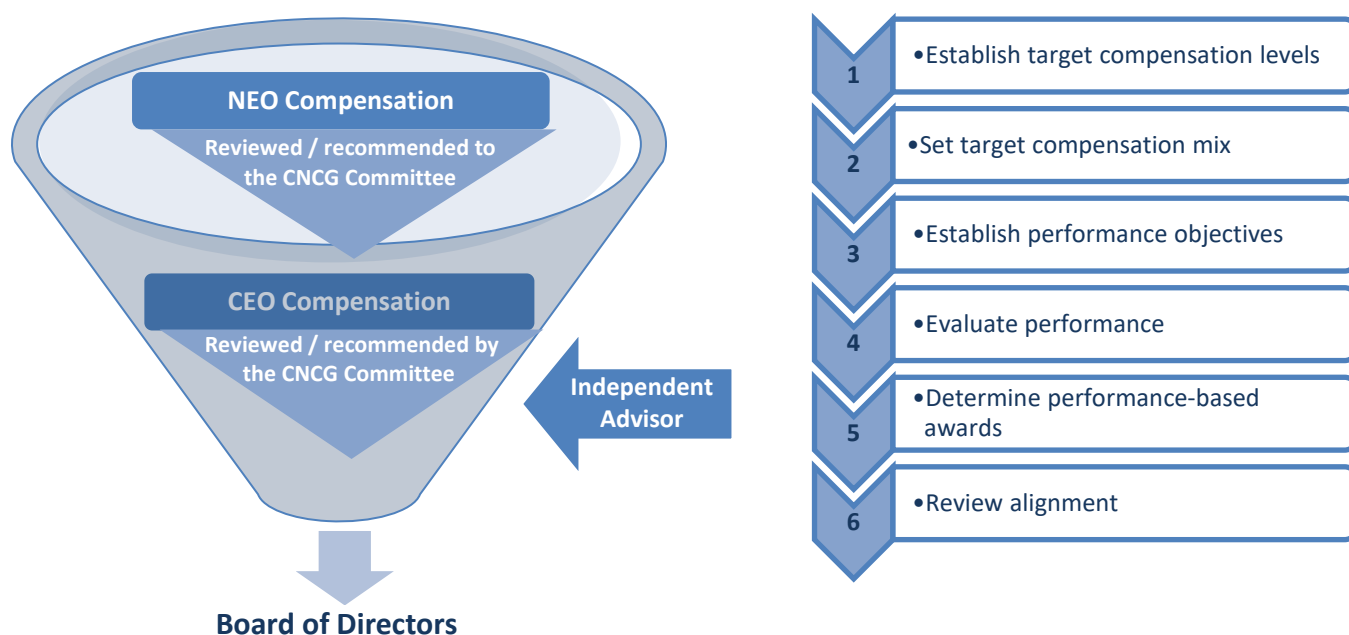
Role of the CNCG Committee

The CNCG Committee has the responsibility to review and make recommendations to the Directors concerning the compensation of the executive officers of Cineplex, including the NEOs, within the constraints of the agreements described below under *Employment Agreements*.

The CNCG Committee is currently comprised of five independent Directors: Mr. Nadir Mohamed (Chair), Ms. Joan Dea, Mr. Ian Greenberg, Mr. Sarabjit Marwah and Ms. Phyllis Yaffe. No member of the CNCG Committee is a current or former officer or employee of the Corporation or any of its subsidiaries. Although the members of the CNCG Committee do serve on boards and committees of other issuers, no executive officer of the Corporation also serves as a director or member of the compensation committee of any of those issuers where members of the CNCG Committee also serve. For information about specific expertise of each Committee member that enables the committee make decisions on the suitability of Cineplex's compensation policies and practices, refer to the Director profiles in the *Director Nominees* section of this Circular.

The CNCG Committee annually reviews and approves the compensation strategy, policies and principles for executive officers, including the apportionment of pay between fixed compensation and performance-based compensation.

The chart on the following page illustrates Cineplex's compensation decision-making process and the roles of various stakeholders in the process:



Independent Compensation Consultant

From time to time and as necessary, the CNCG Committee retains independent compensation consultants to help identify appropriate peer companies and to obtain and evaluate current executive compensation data for those companies. While the advisor's information and advice inform the decision-making process, the CNCG Committee relies on its own judgement to make final decisions. The CNCG Committee has retained Willis Towers Watson, an independent consulting firm, to consult on executive compensation matters since 2010. In 2019, Willis Towers Watson provided information and advice to the CNCG Committee, including:

- Director compensation review;
- Executive compensation review;
- Comparator group review;
- Disclosure review; and
- Review of 2020 incentive performance metrics.

Total fees paid by the Corporation to Willis Towers Watson in 2018 and 2019 were:

	2018 Fees	2019 Fees
Executive compensation related fees	\$174,547	\$161,317
All other fees	\$ 0	\$ 17,752 ⁽¹⁾

Notes:

- (1) These fees were incurred in connection with work relating to the Corporation's 2020 short term incentive plan.

The CNCG Committee considers Willis Towers Watson to be independent based on an assessment of a variety of factors, including:

- Willis Towers Watson recognizes that its clients count on it to provide thoughtful and objective advice;
- Willis Towers Watson has defined and disclosed consulting protocols and processes to support the CNCG Committee to ensure advice remains independent;
- no one client accounted for a significant concentration of Willis Towers Watson's revenues for any of the most recent three fiscal years - revenue for the fiscal year ended December 31, 2019 was \$9.04 billion;
- no regular members of the executive compensation consulting team own any Common Shares, other than perhaps (but not known) through mutual funds; and
- there are no business or personal relationships between the executive compensation consulting team and any members of the CNCG Committee or the Cineplex management team.

COMPENSATION PRACTICES & POLICIES

Compensation Risk Assessment

As part of its oversight of compensation practices, the CNCG Committee annually considers the implications of the risks associated with the Corporation's compensation policies and practices by completing a thorough assessment. The compensation programs and practices are evaluated to determine pay-for-performance alignment with the time horizons of risk and to ensure the mitigation of unintended outcomes or the creation of inappropriate incentives.

WHAT WE DO	WHAT WE DON'T DO
✓ Executive and Director share ownership expectations	X Single measure plans
✓ Clawback Policy in mid-term and long-term plans	X Provide guaranteed, multi-year bonuses
✓ Anti-Hedging Policy	X Reprice or replace underwater stock options
✓ Code of Business Conduct and Ethics	X Payout incentives if unwarranted by performance
✓ Significant percentage of at-risk compensation	X Grant, renew or extend loans to employees
✓ CEO post-employment hold provision	X Overweight options (generally limited to 25%)
✓ Post-employment hold provisions in the PSU Plan	X Implement single trigger voluntary change of control termination provisions for new executive contracts
✓ Link to time horizon / risk profile (1 – 10 year plans)	
✓ Capped incentive opportunities	X Include the value of unexercised option awards in determining ownership compliance
✓ Balance of absolute and relative performance	
✓ External independent advice	X Allow stock option grants with an exercise price below 100% of fair market value
✓ Competitive target positioning against peer group	

Based on the review of compensation plans in 2019, the CNCG Committee believes that there are strong practices in place to minimize the likelihood of material risk-taking and has not identified any risks that are reasonably likely to have a material adverse effect on the Corporation.

Clawback Policy

To ensure that risk and pay-for-performance are strongly aligned, clawback provisions in the mid-term and long-term incentive plans can be applied when financial restatements occur that are due to misconduct or otherwise based on the CNCG Committee's assessment and judgment of the circumstances at that time.

Anti-Hedging Policy

The Corporation has established a policy that neither Directors nor executives (including but not limited to NEOs) are permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by any NEO or Director. To the knowledge of the Corporation, no Director, NEO or other executive has previously purchased any such financial instrument for hedging.

Say on Pay

The Corporation has determined that a "Say on Pay" vote is in the best interest of Shareholders. The non-binding advisory resolution was tabled at the 2019 Annual Meeting and results were strong with 90.12% support. Although this represented a decrease of 2.15% from 2018, support on pay practices at Cineplex continues to remain strong with scores above 90%.

Discretion

The CNCG Committee and the Board retain the ability to exercise discretion to increase or decrease performance-based compensation to accommodate unusual circumstances that would improperly reward or penalize NEOs separate and apart from general market, industry or company performance. In light of share price performance, all NEO grant awards, with the exception of Mr. Mandel, were

reduced by 20% of the overall award to account for company performance (aligned with February 2018 and 2019 grants). Mr. Mandel was provided with his target MLTIC (as defined below) grant upon being hired by Cineplex in the second quarter of 2019.

Management Common Share Ownership Guidelines

All NEOs and other key members of senior management are subject to Common Share ownership guidelines.

Definition of Ownership

- ✓ Beneficially owned Common Shares will count towards ownership
- ✓ DSUs (from voluntary bonus deferrals) and restricted share units (“RSUs”) held by or on behalf of a NEO will count towards ownership
- X Unexercised Options do not count towards ownership
- X PSUs do not count towards ownership

	Ownership Expectation (% of base)	Total Value of Actual Ownership ⁽¹⁾	Current Ownership (% of target) ⁽²⁾	Achieved Guideline
Ellis Jacob	3.0x	\$12,649,138	422%	✓
Gord Nelson	2.0x	\$3,648,796	404%	✓
Dan McGrath	2.0x	\$2,877,896	270%	✓
Michael Kennedy	1.0x	\$521,212	137%	✓
Shawn Mandel ⁽³⁾	1.0x	\$166,016	49%	X

Notes:

- (1) Ownership details set forth in next table. Ownership values are based the TSX closing price per Common Share of \$33.85, as at December 31, 2019.
- (2) Meeting the Ownership Expectation would be indicated by “100%”.
- (3) Mr. Mandel was hired in the second quarter of 2019 and as such, will be given appropriate time to meet the share ownership guidelines.

The following table sets forth the types of units held by each NEO and the total value thereof as at December 31, 2019.

	# of Common Shares	Share Value ⁽¹⁾	# of RSUs	RSU Value ⁽¹⁾	# of DSUs	DSU Value ⁽¹⁾	Total # of All	Total Value ⁽³⁾
Ellis Jacob	233,000	\$7,887,050	24,507	\$829,571	116,175	\$3,932,517	373,682	\$12,649,138
Gord Nelson	84,245	\$2,851,693	5,532	\$187,247	18,016	\$609,856	107,793	\$3,648,796
Dan McGrath	71,368	\$2,415,807	8,171	\$276,597	5,480	\$185,492	85,019	\$2,877,896
Michael Kennedy	12,126	\$410,465	3,271	\$110,735	0	\$0	15,398	\$521,212
Shawn Mandel	0	\$0	4,904	\$166,016	0	\$0	4,904	\$166,016

Notes:

- (1) The ownership values noted above are based the TSX closing price per Common Share of \$33.85, as at December 31, 2019.
- (2) PSUs do not count towards shareholding requirements and therefore are excluded from the table.
- (3) Rounding variances due to fractional share units.

Post-Employment Hold Requirement

The CEO is subject to a one-year post-retirement Common Share ownership expectation at the same thresholds as noted above except following a change of control and unless waived at the discretion of the CNCG Committee. The ownership expectation does not apply in the case of termination by the Corporation or by the executive for good reason, death or disability.

COMPETITIVE BENCHMARKING

Comparator Group

The CNCG Committee has established two reference groups to benchmark compensation levels, including: (i) North American industry-related proxy sample; and (ii) general industry survey sample. The secondary reference provides additional validation given the comparator group development complexities, as Cineplex is the only publicly-traded cinema exhibition company in Canada.

Primary Reference

Annually, the CNCG Committee reviews the appropriateness of the reference group, giving consideration to the criteria below and the Institutional Shareholder Services Inc. and Glass Lewis & Co. comparator groups. Due to consolidation in the industry, and a review of relevancy of some organizations, the comparators were updated in each of the last three years. In 2019, the changes included removing Entertainment One and Lululemon and adding Recipe Unlimited. Entertainment One was acquired and Lululemon no longer aligns to the size and scope criteria. The select proxy sample includes the below comparators.

CRITERIA	SCREENING	RATIONALE FOR U.S. COMPANIES
INDUSTRY	Media & Entertainment, particularly Cinema Related “brand name” companies	<ul style="list-style-type: none"> Given Cineplex is the only publicly-traded cinema exhibition company in Canada, there is a lack of directly comparable Canadian cinema peers
GEOGRAPHY	North American	
SIZE	Revenue and market capitalization of approximately ½ - 2x Cineplex	<ul style="list-style-type: none"> Including U.S. companies reflects Cineplex’s market for talent

Comparators (n = 10)	Industry	Revenue (Latest FYE)	Market Cap (3 month avg.) ¹
Canadian Comparators (n = 6)			
Cogeco Inc.	Cable and Satellite	\$2,444	\$1,528
Corus Entertainment Inc.	Broadcasting	\$1,687	\$1,121
Great Canadian Gaming Corporation	Casinos and Gaming	\$1,356	\$2,433
IMAX Corporation	Movies and Entertainment	\$396	\$1,346
Indigo Books & Music Inc.	Specialty Stores	\$1,047	\$153
Recipe Unlimited Corporation	Restaurants	\$1,252	\$1,476
U.S. Comparators (n = 4)			
AMC Entertainment Holdings, Inc.	Movies and Entertainment	\$5,471	\$1,111
Cinemark Holdings, Inc.	Movies and Entertainment	\$3,283	\$4,496
Dave & Buster's Entertainment, Inc.	Restaurants	\$1,355	\$1,201
Lions Gate Entertainment Corp.	Movies and Entertainment	\$3,890	\$1,945

Percentile Statistics

25 th Percentile	\$1,278	\$1,141
50 th Percentile	\$1,522	\$1,411
75 th Percentile	\$3,073	\$1,841

Cineplex Inc.	Media	\$1,665	\$1,536
	Percent Rank	55P	67P

Notes:

- (1) Market capitalization reflects 3 month average from September 30, 2019 to December 31, 2019. Data sourced from Standard and Poor’s Capital IQ and presented in local currency, stated in millions of dollars.

Secondary Reference

The CNCG Committee reviews compensation as compared to a broad sample of Canadian general industry companies participating in Willis Towers Watson's executive compensation database, with revenue between \$500 million and \$2.5 billion. This broader reference point is used to validate the select proxy sample data and to benchmark the executive positions reviewed by the CNCG Committee, including the NEOs.

Target Total Direct Compensation Mix

To attract and retain the talent the Corporation needs to perform, the executive compensation program has to be market competitive. In accordance with the compensation philosophy, a significant portion of compensation is provided "at risk" in the form of variable compensation. The values of the incentives are dependent on the performance of the Corporation. As set out below, approximately 50% or more of 2019 total compensation is "at risk".

	Approximate Percentage of Target Total Direct Compensation			
	FIXED	VARIABLE		
	Base Salary	Annual Incentive	Long-term Incentives	Total Variable Compensation
Ellis Jacob	28%	28%	44%	72%
Gord Nelson	42%	25%	33%	58%
Dan McGrath	36%	27%	37%	64%
Michael Kennedy	51%	20%	29%	49%
Shawn Mandel	44%	22%	34%	56%

ELEMENTS OF COMPENSATION OVERVIEW

		Objective	Features	Form
Base Salary		<ul style="list-style-type: none"> Rewards skills, capabilities, knowledge and experience, reflecting the level of responsibility and expected contribution 	<ul style="list-style-type: none"> Paid in accordance with each employment agreement Reviewed annually 	Cash
Annual Incentive	Cash	<ul style="list-style-type: none"> Rewards executives for their contribution to the achievement of annual financial and non-financial goals 	<ul style="list-style-type: none"> Performance period: annual Based on a scorecard of measures: EBITDA, individual performance, net theatre food service retention, customer feedback, non-exhibition revenue, film measures Payout opportunity: 0% - 200% of target 	Cash
	DSUs	<ul style="list-style-type: none"> Assists with achieving Common Share ownership expectations Encourages long-term decision-making and Shareholder alignment 	<ul style="list-style-type: none"> Implemented two voluntary DSU Plans: (i) Three Year DSU Plan: vest within three years; and (ii) Payment on Termination DSU Plan: vest upon the cessation of employment 	Equity
Mid and Long-Term Incentives	PSUs (50%)	<ul style="list-style-type: none"> Provides a strong link between pay and performance Aligns compensation time horizon with performance measures Attraction / retention 	<ul style="list-style-type: none"> Performance period: three years Based on the performance measures: EBITDA growth (33%), Return on Invested Capital (33%) and Relative Total Shareholder Return (33%)⁽¹⁾ Payout opportunity: 0% - 200% of target 	Cash
	RSUs (25%)	<ul style="list-style-type: none"> Aligns interests of executives and Shareholders to create Shareholder value Attraction / retention 	<ul style="list-style-type: none"> Three year term 100% vest at the end of three years 	Cash

	Objective	Features	Form
Options (25%)	<ul style="list-style-type: none"> Rewards long-term performance of the Corporation and potential for future contribution Links the interests of executives and Shareholders over the long term 	<ul style="list-style-type: none"> Ten year term Vest over a period of 4 years (25% per year) Common Share Options may be exercised if the share price exceeds the Options' exercise price subject to vesting restrictions 	Equity
Pension, Retirement Savings and Benefits	<ul style="list-style-type: none"> Provides a competitive compensation package that minimizes financial risk of the Corporation 	<ul style="list-style-type: none"> Performance period: Pensionable service period Formula-driven payment based on executive's earnings and years of service 	Cash
Perquisites	<ul style="list-style-type: none"> Ensures overall competitively-positioned executive compensation package for attraction / retention 	<ul style="list-style-type: none"> Select perquisites provided on a limited basis to the NEOs and generally do not exceed \$50,000 per person 	Cash

Notes:

- (1) The August 2020 PSU grants made in respect of 2019 performance were based solely on Relative Total Shareholder Return, without consideration of EBITDA Growth or Return on Invested Capital.

Impacts on NEO Pay as a result of COVID-19 in 2020

As a result of the proposed Cineworld Transaction announced on December 15, 2019, the CNCG Committee did not revise the Corporation's 2019 compensation plan for 2020, as the transaction was expected to close prior to June 30, 2020.

The CNCG Committee will consider the impact on the Corporation's business and operations resulting from COVID-19 in evaluating the 2020 performance of its NEOs. As part of Cineplex's broader cost-reduction measures, the following reductions to base salaries for the senior executive team were implemented:

- From March 21 through April 17, 2020, the NEOs and other employees at the level of Senior Vice President or higher received no base salary for two weeks and then 40% of their base pay for the remainder of such period.
- From April 18 through July 3, 2020, the CEO received only 35% of his base pay, the other NEOs received 45% of their base pay and all other employees at the level of Senior Vice President or higher received 55% of their base pay.
- From July 4 through August 22, 2020, the CEO received only 50% of his base pay and the CFO and COO have received 75% of their base pay. The end date for such reductions will be evaluated by the CNCG Committee from time to time, and recommended to the Board for implementation.

Base Salary

Base salaries are paid as a secure and predictable component of compensation to attract and retain talent; they are reviewed annually to reflect performance, competitiveness and scope of responsibility. The CNCG Committee reviews and approves, as appropriate, the CEO's base salary recommendations for the other NEOs. Adjustments are generally in line with the overall salary budget of the organization. In 2020, no NEO received a base salary increase.

Annual Cash Incentives

The annual cash incentive plan is designed to motivate executives to achieve financial and strategic goals over the short term. The CNCG Committee annually establishes a scorecard of performance measures ("**Bonus Measures**") as part of the annual budgeting and business planning process.

Target Annual Incentive Opportunities

	2019 % of Salary	
	Target	Maximum
Ellis Jacob	100%	200%
Gord Nelson	60%	120%
Dan McGrath	75%	150%
Michael Kennedy ⁽¹⁾	40%	80%
Shawn Mandel	50%	100%

Notes:

- (1) Mr. Kennedy's bonus target was increased to 50% by the CNCG Committee in November 2019 for the 2020 plan year to align to the target opportunity of his peers at a similar level.

Bonus Measures

With the exception of the EVP, Filmed Entertainment role, the measures in each plan correlate to each NEO's responsibilities that are cross functional; those measures are set forth in the table below. Mr. Kennedy's bonus measure weighting differs from the remaining NEOs; his is based 50% upon performance and adjusted EBITDA, 25% upon his individual performance and 25% upon confidential film measures. If threshold performance is not achieved on one or more measures, no bonus will be paid on those measures and this principle applies to the entire plan.

To simplify, place more emphasis on business diversification, and to drive focus, for 2019, the bonus measures were updated with the following changes:

- Removal of Operating Expenses per Patron and Film Measures from all executives except EVP Filmed Entertainment; and
- Replace Guest Service with Customer Feedback to measure customer satisfaction from the Company's front-line customer businesses, Cineplex and The Rec Room. Previously, Guest Service only measured feedback from theatres.

Bonus Measures	Weight	Threshold	Target	Maximum	Actual
Performance & Adjusted Performance EBITDAaL (equal weighting) ^{(1),(2)}	50%	\$224,831	\$264,507	\$304,183	\$248,089
Individual Performance	25%	Board or CEO Assessment			Varies
Net Theatre Food Service Retention per Patron	8.33%	\$4.97	\$5.28	\$5.60	\$5.26
Customer Feedback (Top Two Boxes)	8.33%	92%	93%	94%	93.21%
Non-Exhibition Revenue ⁽¹⁾	8.33%	\$424,740	\$499,694	\$574,648	\$465,170
Total	100%				

Notes:

- (1) Data expressed in thousands of dollars.
 (2) EBITDA re-stated to "EBITDAaL" (adjusted EBITDA after leases) in 2019 due to Cineplex adopting IFRS16 financial reporting standards to account for how an organization can recognize, measure and disclose leases of physical buildings and/or equipment as part of any reporting or disclosures.

The following chart outlines the impact of the actual results in the annual incentive plan.

	Actual 2019 Achieved	
	% of Target	% of annualized Salary
Ellis Jacob	89.2%	89.2%
Gord Nelson	89.2%	53.5%
Dan McGrath	89.2%	66.9%
Michael Kennedy	98.3%	39.3%
Shawn Mandel	89.2%	44.6%

ADJUSTED EBITDAaL

EBITDA is defined as earnings before interest income and expense, income taxes and amortization expense. It is the primary financial measure across the Corporation's businesses and is the appropriate primary measure for the annual incentive plans across the organization, including for the NEOs.

Adjusted EBITDA excludes the change in fair value of financial instrument, loss on disposal of assets, foreign exchange, impairment of long-lived assets and goodwill, the equity loss (income) of CDCP, the non-controlling interests' share of adjusted EBITDA TG-CPX Limited Partnership, and depreciation, amortization, interest and taxes of Cineplex's other joint ventures and associates.

Adjusted EBITDAaL modifies adjusted EBITDA to deduct current period cash rent paid or payable related to lease obligations

ADJUSTED PERFORMANCE EBITDAaL

Certain elements of Adjusted EBITDAaL are not controllable by management and so "Adjusted Performance EBITDAaL" is used for performance bonus purposes. Adjusted Performance EBITDAaL is calculated by excluding the impact of stock-based compensation expenses including LTIP and Option Plan expenses from Adjusted EBITDAaL and the impact of unbudgeted acquisitions.

As Cineplex's business is highly dependent on the quality of studio film product, 50% of the Adjusted Performance EBITDAaL measure is calculated reflecting actual Canadian industry growth. The result of using a weighted Adjusted Performance EBITDAaL is to provide both an absolute and a relative measure, and an attendance-adjusted equivalent measure to EBITDAaL is commonly used within the US industry.

INDIVIDUAL PERFORMANCE

Qualitative and discretionary assessment by the Board or CEO based on individual performance during the past year against overall strategic objectives, individual performance objectives, leadership skills and other competencies required at the executive level. The CNCG Committee and the Board retain the ability to exercise discretion to increase or decrease performance-based compensation based on this assessment.

Taken collectively, the following three measures represent the key elements of the Corporation's businesses:

NET THEATRE FOOD SERVICE RETENTION PER PATRON

Cineplex's merchandising business offers guests a range of food choices to enhance their theatre experience while generating strong profit margins for the Corporation. "Net Theatre Food Service Retention per Patron" is arrived at by dividing total Food Service Revenue - Theatre, less Cost of Food Service - Theatre by annual attendance, as set out in the Annual MD&A.

CUSTOMER FEEDBACK (TOP TWO BOXES)

With millions of guests per year in Cineplex theatres and LBE venues across the country, delivering an exceptional experience is an essential element to the Corporation's business success. "Customer Feedback" is arrived at from customer scores at Corporation theatres and the Rec Room locations and is also an important element in theatre team and Rec Room incentive programs.

NON-EXHIBITION REVENUE

Cineplex has introduced initiatives to develop and expand its revenue streams from sources other than box office and food service revenues. Other revenues accounted for approximately 28.6% of the Corporation's revenues for the year ended December 31, 2019. "Total Other Revenue" is the sum of Media Revenue, Amusement Revenue and Other Revenues as set out in the financial statements.

Executive Deferred Share Unit Plans

The Corporation has adopted two executive deferred share unit plans (the "**Executive DSU Plans**") designed to facilitate equity ownership. The plans allow for either a three year deferral of bonus payment (the "**Three Year DSU Plan**") or a longer deferral period (the "**Payment on Termination DSU Plan**"). NEOs and certain other senior officers are entitled to elect to receive all or a portion of the annual cash incentive bonus in the form of DSUs. The Executive DSU Plans do not provide any additional compensation.

Vesting

The DSUs in the Three Year DSU Plan vest on December 15 of the third calendar year following the year the annual incentive plan payment is payable (the "**Vesting Date**"). DSUs in the Payment on Termination DSU Plan vest upon the cessation of employment. On or after the Vesting Date (but in no event later than December 31 of the calendar year in which the Vesting Date falls), the vested DSUs will be settled for cash consideration determined by multiplying the number of vested DSUs by the "fair market value" of a Common Share on such date.

Terms

Participants are credited on the date that annual incentive plan payment would otherwise be payable with a number of DSUs equal to the amount of annual incentive plan payment elected in DSUs divided by the "fair market value" of the Common Shares on such date. The "fair market value" is defined as, if the Common Shares are listed on the TSX, the value of a Common Share determined by reference to the five-day average closing price of a Common Share on the immediately preceding five trading days, or, if the Common Shares are not so listed, the "fair market value" will be the value established by the Board in its sole discretion. Additional partial DSUs will be credited to participants equal to cash dividends paid on the same number of Common Shares, based on the "fair market value" of a Common Share at the time cash dividends are paid on the Common Shares.

None of the NEOs elected to receive any portion of their annual incentive plan payment in DSUs in 2019.

MID AND LONG-TERM INCENTIVE COMPENSATION

The CNCG Committee annually reviews the amount of mid and long-term incentive compensation (“**MLTIC**”) to be awarded to NEOs and other participants. The CNCG Committee meets with the CEO to solicit feedback regarding each individual’s present and potential contribution, total compensation package, number of Common Shares available for issuance under the Existing Option Plan (described below), and limitations on grants to insiders.

PSUs represent 50% of the target MLTIC grant and will be subject to a payout range of 0% to 200% of target based on select performance criteria. The remainder of the MLTIC grant is split between RSUs, to support retention of key talent, and stock options which reward for share price growth. The value of the option grants continues to be limited to 25% of the MLTIC combined grant levels.

	Target (% of Base Salary)	Actual Approved Grant (% of Base Salary)	Actual Award (% of Base Salary) ^{1(a)}	Long-term Incentive Mix		
				PSUs	RSUs	Stock Options
Ellis Jacob	200%	160%	See Note 1(b)	50%	25%	25%
Gord Nelson	100%	80%	See Note 1(b)	50%	25%	25%
Dan McGrath	125%	100%	See Note 1(b)	50%	25%	25%
Michael Kennedy	70%	56%	See Note 1(b)	50%	25%	25%
Shawn Mandel ²	75%	75%	See Note 1(b)	50%	25%	25%

Notes:

- (1) (a) The 2020 MLTIC awards made as part of the 2019 compensation year, were approved on November 13, 2019 by the CNCG Committee but not yet granted due to the covenants relating to the potential acquisition of Cineplex by Cineworld. The agreement with Cineworld restricted new grants of equity incentives to any employee post December 15, 2019. The 2020 grants were to be paid in cash, prorated for time, from the beginning of the performance period to the sale closing date. All NEO grant awards with the exception of Mr. Mandel were reduced by 20% of the overall award to account for company performance. (b) As a result of the Cineworld Transaction not being completed, on July 28, 2020, the CNCG Committee reapproved the 2020 MLTIC awards (for the 2019 compensation year) at the levels noted the Actual Approved Grant column in the above table. Awards will be made under the proposed Omnibus Incentive Plan, if approved by Shareholders, or under the Existing Option Plan, PSU Plan and RSU Plan, as applicable, if the Omnibus Incentive Plan is not approved by Shareholders. The MLTIC grants approved for issuance in 2020 were reduced by 20% of the overall award to account for share price performance, consistent with the MLTIC grants in respect of the previous year, with the exception of the MLTIC grants to Mr. Mandel.
- (2) Mr. Mandel was hired in Q2 2019 and was provided with his target MLTIC grant as part of his employment agreement.

Performance Share Unit Plan

The Corporation adopted a PSU Plan for certain employees of Cineplex, as selected by the CEO and approved by the CNCG Committee. Each PSU granted notionally represents the value of one Common Share on the date of the grant. Additional partial PSUs will be credited to each PSU participant equal to cash dividends paid on the same number of Common Shares, based on the “fair market value” of a Common Share at the time cash dividends are paid on the Common Shares.

The CNCG Committee annually determines the terms of the PSU Plan grants including the performance period, performance measures and multiplier, based on the recommendation of the CEO as well as input from management, Willis Towers Watson and investment analyst projections. Starting with the 2017 PSU grant, the PSU has a payout range of 0% to 200% of target based on the actual performance at the end of three years against select performance measures. Each PSU grant has a number of performance measures that provide a wide band of payout potential and validate its definition as a performance share unit plan.

The 2017 PSU completed its three-year performance period in November 2019 and achieved a performance factor of 0.66%. The 2018 and 2019 PSU plans are currently tracking at performance factor of 1.00 as of year-end.

Performance conditions were revised to reflect the organization’s focus on investing in its diversification strategy and in demonstrating value creation. In addition to the changes to the performance measures, the comparator group for the Relative Total Shareholder Return Metric has been revised to measure against two groups, the first being an established peer group made of companies that compete in our industry and the second being the S&P/TSX Composite Index. The Return on Invested Capital is measured by annualized return on newly invested capital and includes annualized returns on growth capital expenditures and acquisitions during the three-year performance period exceeding target amounts.

Return on Invested Capital (ROIC) (33.3%)	+	EBITDA Growth (33.3%)	+	Relative TSR (33.3%)																																																																							
<table><tr><th></th><th>Performance</th><th>Multiplier</th></tr><tr><td>Max</td><td>25.0%</td><td>2.00x</td></tr><tr><td>Target</td><td>20.0%</td><td>1.00x</td></tr><tr><td>Threshold</td><td>15.0%</td><td>0.50x</td></tr><tr><td><Threshold</td><td><15.0%</td><td>0.00x</td></tr></table> <p>Payouts on ROIC will be prorated between each hurdle</p>		Performance	Multiplier	Max	25.0%	2.00x	Target	20.0%	1.00x	Threshold	15.0%	0.50x	<Threshold	<15.0%	0.00x		<table><tr><th></th><th>Performance</th><th>Multiplier</th></tr><tr><td>Max</td><td>30.0%</td><td>2.00x</td></tr><tr><td>Target</td><td>20.0%</td><td>1.00x</td></tr><tr><td>Threshold</td><td>10.0%</td><td>0.50x</td></tr><tr><td><Threshold</td><td><10.0%</td><td>0.00x</td></tr></table> <p>Payouts on EBITDA measures will be prorated between each hurdle</p>		Performance	Multiplier	Max	30.0%	2.00x	Target	20.0%	1.00x	Threshold	10.0%	0.50x	<Threshold	<10.0%	0.00x		<table><tr><th rowspan="8">Select Peer Group 67%</th><th></th><th>Rank</th><th>Multiplier</th></tr><tr><td></td><td>1st</td><td>2.00x</td></tr><tr><td></td><td>2nd</td><td>1.67x</td></tr><tr><td></td><td>3rd</td><td>1.33x</td></tr><tr><td></td><td>4th</td><td>1.00x</td></tr><tr><td></td><td>5th</td><td>0.67x</td></tr><tr><td></td><td>6th</td><td>0.33x</td></tr><tr><td></td><td>7th</td><td>0.00x</td></tr><tr><th rowspan="5">S&P/TSX Composite 33.3%</th><th></th><th>Rank</th><th>Multiplier</th></tr><tr><td>Max</td><td>75th</td><td>2.00x</td></tr><tr><td>Target</td><td>50th</td><td>1.00x</td></tr><tr><td>Threshold</td><td>25th</td><td>0.50x</td></tr><tr><td><Threshold</td><td><25th</td><td>0.00x</td></tr></table>	Select Peer Group 67%		Rank	Multiplier		1 st	2.00x		2 nd	1.67x		3 rd	1.33x		4 th	1.00x		5 th	0.67x		6 th	0.33x		7 th	0.00x	S&P/TSX Composite 33.3%		Rank	Multiplier	Max	75th	2.00x	Target	50th	1.00x	Threshold	25th	0.50x	<Threshold	<25th	0.00x
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- Reflects a mix of absolute and relative measures.
- Focuses on growth measures over a three year period versus specific targets.
- The multipliers for each metric sum to a final multiplier used to determine payouts at period end.

Performance Peers

- Relative TSR Select Peers:**
AMC Entertainment Inc., Cinemark Holdings Inc., Dave & Buster’s Entertainment Inc., National CineMedia Inc., IMAX Corporation and The Marcus Corporation.
- S&P/TSX Composite:**
Reflects the constituents of the S&P/TSX composite at the end of the performance period.

WHY THESE PEERS?

- Operate in the same industry as Cineplex’s core business of theatrical exhibition and entertainment centers
- Most regularly evaluated against by public market analysts



The absolute targets take into account the projections of both Cineplex and of equity research analysts of future performance during the performance plan period⁽¹⁾.

Notes:

- (1) The PSUs granted on August 17, 2020 (in respect of performance in the 2019 compensation year) were based solely on Relative Total Shareholder Return, without consideration of EBITDA Growth or Return on Invested Capital.

Vesting

Under the terms of the PSU Plan, a participant's adjusted award will vest at the end of the applicable performance period. On a date selected by the CNCG Committee, which shall be within 30 days after the vesting date, and subject to any withholding obligations, a participant will be entitled to redeem his or her vested PSUs and the Corporation will make a lump sum cash payment in an amount equal to the number of vested PSUs held by such participant multiplied by the average closing price of the Common Shares for the 30 days immediately prior to the end of the relevant performance period.

Terms

The PSU Plan is unfunded. The terms and conditions of PSUs granted under the PSU Plan are subject to adjustments in certain circumstances, as set forth in the PSU Plan, in the discretion of the CNCG Committee. The CNCG Committee may discontinue the PSU Plan at any time or, except as set forth below, may amend the PSU Plan at any time (including amendments to change the vesting provisions of any PSU), provided, however, that no such amendment or termination may diminish any rights accrued in respect of grants of PSUs made prior to the effective date of such amendment or termination.

Restricted Share Unit Plan

The RSU Plan operates in the same manner and has the same terms as the PSU Plan, simply without the performance conditions. Each RSU notionally represents the value of one Common Share on the date of the grant. Additional partial RSUs will be credited to each RSU participant equal to cash dividends paid on the same number of Common Shares, based on the "fair market value" of a Common Share at the time cash dividends are paid on the Common Shares.

Vesting

A participant's award will vest at the end of the applicable period, consistent with the PSU plan. On a date selected by the CNCG Committee, which shall be within 30 days after the vesting date, and subject to any withholding obligations, a participant will be entitled to redeem his or her vested RSUs and the Corporation will make a lump sum cash payment in an amount equal to the number of vested RSUs held by such participant multiplied by the average closing price of the Common Shares for the 30 days immediately prior to the end of the relevant period.

Existing Option Plan

On March 10, 2016, pursuant to section 23(c)(i) of the Existing Option Plan, the Board approved certain housekeeping amendments to the Existing Option Plan to (i) remove references to Cineplex Galaxy Income Fund from the Existing Option Plan as no longer relevant; and (ii) revise the default vesting provisions from three years to four years for new grants of Options. Options may be granted to participants in respect of unissued Common Shares.

Plan Element	Description
Eligibility	Granted to selected individuals at the Executive Director level and above
Grant Determination	The CEO considers each participant's present and potential contribution to the success of the Corporation and provides a recommendation to the CNCG Committee which annually recommends the number and allocation of Options per participant to be granted by the Board
Exercise Price	All Options will have a fixed exercise price, which shall not be less than the closing price of the Common Shares on the TSX on the trading day immediately preceding the date of grant (except that if no Common Shares traded in the five preceding trading days, the exercise price will be not less than the average of the closing bid and ask prices over the preceding five trading days)
Vesting	<i>Prior to 2015:</i> One-third of the total Options granted vest on each of the first three anniversaries of the grant

Plan Element	Description
	<i>Commencing in 2015:</i> One-fourth of the total Options granted vest on each of the first four anniversaries of the grant
Term	Maximum term of ten years, subject to extension of up to ten business days in the event that termination of an Option would otherwise occur during a blackout period. This was extended from five years in December 2010
Conditions	Non-transferable

BENEFITS AND PERQUISITES

Eligibility

All NEOs participate in the group benefits plan for all employees that provides health, dental and out-of-country benefits coverage on a cost-sharing basis.

Additional Coverage

Personal and Immediate Family Medical Costs	<ul style="list-style-type: none"> Up to \$20,000 and approximately \$10,000 for Mr. Jacob and the remaining NEOs, respectively This coverage provides additional support to these individuals during times of illness and aids in their preventative health care and quick recovery Each NEO can access medical consultations on an expedited basis 										
Life Insurance	<ul style="list-style-type: none"> A whole life insurance policy is provided to Mr. Jacob and Mr. McGrath in lieu of life coverage available under the group benefits plan (valued at \$1,000,000 and \$500,000, respectively) Policies are convertible upon retirement and, in the case of Mr. Jacob, provide a more appropriate level of coverage than is available under the group benefits plan Remaining NEOs pay personally for term life insurance under the group benefits plan 										
Disability	<ul style="list-style-type: none"> Additional disability coverage is provided by Cineplex to each NEO as the formula for disability coverage in the group benefits plan does not provide sufficient replacement income for individuals at higher income levels 										
Travel	<ul style="list-style-type: none"> Each of the NEOs is required to travel in the normal course of business and an annual car allowance treated as taxable income is paid to each NEO as follows: <table data-bbox="391 1339 928 1549"> <tr> <td>Ellis Jacob</td><td>\$24,000</td></tr> <tr> <td>Gord Nelson</td><td>\$14,000</td></tr> <tr> <td>Dan McGrath</td><td>\$14,000</td></tr> <tr> <td>Michael Kennedy</td><td>\$14,000</td></tr> <tr> <td>Shawn Mandel</td><td>\$14,000</td></tr> </table> <p>The amounts have been set and are benchmarked against widely-available data in compensation surveys.</p> 	Ellis Jacob	\$24,000	Gord Nelson	\$14,000	Dan McGrath	\$14,000	Michael Kennedy	\$14,000	Shawn Mandel	\$14,000
Ellis Jacob	\$24,000										
Gord Nelson	\$14,000										
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Shawn Mandel	\$14,000										

RETIREMENT SAVINGS AND PENSION AGREEMENTS

Group Registered Retirement Savings Plan

Employer contributions are made to the Group Registered Retirement Savings Plan (“GRRSP”) for each NEO’s account based on contributions by each NEO to its GRRSP in accordance with the following schedule:

Employee GRRSP Contributions	0%	1%	2%	3% or more
Employment Service	Cineplex GRRSP Contributions			
Less than 1 year	0%	0%	0%	0%
>1 year – 5 years	0%	1%	2%	3%
5 – 10 years	0%	1.3%	2.7%	4%
More than 10 years	0%	1.7%	3.3%	5%

- *Review.* Regularly reviewed against market data to provide a competitive retirement incentive.
- *Eligible.* All full-time Cineplex employees at the same employer contribution levels.
- *Calculation.* GRRSP contributions are based on current base salary at the time of contribution.
- *Adjustments.* Occur on service anniversaries throughout the year.

2019 employer contributions to GRRSP as a percentage of 2019 base salary are set out below. Employer contributions are made only to the annual RRSP contribution maximum in a year and accordingly may be lower than the earned entitlement.

Ellis Jacob	5.0%
Gord Nelson	5.0%
Dan McGrath	5.0%
Michael Kennedy	5.0%
Shawn Mandel ⁽¹⁾	0.0%

Notes:

- (1) One year waiting period for new hires and is contingent on employee voluntary payroll deductions for employer matching to occur.

Defined Benefit Plan

Cineplex Entertainment LP established a supplemental executive retirement plan (“SERP”) for Mr. Jacob, pursuant to the terms of his employment agreement, effective January 1, 2006 and amended and restated on October 1, 2010, March 1, 2014 and March 1, 2017. Cineplex Entertainment LP is required to secure its obligations under the SERP by posting a letter of credit with a face amount equal to the accrued pension benefit obligation in respect of the SERP as recorded in the Annual Financial Statements.

The SERP provides for annual maximum payments as follows depending on Mr. Jacob’s actual date of retirement:

Retirement Age	66	67 & thereafter
Maximum Payment	\$575,000	\$650,000

Provided Mr. Jacob’s employment is not terminated as described below, he is entitled (at his option) to elect to receive a lump sum payment equal to the commuted value of the applicable benefit described above. If Mr. Jacob’s employment is terminated in any of the three circumstances described below, then Mr. Jacob will be entitled (at his option) to either: (a) receive a lump sum payment of the present value of an annuity that would provide for annual payments determined as if he had attained age 67 but with such payments to commence as of the termination of his employment; or (b) to receive such annual payments commencing as of the termination of his employment. The three circumstances under which this option exists are the following: if Mr. Jacob’s employment is terminated: (i) by Cineplex Entertainment LP without cause; (ii) by Mr. Jacob based on constructive dismissal or similar circumstances or within 12 months following a change of control; or (iii) by Mr. Jacob or Cineplex Entertainment LP as a result of Mr. Jacob becoming disabled. The total amount accrued under the SERP as at December 31, 2019 related to Mr. Jacob is \$9,935,500, and the current service cost of the SERP attributable to Mr. Jacob’s 2019 service is approximately \$430,800 as reflected in the Defined Benefit Plan table following the Summary Compensation Table.

EXECUTIVE SUCCESSION PLANNING

Objective

A key responsibility of the Board, acting on the recommendations of the CNCG Committee, is to ensure there is both an emergency and long-term plan in place to replace the CEO when necessary.

Action

In addition to reviewing the existing CEO's performance annually on a formal basis, regular discussions are held with the CEO about retirement plans and term of contract to facilitate long-term succession planning. Based on the talent review process, input of the CEO and separate consideration of any qualified external candidates, the CNCG Committee and the Board ensure that there is a short-term and long-term plan to manage CEO succession in an orderly manner and also to ensure the very best talent is selected.

Talent Review

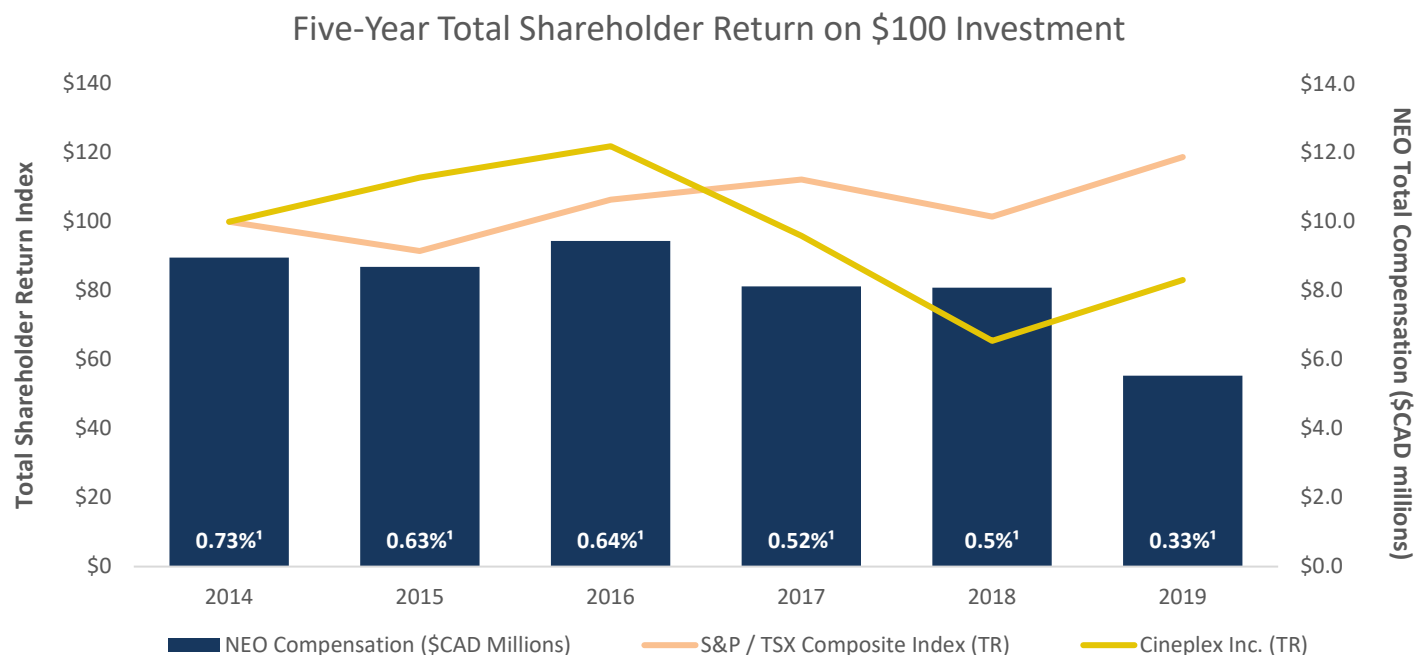
The CNCG Committee also annually conducts a talent review with the CEO to assess the potential bench strength of key executives, including the following:

- Actual performance against objectives
- Key strengths
- Development opportunities
- Promotion potential of key executives
- In-depth review of the contingency and long-term succession plans for the CEO and executive team

Throughout the year, key executives present business information at Board or committee meetings to demonstrate their business knowledge and potential for taking on more responsibility. Social and other events beyond meetings are held to allow Directors to interact more informally with key executives and other employees.

PERFORMANCE GRAPH

The graph below compares the return for \$100 invested in Common Shares on December 31, 2014 with the total return of the S&P/TSX Composite Index (the “**Index**”), assuming the reinvestment of dividends in additional Common Shares. The graph also demonstrates an alignment between Shareholder return and the level of NEO compensation.



Notes:

(1) Refers to total compensation as a percentage of revenue.

NEO compensation is based on the amounts disclosed in the Summary Compensation Table relating to fiscal periods from 2014 to 2019 for the five most highly compensated executive officers in each year.

From 2014 to 2019, total return delivered to Shareholders was positive (26.90%). The share price jumped significantly in December 2019 after the announcement of the potential acquisition of Cineplex by Cineworld. Over the same period, total compensation reported in the summary compensation table has decreased from 0.7% to 0.3% of revenue, more specifically detailed in the table below. In the prior year (2018), the reduction was between 0.7% and 0.5% over 5 years. The additional drop in 2019 is attributed to the long-term incentive grants being approved but not yet awarded in the normal timeframe and not being counted in total compensation. As a result of the Cineworld Transaction not being completed, on July 28, 2020, the CNCG Committee reapproved the 2020 awards (for the 2019 compensation year), resulting in NEO total compensation for 2019 of 0.51% of revenue, generally aligned with 2017 and 2018 compensation levels.

While compensation reported in the summary compensation table includes actual cash (salary and bonus), Cineplex notes that it also includes the MLTIC at grant and not the amounts that have been realized by the NEOs through those programs. The 2017 PSU (granted in February 2017) achieved a final performance factor of 0.66% (where 1x would be equal to target) and most of the options granted since 2014 have exercise prices higher than the current share price (i.e., are under water).

Alignment between Revenue and NEO Compensation

While Cineplex's revenue has increased by approximately 35% since 2014, total NEO compensation (as a percentage of revenue) has decreased by 0.40% over the same time period.

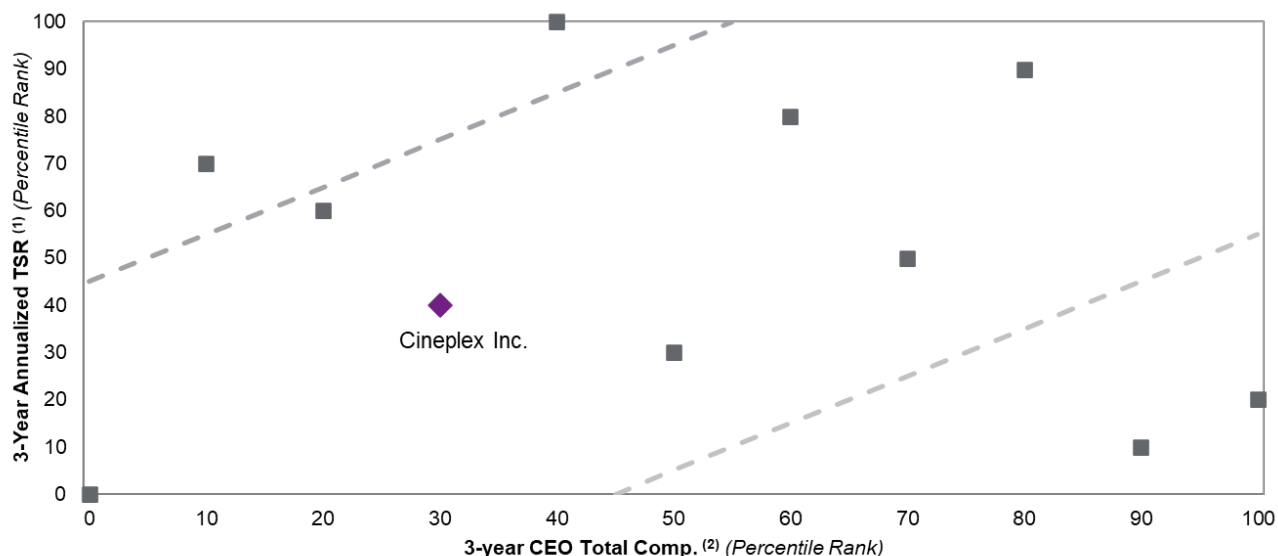
	2014	2015	2016	2017	2018	2019
Revenue (\$CAD Millions)	\$1,235	\$1,371	\$1,478	\$1,555	\$1,612	\$1,665
NEO Compensation (\$CAD Millions)	\$8.96	\$8.69	\$9.44	\$8.12	\$8.09	\$5.54
NEO Compensation (as a % of revenue) ⁽¹⁾	0.73%	0.63%	0.64%	0.52%	0.5%	0.33%

Notes:

(1) Refers to total compensation as a percentage of revenue.

CEO PAY-FOR-PERFORMANCE: ZONE OF ALIGNMENT

The table below provides another perspective of Cineplex's CEO pay-for-performance alignment relative to its compensation comparator group, which includes direct Canadian consumer-facing and US exhibitor peers. Each dot on the table represents a comparator organization. Cineplex's positioning within the alignment zone illustrates that Cineplex's relative three-year total CEO compensation is aligned with Cineplex's relative total Shareholder return (share price increase plus dividends, "TSR").



Notes:

(1) TSR reflects the three-year period ending December 31, 2019.

(2) Total compensation is defined as actual compensation as disclosed in the Summary Compensation Table for the previous three years.

Based on the December 31, 2019 share price, long-term incentives granted over the past five years are valued between 26% and 170% of the grant value. The CEO has not exercised any of the options granted since 2014. Of all Options granted over the last 5 years, the 2015-2017 Options are currently under water and have no value whereby the 2018 and 2019 Options are "in the money" as of December 31, 2019.

CEO Long-Term Incentive Value (year of grant)		2015	2016	2017	2018	2019
Options	Fair Value as at Grant Date	\$500,000	\$750,000	\$400,000	\$400,000	\$400,000
	Value as at Dec. 31, 2019 ⁽¹⁾	\$0	\$0	\$0	\$37,956	\$1,502,873
Units	PSUs (Grant Value)	\$1,500,000	\$2,250,000	\$1,200,000	\$800,000	\$800,000
	PSU Paid/Current Value ⁽²⁾	\$1,485,124	\$808,401	\$865,152	\$796,281	\$877,516
RSUs	RSUs (Grant Value)	N/A	N/A	N/A	\$400,000	\$400,000
	RSU Current Value ⁽³⁾	N/A	N/A	N/A	\$396,401	\$436,838
Total Current Value (as a % of Target)		74.26%	26.95%	54.07%	76.91%	170.08%

Notes:

- (1) Option value is based the TSX closing price per Common Share of \$33.85, as at December 31, 2019.
- (2) Paid value for 2015, 2016 and 2017 represents actual value based on performance factors for the 2015, 2016 and 2017 PSU plans; current value for 2018 and 2019, represents the performance factor 1.00% and the TSX closing share price per Common Share of \$33.85 as at December 31, 2019.
- (3) RSU Current Value represents the number of RSUs awarded multiplied by the TSX closing share price per Common Share of \$33.85 as at December 31, 2019.

SUMMARY COMPENSATION TABLE

The following table sets out information concerning the compensation earned by the NEOs for the three most recently completed financial years:

Name and Principal Position	Year	Salary (\$)	Unit-Based Awards (\$) ^(1a)	Option-Based Awards (\$) ⁽²⁾ (a)	Annual Non-Equity Incentive Plan Compensation (\$) ⁽³⁾	Pension Value (\$) ⁽⁴⁾	All Other Compensation (\$) ⁽⁵⁾	Total Compensation (\$)
Ellis Jacob President and Chief Executive Officer	2019	1,000,000	See Note 1(b)	See Note 2(b)	892,228	457,300	100,372	2,449,900
	2018	1,000,000	1,200,000	400,000	993,177	463,930	101,772	4,158,879
	2017	1,000,000	1,200,000	400,000	797,525	740,121	101,175	4,238,821
Gord Nelson Chief Financial Officer	2019	451,440	See Note 1(b)	See Note 2(b)	241,672	22,572	0	715,684
	2018	451,440	270,864	90,288	269,075	21,301	0	1,102,968
	2017	451,440	270,864	90,288	216,698	21,301	0	1,050,591
Dan McGrath Chief Operating Officer	2019	533,520	See Note 1(b)	See Note 2(b)	357,015	26,500	0	917,035
	2018	533,520	400,140	133,380	397,550	26,230	0	1,490,820
	2017	520,000	400,140	133,380	320,122	23,721	0	1,397,363
Michael Kennedy EVP, Filmed Entertainment	2019	381,440	See Note 1(b)	See Note 2(b)	150,002	19,072	0	550,514
	2018	381,440	160,204	53,402	154,717	18,075	0	767,838
	2017	380,289	160,204	53,401	119,571	18,075	0	731,540
Shawn Mandel⁽⁶⁾ Chief Digital & Technology Officer	2019	228,846	241,250	113,750	201,679	0	0	785,525
	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) (a) This column shows the grant date value of awards in respect of the compensation year (although granted early the following year). Previously the Corporation disclosed awards in the year in which they were granted. The "Unit-Based Awards" column includes the value of the PSU and RSU awards made for 2017 at a grant price of \$38.78 and for 2018 at a grant price of \$33.04 per unit. The awards for the 2019 compensation year were approved on November 13, 2019 by the CNCG Committee but not yet granted due to the covenants relating to the potential acquisition of Cineplex by Cineworld, which was repudiated by Cineworld on June 12, 2020.
- (b) On August 17, 2020, the Board approved the unit-based awards outlined below to the Named Executive Officers under the proposed Omnibus Incentive Plan, if approved by Shareholders, and under the existing PSU Plan and RSU Plan if the Omnibus Incentive Plan is not approved. Consistent with the last two years, awards have been reduced by 20% from the target award, with the exception of Mr. Mandel's award. The PSU performance metrics exclude the financial metrics (ROIC and EBITDA growth) given the challenges around setting three year financial objectives at this time. It was felt that relative market performance against direct North American peers (67% weight) and the broader Canadian market (S&P/TSX Composite, 33% weight) remain a critical performance indicator. The 2019 unit-based awards (PSUs and RSUs) for Messrs. Jacob, Nelson, McGrath, Kennedy and Mandel are 145,455, 32,832, 48,502, 19,419, and 23,182 units, respectively. The grant date values of these awards for Messrs. Jacob, Nelson, McGrath, Kennedy and Mandel are \$1,200,000, \$270,864, \$400,140, \$160,205 and \$191,250, respectively.
- (2) (a) Amounts in this column reflect the grant date fair value of Option awards in respect of the compensation year (although granted early the following year). Previously the Corporation disclosed awards in the year in which they were granted. Amounts will be recognized as share-based compensation expense by Cineplex for financial reporting purposes, as determined in accordance with IFRS 2, "Share-based payments" of the CPA Canada Handbook – Accounting. There were no Options for the NEOs that were adjusted, amended, cancelled, replaced or significantly modified.
- (b) On August 17, 2020, the Board approved the awards of Options outlined below to the Named Executive Officers under the proposed Omnibus Incentive Plan, if approved by Shareholders, and under the Existing Option Plan if the Omnibus Incentive Plan is not approved. Consistent with the last two years, awards have been reduced by 20% from the target award, with the exception of Mr. Mandel's award. The number of Options

granted has been determined using a value ratio of 38.2% reflecting the recent share price and dividend experience. The 2019 option-based awards for Messrs. Jacob, Nelson, McGrath, Kennedy and Mandel are 126,984, 28,663, 42,343, 16,953, and 20,238 Options, respectively. The grant date values of these awards for Messrs. Jacob, Nelson, McGrath, Kennedy and Mandel are \$400,000, \$90,288, \$133,380, \$53,402 and \$63,750, respectively.

- (3) All amounts reflected under “Annual Non-Equity Incentive Plan Compensation” relate to the annual cash incentive program and are based on the Bonus Measures. While the full value of their annual incentive plan payments for the last three years are reflected above, in 2017 Messrs. Nelson and McGrath each elected to receive 100% and 50% respectively of their annual incentive plan payment as DSUs and in 2018, Mr. Nelson elected to receive 100% of his annual incentive plan payment as DSUs. No long-term incentive plan column is presented, as the Corporation does not have any non-equity incentive plans that are not otherwise represented in other columns.
- (4) The “Pension Value” amounts for Mr. Jacob are the total of the amounts shown in both of the “Compensatory Change” columns of the Defined Benefit Plans and Group Registered Retirement Savings Plans set forth under the *Pension Arrangements* section.
- (5) The “All Other Compensation” column includes amounts that, in the aggregate, are worth \$50,000 or more per year for each NEO. Mr. Jacob receives an annual car allowance in the amount of \$24,000 and Mr. Nelson, Mr. McGrath, Mr. Kennedy and Mr. Mandel are each entitled to an annual car allowance of \$14,000. See the *Employment Agreements* section.
- (6) Mr. Mandel was hired in the second quarter of 2019 and was provided with 5,242 RSUs and 4,676 PSUs at a grant price of \$24.32 per unit and was also provided with 48,547 Options with an exercise price of \$25.06. The number of Options granted was determined using the Black-Scholes valuation methodology looking at the inputs relating to: Volatility (16.15%); Yield (3.38%); Interest rate (2.06%); and Expected life (4 years). The Black-Scholes ratio derived to calculate the number of Options issued was 9.35%. Mr. Mandel also received a cash sign-on bonus in the amount of \$50,000 which is reflected in the “annual non-equity incentive plan compensation” in conjunction with his 2019 annual incentive award of \$151,679.

INCENTIVE PLAN AWARDS

The following table sets out all outstanding incentive-based awards for each NEO as at December 31, 2019. The value of unvested “Unit-Based Awards” noted in the chart is included in the values noted in the “Unit-Based Awards” column of the Summary Compensation Table. Annual incentive award amounts to be paid in DSUs are included in the values noted in the “Annual Non-Equity Incentive Plan Compensation” column of the Summary Compensation Table.

Name	Option-Based Awards					Unit-Based Awards		
	Year of Option Grant	Number of Common Shares Underlying Unexercised Options (#) ⁽¹⁾	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised “In-The-Money” Options (\$)	Number of Common Shares in Unit-Based Awards That Have Not Vested (#) ⁽²⁾	Market or Payout Value Of Unit-Based Awards That Have Not Vested (\$) ⁽³⁾	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$) ⁽⁴⁾
Ellis Jacob	2019	170,781	25.05	02/21/2029	1,502,873	189,694	6,421,156	0
	2018	145,985	33.59	02/27/2028	37,956	0	0	0
	2017	184,275	51.25	02/21/2027	0	0	0	0
	2016	133,690	47.86	02/12/2026	0	0	0	0
	2015	133,690	49.14	02/18/2025	0	0	0	0
	2014	240,449	40.45	02/14/2024	0	0	0	0
	2013	103,553	33.49	02/12/2023	37,279	0	0	0
	2012	22,000	27.33	02/14/2022	143,440	0	0	0
Gord Nelson	2019	38,549	25.05	02/21/2029	339,231	34,610	1,171,560	0
	2018	32,952	33.59	02/27/2028	8,568	0	0	0
	2017	27,730	51.25	02/21/2027	0	0	0	0
	2016	29,412	47.86	02/12/2026	0	0	0	0
	2015	28,075	49.14	02/18/2025	0	0	0	0
	2014	29,494	40.45	02/14/2024	0	0	0	0

Name	Option-Based Awards					Unit-Based Awards		
	Year of Option Grant	Number of Common Shares Underlying Unexercised Options (#) ⁽¹⁾	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised "In-The-Money" Options (\$)	Number of Common Shares in Unit-Based Awards That Have Not Vested (#) ⁽²⁾	Market or Payout Value Of Unit-Based Awards That Have Not Vested (\$) ⁽³⁾	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$) ⁽⁴⁾
Dan McGrath	2019	56,947	25.05	02/21/2029	501,134	29,995	1,015,322	0
	2018	48,679	33.59	02/27/2018	12,656	0	0	0
	2017	40,964	51.25	02/21/2027	0	0	0	0
	2016	43,449	47.86	02/12/2026	0	0	0	0
	2015	43,449	49.14	02/18/2025	0	0	0	0
	2014	45,646	40.45	02/14/2024	0	0	0	0
Michael Kennedy	2019	22,800	25.05	02/21/2029	200,640	9,815	332,242	0
	2018	19,490	33.59	02/27/2028	5,067	0	0	0
	2017	16,401	51.25	02/21/2027	0	0	0	0
	2016	17,498	47.86	02/12/2026	0	0	0	0
	2015	17,155	49.14	02/18/2025	0	0	0	0
	2014	11,779	40.45	02/14/2024	0	0	0	0
	2013	6,248	33.49	02/12/2023	2,249	0	0	0
Shawn Mandel	2019	48,547	25.06	04/26/2029	426,728	10,402	352,100	0

Notes:

- (1) Includes both unvested and vested Options valued as at December 31, 2019. In 2019, none of the NEOs exercised any options.
- (2) The number of Common Shares that have not vested is the number of PSUs, RSUs and DSUs granted from 2011 to 2019, including dividend equivalents, which will pay out in cash, not shares. In the case of the DSUs, they represent that portion of "Annual Incentive Plans" amounts as shown in the Summary Compensation Table taken by NEOs as deferred compensation.
- (3) The market value of the unvested awards is based upon the TSX closing price per Common Share of \$33.85, as at December 31, 2019.
- (4) All PSUs and RSUs are paid out in cash within 30 days of vesting. All DSUs under the Three Year Plan pay out in cash within 15 days of vesting. As at December 31, 2019 there were no vested awards awaiting payout.

The following table sets out the value of incentive plan awards vested or earned for each NEO during the past year. All of these amounts are included in the Summary Compensation Table as described in the notes below.

Name	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾	Unit-Based Awards – Value Vested During the Year (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$) ⁽³⁾
Ellis Jacob	9,489	1,673,553	892,228
Gord Nelson	2,142	365,872	241,672
Dan McGrath	3,164	540,519	357,015
Michael Kennedy	1,267	182,817	150,002
Shawn Mandel	0	0	201,679

Notes:

- (1) One quarter of each of the 2015, 2016 and 2017 award, vested in 2019, with a value of \$0.00 on December 31, 2019. One quarter of the 2018 Option grant vested in 2019 and had a value of \$0.26 per Option by taking the difference of the grant price of \$33.59 versus the December 31, 2019 close price of \$33.85. The amounts above reflect the value of the awards that vested in 2019 calculated using the December 31, 2019 share close price of \$33.85 against the original grant price.

- (2) The amounts reflected in the “Unit-Based Awards – Value Vested During the Year” column represent the PSUs awarded in 2016 and 2017 that fully vested in February and November, 2019. These represent a lower value than their original grant date resulting in a negative return which reflects company and share price. In the case of Messrs. Nelson and McGrath, it also includes the DSUs granted in 2017 as part of their 2016 bonus elections and which vested in 2019.
- (3) The amounts reflected in the final column, “Non-Equity Incentive Plan Compensation – Value Earned During the Year”, represent the annual incentive plan cash payments or amounts deferred into DSUs for 2019 as reflected in the “Annual Non-Equity Incentive Plan Compensation” column in the Summary Compensation Table. All DSU amounts are also included in the prior table as “Market or Payout Value Of Unit-Based Awards That Have Not Vested”.

SUMMARY OF LONG-TERM INCENTIVE PLANS

The aggregate number of Common Shares reserved for issuance upon the exercise of all Options granted under the Option Plan may not exceed 5,250,000 Common Shares.

Except with the approval of the Shareholders given by the affirmative vote of a majority of the votes cast at a meeting of the Shareholders (excluding the votes attaching to Common Shares beneficially owned by insiders to whom Common Shares may be issued pursuant to any unit compensation arrangement and their associates), no Options shall be granted to any participant if such grant could result in the aggregate number of Common Shares issued to insiders within any 12-month period, or issuable to insiders at any time, under the Option Plan and any other security compensation arrangement, to exceed 10% of the total number of issued and outstanding Common Shares and securities exchangeable for Common Shares at such time.

Pursuant to the Option Plan, a participant, rather than exercising an Option, may elect at any time to surrender his or her vested Options for cancellation and receive an amount (the “**Growth Amount**”) equal to the difference between the market price of the Common Share underlying the Option and the exercise price of the Option, which Growth Amount, less any amounts required to be withheld, will be payable through the issuance by the Corporation to the participant of a number of Common Shares calculated by dividing the Growth Amount by the market price of the underlying Common Shares.

The Option Plan provides that a participant will be required to repay funds from the disposition of Common Shares acquired on exercise of an Option or proceeds derived from an Option in certain circumstances, including where the participant has been determined to have engaged in acts of fraud or breach of fiduciary duty.

The terms and conditions of Options granted under the Option Plan are subject to adjustments in certain circumstances, as set forth in the Option Plan, in the discretion of the Board. The Board may discontinue the Option Plan at any time or, except as set forth below, may amend the Option Plan at any time (including amendments to change the vesting provisions of any Option, to change the termination provisions of any Option that does not entail an extension beyond the original expiration date and to change eligible participants of the Option Plan), provided, however, that no such amendment may adversely alter or impair any Option previously granted to a participant without the consent of the participant. Any such amendment shall, if required, be subject to the prior approval of, or acceptance by, the TSX.

An amendment to: (i) increase the aggregate number of Common Shares issuable under the Option Plan; (ii) extend the term of an Option other than as provided for in the Option Plan; (iii) reduce the exercise price of Options previously granted, (iv) cancel and reissue Options to the same participant at a lower price; (v) effect a change in the eligibility to participate in the Plan which would permit non-employee Director participation in the Plan; or (vi) effect a change which would permit Options to be transferable or assignable, other than in the event of death or legal incapacity, requires approval by vote of a majority of the votes cast at a meeting of the Shareholders (excluding the votes attaching to Common Shares beneficially owned by insiders to whom Common Shares may be issued pursuant to any unit compensation arrangement and their associates).

Option Dilution

The following dilution calculation includes the total Options available to grant and Options granted but not yet exercised (collectively, the “**Option Pool**”). As at December 31, 2019, there were 4,186,935 Options in the Option Pool (from the 5,250,000 Common Shares reserved for issuance under the Option Plan), representing a dilution level of 6.61% on the 63,333,238 outstanding Common Shares.

Exercised Options that do not result in the issuance of Common Shares are returned to the Option Pool and are included in the calculations of the Option Pool and dilution level contained herein. In 2019, a total of 757,639 Options were granted, representing

1.20% of all Common Shares outstanding as at December 31, 2019. Cineplex's burn rate for the last three years has been 0.84% (2017), 0.45% (2018) and 1.09% (2019).

Plan Category	Number of securities to be issued upon exercise of outstanding Options (#)	Weighted-average exercise price of outstanding Options (\$)	Number of securities remaining available for future issuance under Option Plan (#)
Equity compensation plans approved by security holders	3,123,521	\$38.62	1,063,414
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	3,123,521	N/A	1,063,414

PENSION ARRANGEMENTS

Cineplex's pension and group retirement savings plans are described above under the *Compensation Discussion & Analysis* section and the tables below outline the details for 2019 relating to each NEO.

Defined Benefit Plan Table SERP – Ellis Jacob

Number of Years Credited Service (#)	Annual Benefits Payable (\$)		Accrued Obligation at Start of Year (\$)	Compensatory Change (\$)	Non-Compensatory Change (\$)	Accrued Obligation at Year End (\$)
	At Year End	After age 67				
20.5	575,000	650,000	8,400,000	430,800	1,104,700	9,935,500

TERMINATION AND CHANGE OF CONTROL BENEFITS

Under the terms of each NEO's employment agreement, in the event of termination other than for cause or disability, and including upon a "change of control" (as defined below), the NEO will be paid a lump sum amount of salary and bonus as set out below. The NEO will also continue to receive benefits during the period of notice set out below following the termination of the executive (other than in the case of Mr. Jacob, who will continue to receive such benefits for the remainder of his life).

For purposes of the employment agreements, a "change of control" is defined as any sale, disposition, assignment, reorganization, amalgamation, merger or other transaction, or series of related transactions, as a result of which an entity or group of entities unrelated to Cineplex acting jointly or in concert, or entities associated or affiliated with any such entity or group within the meaning of the *Securities Act* (Ontario), becomes the owner, legal or beneficial, directly or indirectly, of more than 50% of the Common Shares (on a fully diluted basis) or exercises control or direction over more than 50% of the Common Shares (on a fully diluted basis) following such acquisition.

DSU Plans

Termination	<p>Under the Payment on Termination DSU Plan, a participant will be entitled to receive, after the effective date the participant ceases to be an employee of the Corporation (the “Termination Date”): (i) on the day, designated by the participant in writing to the Board, during the period commencing on the business day immediately following the Termination Date and ending on the 90th day following such date, which date shall be no later than the end of the calendar year following the year in which the Termination Date occurs; and (ii) if no notice is given, then on the 90th day following the Termination Date, a lump sum cash payment equal to the number of vested DSUs credited to such participant’s DSU account multiplied by the value of a Common Share on the Termination Date net of any applicable withholdings.</p> <p>If the services of a participant in the Three Year DSU Plan are terminated prior to the Vesting Date, the participant is entitled, by giving written notice to the Corporation, to redeem such participant’s DSUs on a date which shall not be prior to the sixth trading day following the release of the Corporation’s quarterly or annual results and shall be no later than: (i) the end of the calendar year following the year in which the participant’s employment was terminated; and (ii) the Vesting Date for an amount equal to the “fair market value” of all DSUs held by such participant under the DSU Plan. If the participant fails to provide notice to the Corporation, the participant will be deemed to have elected to redeem all DSUs as of the earliest to occur of: (i) the end of the calendar year following the year in which the participant’s employment was terminated; and (ii) the Vesting Date.</p>
Change of Control	<p>Upon a “change of control,” at the discretion of the CNCG Committee, all DSUs will vest and be redeemable at their “fair market value” for executives and all DSUs granted under the Directors’ DSU Plan will immediately vest at the discretion of the CNCG Committee. Alternatively, to the extent that the change of control would also result in a capital reorganization, arrangement, amalgamation or reclassification of the capital of the Corporation and the CNCG Committee does not accelerate the vesting of DSUs, the CNCG Committee may make adequate provisions to ensure that, upon completion of the proposed change of control, the number of DSUs outstanding under each Executive DSU Plan and/or determination of the “fair market value” shall be appropriately adjusted in such manner as it considers equitable, in its discretion, to prevent substantial dilution or enlargement of the rights granted to holders of the DSUs.</p>

PSU / RSU Plans

Termination	<p>If a participant resigns or is terminated for cause, such participant will, unless otherwise determined by the CNCG Committee in writing, forfeit all rights to the PSUs / RSUs held by such participant. If the employment of a participant is terminated: (i) due to the death, qualified retirement (defined as age 60 or earlier at the discretion of the Plan Administrators), or permanent disability; (ii) without cause; or (iii) if the participant is transferred to a non-eligible position within Cineplex, then a pro rata portion of the PSUs / RSUs held by such participant will vest on the date immediately prior to the occurrence of such termination event. The value and payment timing will be calculated based on the participant’s departure date in relation to the plan period, including an assessment of actual performance to that date, where applicable. When termination occurs within the second or third year of a plan period, the PSU / RSU Plan does not accelerate payment, creating an automatic post-termination hold, or tail, on equity-referenced compensation.</p>
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Change of Control	If the employment of a participant is terminated upon or within 12 months following a “change of control” or if there is termination for good reason (if applicable to a participant) upon or within 12 months of a “change of control”, all PSUs / RSUs will immediately vest and all amounts payable under the PSU / RSU Plan will be paid to such participant within 30 days of the Termination Date. Under such circumstances, where applicable, the Adjustment Factor will be based on the achievement of each Performance Measure up to the date of the change of control.
	Following the occurrence of a “change of control” in which: (i) the resulting entity remains a publicly traded entity with equity securities traded on the TSX or a similar exchange; (ii) the business of the Corporation is to be a significant part of the business of the resulting entity going forward; and (iii) where the mechanics of the PSU / RSU Plan can reasonably be continued, the PSU / RSU Plan will continue in force, as determined at the sole discretion of the CNCG Committee.
	Following the occurrence of a “change of control” in which the resulting entity is to be a private entity (with no equity securities listed for trading on an exchange), all PSUs will immediately vest upon (or immediately prior to) the change of control transaction. Under such circumstances, where applicable, the Adjustment Factor will be based on the achievement of each Performance Measure up to the date of the change of control. Additionally, the CNCG Committee and/or the owner of the resulting entity will have the right to make the payment of up to one-half of the amount payable on such a “change of control” to any participant subject to the ongoing employment of such participant through to the end of the applicable Performance Period.

Option Plan

Termination	Subject to the overriding discretion of the CNCG Committee, an Option and all rights to purchase Common Shares pursuant thereto shall expire and terminate immediately upon the participant who holds such Option ceasing to be an officer or employee, except that: (i) other than in the case of termination for cause, all vested and exercisable Options held at the time a participant ceases to be an eligible person may be exercised by the participant for a period of 30 days following the time that such participant ceases to be an eligible person and after such 30 day period shall expire and terminate; (ii) in the case of retirement, all Options held at the time a participant ceases to be an eligible person will continue to vest and may be exercised by the participant for a period of three years following the time that such participant ceases to be an eligible person and after such three year period shall expire and terminate; (iii) in the case of death or disability, all vested and exercisable Options held at the time a participant ceases to be an eligible person may be exercised by the participant for a period of one year following the time that such participant ceases to be an eligible person and after such one year period shall expire and terminate; and (iv) where an employment agreement provides otherwise.
Change of Control	Upon a “change of control”, all Options will become exercisable. A “change of control” is defined in the Option Plan as any sale, disposition, assignment, reorganization, amalgamation, merger or other transaction, or series of related transactions, as a result of which an entity or group of entities acting jointly or in concert, or entities associated or affiliated with any such entity or group within the meaning of the <i>Securities Act</i> (Ontario), becomes the owner, legal or beneficial, directly or indirectly, of more than 50% of the Common Shares or exercises control or direction over more than 50% of the Common Shares.

The chart on the following page is a summary of payments that would be made under various termination scenarios for each NEO, all with an effective departure date of December 31, 2019. In all cases any outstanding salary, bonus and unused vacation relating to the period of employment up to the date of departure would be due and payable but are not included in the chart. The amounts reflected in the below charts are not reflected in the Summary Compensation Table.

Termination in the Event of: (a) Without Cause; or (b) Mr. Jacob and Mr. McGrath Resignation for Good Reason (other than under a Change of Control)

Name	Period of Notice	Salary & Bonus Notice (\$) ⁽¹⁾	Unit-Based Awards (\$) ⁽²⁾	Option-Based Awards (\$) ⁽³⁾	Pension Value (\$) ⁽⁴⁾	All Other Compensation (\$) ⁽⁵⁾
Ellis Jacob	36 months	6,000,000	2,488,639	1,531,340	157,890	227,091
Gord Nelson	24 months	1,444,608	323,114	0	45,144	0
Dan McGrath	24 months	1,867,320	477,352	0	53,352	0
Michael Kennedy	18 months	858,240	191,119	0	28,608	0
Shawn Mandel	12 months	510,000	146,708	0	0	0

Notes:

- (1) Salary and Bonus Notice payments to Mr. Jacob will be made within 10 business days; all other NEOs can select lump sum or salary continuance.
- (2) Value of Unvested Unit Based Awards (RSUs/PSUs) is calculated at TSX closing price on December 31, 2019 of \$33.85 per Common Share. This chart includes unvested PSUs with performance periods ending after December 31, 2019. In the case of the CEO, PSUs are fully valued and pay out at the end of the three-year Performance Period, thus creating a performance tail. For all other NEOs, PSUs are prorated for the period of active employment within the Performance Period. PSUs in their second or third year of their three-year Performance Period pay out at the end of the Period, thus creating a performance tail.
- (3) In the case of Mr. Jacob, this includes all vested and unvested Options (amount reflected shows only unvested options). In the case of the remaining NEOs, any vested Options can be exercised but do not represent additional value upon departure. Unvested Options expire upon departure under this scenario.
- (4) In the case of Mr. Jacob, \$75,000 of the Pension Value represents the incremental annual SERP pension payable for his lifetime with 60% continuing to his spouse upon his death. A lump sum commuted value may be selected in lieu of the annual pension. \$82,890 represents three years of GRRSP employer contributions during the notice period. In the event of resignation with six months' notice, there is no incremental annual SERP pension and no further GRRSP contributions. For the remaining NEOs, the Pension Value is equivalent to GRRSP employer contributions during the notice period.
- (5) All Other Compensation does not include the value of group benefits that continue during the notice period. In the case of Mr. Jacob, All Other Compensation includes insurance costs relating to the notice period. For the remaining NEOs, All Other Compensation is less than \$50,000.

Termination Following a Change of Control (all NEOs), either by Employer Without Cause or by Employee for Good Reason (CEO does not Require Good Reason for First 12 Months)

Name	Period of Notice	Salary & Bonus Notice (\$) ⁽¹⁾	Unit-Based Awards (\$) ⁽²⁾	Option-Based Awards (\$) ⁽³⁾	Pension Value (\$) ⁽⁴⁾	All Other Compensation (\$) ⁽⁵⁾
Ellis Jacob	36 months	5,700,000	2,488,639	1,531,340	157,890	227,091
Gord Nelson	24 months	1,444,608	561,704	345,657	45,144	0
Dan McGrath	24 months	1,867,320	829,829	510,626	53,352	0
Michael Kennedy	18 months	858,240	332,242	204,440	28,608	0
Shawn Mandel	12 months	510,000	352,100	426,728	0	0

Notes:

- (1) All payments are made on a lump sum basis within 10 business days. If the change of control does not result in termination of employment, the salary and bonus notice payments do not apply. Under the CEO's employment agreement updated effective March 1, 2014, notice payments under a change of control are now capped at \$5,700,000 regardless of current base salary and target bonus amounts.
- (2) This chart includes unvested PSUs and RSUs with performance periods ending after December 31, 2019. All RSUs and PSUs vest immediately unless they can reasonably continue by the successor company and no termination occurs, in which case the incremental value of Unit-Based Awards would be \$0 under this scenario.
- (3) Includes all unvested Options, which vest immediately.
- (4) In the case of Mr. Jacob, \$75,000 of the Pension Value represents the incremental annual SERP pension payable for his lifetime with 60% continuing to his spouse upon his death. A lump sum commuted value may be selected in lieu of the annual pension. \$82,890 represents three years of GRRSP employer contributions during the notice period. In the event of resignation with six months' notice, there is no incremental annual SERP pension and no further GRRSP contributions. For the remaining NEOs, the Pension Value is equivalent to GRRSP employer contributions during the notice period.
- (5) All Other Compensation does not include the value of group benefits that continue during the notice period. In the case of Mr. Jacob, All Other Compensation includes insurance costs relating to the notice period. For the remaining NEOs, All Other Compensation is less than \$50,000.

Termination with Cause (all NEOs), CEO Resignation with less than 6 Months' Notice, all other NEO Resignations

No compensation will be paid upon termination under these conditions. Any Options that vested prior to the date of resignation would remain vested in the relevant NEO and could be exercised.

Termination as a Result of Disability (all NEOs)

Name	Period of Notice	Salary & Bonus Notice (\$)	Unit-Based Awards (\$) ⁽¹⁾	Option-Based Awards (\$) ⁽²⁾	Pension Value (\$) ⁽³⁾	All Other Compensation (\$) ⁽⁴⁾
Ellis Jacob	0	0	2,488,639	1,531,340	75,000	227,091
Gord Nelson	0	0	323,114	345,657	0	0
Dan McGrath	0	0	477,352	510,626	0	0
Michael Kennedy	0	0	191,119	204,440	0	0
Shawn Mandel	0	0	146,708	426,728	0	0

Notes:

- (1) This chart includes unvested PSUs with performance periods ending after December 31, 2019. In the case of the CEO, PSUs are fully valued and pay out at the end of the three-year Performance Period, thus creating a performance tail. For all other NEOs, PSUs are prorated for the period of active employment within the Performance Period. PSUs in their second or third year of their three-year Performance Period pay out at the end of the Period, thus creating a performance tail.
- (2) The Option Plan provides that Options be exercised within one year from date of departure due to death or disability (accelerated vesting in these limited circumstances) and within four years from date of departure due to retirement. Option value represents the unvested awards remaining at a value of \$33.85 (December 31, 2019 close price).
- (3) In the case of Mr. Jacob, this represents the incremental annual SERP pension payable for his lifetime with 60% continuing to his spouse upon his death, and no further GRRSP contributions. A lump sum commuted value may be selected in lieu of the annual pension. No further GRRSP contributions are payable to the remaining NEOs.
- (4) All Other Compensation is the same as set out in item (5) to the first termination table. Continued benefits coverage during the notice period for disability is dependent upon the carrier's plan policies.

EMPLOYMENT AGREEMENTS

Each of the NEOs is subject to an employment agreement, which contains provisions setting out: (i) the base salary; (ii) the manner for increasing the base salary; (iii) scope of responsibilities; (iv) entitlements to benefits; (v) entitlement to participation in compensation plans; and (vi) severance benefits that may be provided on termination of services. Each employment agreement provides that the NEO will be provided with a compensation package (salary, incentives and benefits).

Salaries

The base salaries paid to each of the NEOs as at December 31, 2019 are set out in the Summary Compensation Table. To reflect current market conditions, no salary increases were planned for 2020.

Annual Cash Incentives

All of the NEOs are entitled to receive an annual cash incentive bonus based upon the achievement of targets set by the CNCG Committee. The annual bonus design and targets are approved by the CNCG Committee and are set out in the "Annual Cash Incentives" section above. All performance targets on financial measures are the same for any NEOs who have the measure within their bonus plan.

Long-term Incentives

All of the NEOs are eligible to participate in any long-term incentive plans that may exist from time to time. The Board determines the amount of any annual awards under these plans and the amount of each individual award based on the relative contribution of the individual as assessed by the CEO and the CNCG Committee.

With respect to the PSU Plan, RSU Plan and Option Plan, any grants made to the CEO before retirement will vest fully on a post-retirement basis. Under this scenario, PSUs and RSUs are fully valued and pay out at the end of the three-year Performance Period, thus creating a performance tail. For all other NEOs, PSUs and RSUs are prorated for the period of active employment within the Performance Period. PSUs and RSUs in their second or third year of their three-year Performance Period pay out at the end of the period, thus creating a performance tail.

Perquisites

Under the terms of the employment agreements, the CEO receives an annual car allowance in the amount of \$24,000; all other NEOs are entitled to an annual car allowance of \$14,000.

All NEOs are subject to a non-competition clause for 12 months following departure and a non-solicitation clause for the same 12-month period.

Mr. Jacob's employment agreement was renewed effective June 30, 2020 and expires on December 31, 2021. Mr. Jacob's employment agreement stipulates that he shall be a Director, subject to election by the Shareholders. No compensation is paid for this Director role. Mr. Jacob will also receive post-retirement health and dental benefits for the remainder of his life and administrative services with an annual cost to the Corporation of up to \$50,000 for the first five years of his retirement.

OTHER INFORMATION

DIRECTORS' AND OFFICERS' INSURANCE

The Directors and officers of the Corporation and its subsidiaries are covered under directors' and officers' insurance policies that provide an aggregate limit of liability to the insured Directors and officers of \$50 million plus an additional \$5 million in Side A insurance coverage. For the insurance term year November 2019 through November 2020, the Corporation paid a total premium of \$132,496 or a rate per million dollars of coverage of \$2,649.92. The by-laws of the Corporation provide for indemnification of its Directors and officers from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties of office, subject to certain usual limitations.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Directors, other than as disclosed in this Circular, no "Informed Person" has had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any material transaction (or any proposed transaction) with the Corporation, in the past five years. "Informed Person" means: (a) a Director or executive officer of the Corporation; (b) a director or executive officer of a person or company that is itself an Informed Person or subsidiary of the Corporation; (c) any person or company who beneficially owns or controls or directs, directly or indirectly, voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all Common Shares; (d) the Corporation, if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities; and (e) any associate or affiliate of any Informed Person.

CORPORATE GOVERNANCE

The Board and management of the Corporation recognize that effective corporate governance practices are fundamental to the long-term success of the Corporation. Sound corporate governance contributes to Shareholder value through increased investor confidence. The Board and management are therefore committed to maintaining a high standard of corporate governance and compliance with the corporate governance guidelines of the Canadian Securities Administrators.

The Directors are knowledgeable, think independently, they are courageous and are interested enough to partner with management in designing the Corporation's future which management can then execute. Inherent in this is the responsibility of the Board to be very focused on the skill set and experience of management to ensure that the Corporation has the talent it needs to fulfill its goals

and objectives.

Within that context, the Board oversees significant corporate actions and makes decisions relating to, among other things, strategic planning, strategic objectives, capital allocation, succession planning, talent management and development, planning for growth, both organic and by acquisition, financial reporting, the development of fundamental policies and systems, the control environment, the management of enterprise risk, and the safeguarding and enhancement of the Company's brand.

The Mandate of the Board is attached as Schedule "A" to this Circular and is available on SEDAR at www.sedar.com. The Board regularly refers to the Mandate to ensure that it is fulfilling its governance obligations. At each Board meeting, management ensures that each item included in the Mandate is noted in the meeting agenda such that matters in the Mandate are specifically addressed. The Board also regularly reviews and revises, as necessary or appropriate, the Corporation's governance practices in response to the Corporation's strategic direction, as well as the evolving governance landscape.

CORPORATE GOVERNANCE HIGHLIGHTS	
✓	8 of the 9 nominated Directors are independent; only the CEO is not independent.
✓	We have Director equity ownership guidelines.
✓	We disclose Directors' equity holdings.
✓	Committee are 100% independent.
✓	The role of Chairman and CEO are separate.
✓	Our Directors are not over-boarded.
✓	We have no public company interlocking directorships.
✓	The Board and its Committees have full authority to retain independent external advisors.
✓	We have a <i>Code of Business Conduct and Ethics</i> .
✓	We have a <i>Supplier Code of Conduct</i> .
✓	We have individual, not slate, voting for Directors.
✓	Our CEO does not sit on any committee.
✓	We have a <i>Majority Voting Policy</i> for Director elections.
✓	We do not have a staggered board; all Directors are elected annually.
✓	All Shareholders are entitled to vote equally.
✓	We have a robust Director orientation program and ongoing Director education.
✓	We have an independent Chair of the Board.
✓	We conduct a thorough annual peer assessment of the Board and each committee.
✓	Directors have in-camera meetings along with every meeting.

Board Composition and Independence

Other than Mr. Greenberg, all of the Directors currently on the Board are being nominated for re-election at the Meeting. On June 29, 2020, Ms. Yaffe was appointed to the Board and to serve as Chair.

The Board views an individual as independent if he or she has no direct or indirect relationship with Cineplex that could, in the view of the Board, be reasonably expected to interfere with the exercise of that individual's independent judgment. The Board is currently comprised of nine individuals, all of whom other than Mr. Jacob, are independent within the meaning of applicable securities laws. The Chair of the Board is independent, as is the Chair of each of the Audit Committee and the CNCG Committee. In the event that a matter relevant to business of any Director is brought before the Board, that Director is expected to exercise judgment to determine if a conflict exists and if one does exist, he or she will not participate in any relevant discussions. Each Director has no relationship with Cineplex that could be perceived to affect their independence.

Director Term Limits and Renewal

The Board has considered the issue of term limits for Directors and will continue to do so. At this time, the Board does not believe that it is in the best interests of the Corporation to establish a limit on the number of times a Director may stand for election. While such a limit could help in creating an environment where fresh ideas and viewpoints are available to the Board, on the other hand, Director term limits can also disadvantage the Corporation through losing the beneficial contribution of Directors who have developed, over a

period of time, increasing knowledge of, and insight into, the Corporation and its operations and who could therefore provide increasingly useful contributions to the Board as a whole. Additionally, the Board feels that its current rigorous self-evaluation process is effective in ensuring that Directors continue to add value and remain strong contributors, and the current constitution of the Board reflects these objectives. While the Board has not adopted Director term limits, the Corporation's Charter of Expectations for Directors sets forth certain guidelines regarding the performance and participation of Directors, including potential grounds for resignation from the Board as well as expectations around retirement.

Assuming the election of the slate as proposed and excluding Mr. Jacob and Ms. Yaffe, the average years of service on the Board is 8.6 years. As at present time, four independent Directors, Mr. Bruce, Ms. Dea, Mr. Greenberg and Mr. Marwah have each been serving for 10 consecutive years or more.

Committees

The Board maintains an Audit Committee and a CNCG Committee. The Audit Committee is currently comprised of Mr. Bruce, Ms. Fukakusa and Ms. Hayes, all of whom are independent; Ms. Fukakusa is Chair of the Audit Committee. In addition to each member's general business experience, set forth below are details noting the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee:

- **Janice Fukakusa (Chair)** – Ms. Fukakusa retired as Chief Administrative Officer and Chief Financial Officer of Royal Bank of Canada in January 2017. As a member of RBC's Group Executive, she was one of eight executives responsible for setting the overall strategic direction of RBC. In addition, she chaired Group Operating Committee. Having joined RBC in 1985, she held positions in retail and business banking, corporate banking, account management, corporate finance, treasury, strategic development and corporate functions. Ms. Fukakusa currently serves on the boards of a number of corporate and not-for-profit organizations, including serving as Chair of The Princess Margaret Cancer Foundation. Prior to joining the bank, Ms. Fukakusa worked at PricewaterhouseCoopers LLP and she holds the professional designation of Fellow Chartered Professional Accountant (FCPA and CPA). Ms. Fukakusa obtained her Bachelor of Arts from University of Toronto and holds a Master of Business Administration from Schulich School of Business and an Honorary Doctorate of Laws from York.
- **Robert Bruce** – Mr. Bruce was Executive Chairman and Founding Partner of Mobile Klinik, a Canada wide 80 store chain of professional smartphone repair stores until July 2020 when it was sold to TELUS. He served as CEO of Mobile Klinik from early 2015 through late 2018 where he was responsible for overseeing all financial and operating aspects of the company. Prior to that he served as President, Communications for Rogers Communications Inc., having responsibility for marketing, sales, distribution, retail stores, customer care and all aspects of operations for both cable and wireless, with substantial financial management and IR obligations. His roles at Mobile Klinik, Rogers as well as past roles at Bell Mobility, Pepsi-Cola Canada and Oshawa Foods Limited, have provided him significant experience with operational and financial aspects of each of these businesses. Mr. Bruce graduated from Queen's University with a Masters of Business Administration and University of Waterloo with a Master of Science.
- **Donna Hayes** – Ms. Hayes is the retired Publisher and Chief Executive Officer of Harlequin, one of the world's leading publishers of books for women, and now part of Harper Collins Publishing. As Publisher and CEO, Hayes widened the scope of Harlequin's focus from romance fiction to publisher of books (fiction and nonfiction) for women. Many of the company's most successful lines were developed under her leadership. She also spearheaded Harlequin's industry-leading level of innovation by incorporating forward-looking technology (eBooks, downloadable audio, mobile applications) into their business model. Ms. Hayes graduated in 1978 with an honors degree in English literature and communications from McGill University. She has served on the Board of Directors of the American Association of Publishers, the Toronto Public Library Foundation and the Board of Directors of the TD Financial Group (Toronto-Dominion Bank), where she served on both the Audit and Corporate Governance Committees. She is currently Co-Chair of the Toronto Wildlife Centre Board, the largest wild animal rescue center in Canada.

As of the date hereof, the CNCG Committee is comprised of five independent Directors: Mr. Mohamed, Ms. Dea, Mr. Greenberg, Mr. Marwah and Ms. Yaffe; Mr. Mohamed is Chair of the CNCG Committee. Mr. Greenberg is not standing for re-election at the upcoming AGM. In addition to the remaining member's general business experience, set forth below are details noting the education and experience of each member of the CNCG Committee that is relevant to the individual's performance as a member of the CNCG Committee.

- **Nadir Mohamed (Chair)** – Mr. Mohamed served in numerous executive roles with Rogers Communications, he has extensive experience with executive compensation matters, employee engagement, succession planning and leadership development. Mr. Mohamed has extensive experience in innovation and entrepreneurship which are vital to the Corporation as it undergoes its diversification initiatives.
- **Joan Dea** – Ms. Dea has a broad perspective on all matters relating to compensation, nomination and governance. During her tenure as a member of the executive committee of BMO Financial Group, she shared responsibility for executive compensation, leadership development, engagement, talent management, culture and corporate governance. At Boston Consulting Group, she led partner responsibility for several human resources functions including recruiting, development and compensation in Canada. Her consulting practice included advice to clients on leadership, team dynamics, succession planning, corporate governance, culture, compensation and people development best practices. Ms. Dea currently serves on the Nominating and Governance Committee as well as the Compensation Committee of Charles Schwab Corporation and has previously served as a member of the Nominating and Corporate Governance Committee as well as the Salary and Organization Committee of Torstar Corporation.
- **Sarabjit Marwah** - Mr. Marwah had a lengthy career with the Bank of Nova Scotia, serving in a number of senior financial, operational, strategic and managerial roles. He has served on numerous boards, including George Weston Ltd., Torstar Corporation, TELUS Corporation, C.D. Howe Institute as well as several Scotiabank subsidiaries. In those roles as well as industry and charitable organizations, Mr. Marwah has been responsible for overseeing executive compensation matters and succession planning, both roles being integral to service on the Corporation's CNCG Committee. He earned a BA (Hons), an MA in Economics and an MBA in Finance from the University of California, Los Angeles (UCLA).
- **Phyllis Yaffe** - Ms. Yaffe previously served as the Chief Executive Officer of Alliance Atlantis Communications Inc. where she was responsible for all aspects of compensation, including executive compensation, leadership development, employee engagement, succession planning and internal corporate governance. She also previously served as the lead director of Torstar Corporation, on its Salary and Organization Committee and was chair of its Nominating and Corporate Governance Committee. She is also a member of the Nominating and Corporate Governance Committee at Lions Gate Entertainment Corporation, and is a board member and Human Resource Committee member of Blue Ant. These committees have a similar mandate and responsibility as the CNCG Committee at Cineplex and have each provided Ms. Yaffe with a broad perspective on all matters relating to compensation, nomination and governance.

The Terms of Reference for the CNCG Committee are attached as Schedule "B" to this Circular.

Attendance

The table below sets forth the number of formal Board and committee meetings held, as well as the attendance by each Director who served during the year ended December 31, 2019:

Director ⁽¹⁾	Director Meetings Attended (#)	Audit Committee Meetings Attended (#)	CNCG Committee Meetings Attended (#)
Jordan Banks	9 of 11	N/A	5 of 5
Robert Bruce	11 of 11	4 of 4	N/A
Joan Dea	11 of 11	N/A	5 of 5
Janice Fukakusa	10 of 11	4 of 4	N/A
Ian Greenberg	11 of 11	N/A	5 of 5
Donna Hayes	11 of 11	4 of 4	N/A
Ellis Jacob	11 of 11	N/A	N/A
Sarabjit Marwah	11 of 11	N/A	5 of 5
Nadir Mohamed	7 of 11	N/A	4 of 5
Edward Sonshine	11 of 11	3 of 4	N/A

Notes:

- (1) Does not include attendance at the 2019 Annual Meeting.

Position Descriptions

The Mandate of the Board includes a description of the Chair's responsibilities and each committee has terms of reference by which the Chair can be assessed. A copy of the Mandate of the Board is attached as Schedule "A" to this Circular and is available on the Corporation's investor relations website at <http://ir.cineplex.com/>. The Board has not developed further written position descriptions for the Chair of the Board or the chairs of the committees of the Board. The CEO's responsibilities are set out in his employment agreement.

Selection, Orientation and Continuing Education

New Board members are selected against set criteria that ensure broad and appropriate levels of expertise will be available to management. The CNCG Committee acknowledges that the Board's membership should represent a diversity of backgrounds, experience and skills. Additionally, the CNCG Committee explicitly considers the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board. Further, the CNCG Committee also reviews interlocking board memberships to determine whether any common board memberships impair the ability of any Directors to exercise independent judgement. No more than two Directors may sit on the same public company board without the consent of the CNCG Committee.

Directors are selected for their integrity and character, sound and independent judgment, breadth of experience, insight and knowledge and business acumen. Directors are expected to bring these personal qualities to their role and apply their business judgment to help the Board make wise decisions and provide thoughtful and informed counsel to senior management. Working with the CEO and, when necessary, outside resources, the CNCG Committee identifies qualified individuals and conducts interviews and reference checks before formally nominating new Board members.

The CNCG Committee has determined that all of the existing Directors shall be nominated to stand for re-election.

Composition of the CNCG Committee

The CNCG Committee is currently comprised of five Directors: Mr. Mohamed (Chair), Ms. Dea, Mr. Greenberg, Mr. Marwah and Ms. Yaffe. Each member of the CNCG Committee is independent within the meaning of applicable securities laws. Their general business experience and full biographies are contained in the *Director Nominees* section of this Circular.

Relevant Education and Experience of CNCG Committee Members

In addition to each member's general business experience, the *Director Nominees* section of this Circular describes the education and experience of each member of the CNCG Committee that is relevant to the individual's performance as a member of the CNCG Committee. The CNCG Committee is regularly briefed on corporate governance matters and meets regularly with Willis Towers Watson, the CNCG Committee's compensation consultants, both with management and in camera, to review key trends in corporate and executive compensation and corporate governance and to receive guidance and recommendations to help them carry out the CNCG Committee's responsibilities.

The following table outlines an inventory of the skills and experience of the independent Board members standing for election at the Meeting.

Skills & Experience	Jordan Banks	Robert Bruce	Joan Dea	Janice Fukakusa	Donna Hayes	Sarabjit Marwah	Nadir Mohamed	Phyllis Yaffe
Senior Executive ⁽¹⁾	✓	✓	✓	✓	✓	✓	✓	✓
Other Directorships ⁽²⁾	✓	✓	✓	✓	✓	✓	✓	✓
Financial or Risk Management	✓	✓	✓	✓	✓	✓	✓	✓
Media	✓	✓	✓		✓		✓	✓
Technology	✓	✓	✓	✓	✓	✓	✓	
Film Exhibition, Production or Distribution							✓	✓
Real Estate		✓		✓		✓		
Marketing	✓	✓	✓	✓	✓	✓	✓	✓
Retail and Customer	✓	✓	✓	✓	✓	✓	✓	✓
Strategy and Governance	✓	✓	✓	✓	✓	✓	✓	✓

Notes:

- (1) Has held a senior officer position or that of chair of the board of a major organization.
- (2) Director of a major organization (public, private, non-profit).

The CNCG Committee is responsible for establishing and administering the orientation and continuing education of Board and committee members to ensure that all Directors fully understand the role of the Board and its committees and the nature and operation of the Corporation's business. Each new Director is provided with an orientation session upon joining the Board, including meetings with senior management and incumbent Directors. The CNCG Committee monitors both external developments and the Board's composition to determine what formal external education would be useful to members. Directors are aware of their responsibility to keep themselves up to date and the CNCG Committee advises all Directors of major developments in corporate governance and important trends and new legal and regulatory requirements. In addition, presentations are made regularly to the Board on different aspects of the Corporation's business as well as updates on best practices in governance matters. During 2018, all Directors were in attendance during these presentations and updates.

To fulfil its responsibilities, the CNCG Committee is regularly provided with governance updates from external sources to ensure that they are fully briefed on governance requirements and best practices. Willis Towers Watson regularly attends scheduled CNCG Committee meeting and provides direct education to the members on items relating to corporate governance. In 2018, Willis Towers Watson participated in the four meetings of the CNCG Committee where executive compensation or governance matters were discussed. Further, on a regular basis, corporate counsel provides legal updates to ensure that members are aware of changing laws and regulations. In particular, at an annual governance meeting, Directors are provided with detailed information about regulatory matters as well as the expectations of Shareholders. Further, all Directors are members of the Rotman Institute of Corporate Directors and receive regular educational mailings on governance matters. Additionally, from time to time, members of the Board may participate in various leadership workshops and programs concerning topics of interest to directors of public companies as well as subjects they determine keep them up to date with current issues relevant to their service as Directors of the Corporation.

Nomination of Directors

The CNCG Committee is responsible for recruiting, assessing and proposing individuals qualified to become new independent Directors and submit recommendations to the Board for its consideration and decision, as well as to consider nominees, if any, recommended by either management or the Shareholders for election as Directors. The current Directors support the individuals nominated herein to be elected as the members of the Board.

As part of its governance process in recommending potential independent Directors, the practice of the Corporation is for the CNCG Committee to confer with internal and external resources to review potential appointees to the Board. A list of suggested candidates is generated as a result of recommendations made by third parties, members of management and members of the Board. The CNCG Committee interviews a number of potential candidates and then, with support from at least a majority of the CNCG Committee, makes its recommendations to the whole of the Board.

Compensation

The Board, acting on the recommendations of the CNCG Committee, reviews the adequacy and form of compensation of the Corporation's senior executives and Directors, as determined based on reviews of the competitive marketplace, to ensure that they are respectively current and reflective of the roles and responsibilities of each group. Director compensation is reviewed bi-annually to compare Canadian board compensation based on size of organization, type of entity, meeting and attendance requirements, committee representation, and additional Board Chair and committee Chair responsibilities. Executive compensation is reviewed as set out in the *Compensation Discussion & Analysis* section.

In Camera Sessions

During 2019, the Board held six in-camera sessions at meetings of the Board, one at each meeting of the Board during which the non-management Directors met without members of management for the purpose of facilitating open and candid discussion amongst the Directors. In -camera sessions exclusive of members of management are also held at every meeting of each of the CNCG Committee and the Audit Committee.

Election of Chair

The Board elects from its ranks a Chair to preside at all meetings of the Board. Mr. Greenberg was appointed as Chair in November, 2016. Ms. Yaffe was appointed as Chair on June 29, 2020; Ms. Yaffe previously served as Chair of the Corporation from January 1, 2011 through September, 2016.

Communication with the Board

Shareholders may attend in person the annual general meeting of the Corporation as both members of management and the Board will be present and available for personal communication. In the event that such meeting is not convenient for any Shareholder, any Shareholder may communicate directly with the Chair at any time via email by communication to boardchair@cinplex.com.

Assessments

The CNCG Committee is responsible for developing processes to assess Board and committee effectiveness and to consider the development needs of the Board, individual Directors, committees and their members. The CNCG Committee seeks input from both internal and external counsel to develop a formal assessment process for the Board as well as each committee. The CNCG Committee reviews such process annually and revises it as may be required.

Formal assessments are performed annually through the use of confidential surveys (compiled on a “blind” basis by external legal counsel) which contain questions regarding performance of the Board and each committee, as well as peer review of each individual Director in their Board and committee roles. The extensive surveys review the performance of each committee based on the detailed Terms of Reference for each committee as well as the Mandate of the Board of Directors and the Charter of Expectations of Directors. Each committee and the Board discuss the compiled results at in camera sessions. In addition to the formal written review followed by in camera discussion at each committee and Board meeting, the chair of each committee and the Chair conduct individual conversations with each member to review the formal written results so as to ensure that all concerns have a thorough opportunity to be heard. The Chair is then tasked with ensuring that any necessary follow-up discussions or actions are undertaken to address any concerns raised, if any.

Retirement

In addition to the mandate of the Board, the Corporation has adopted a Charter of Expectations for Directors. While no mandatory retirement age is provided, the Charter of Expectations sets forth the guidelines regarding the performance and participation of Directors, including potential grounds for dismissal from the Board as well as expectations around retirement.

CEO Objectives

Each year, with active participation by the CEO, the CNCG Committee sets detailed performance objectives for the CEO that outline the strategic, business and leadership development initiatives that will be undertaken in the coming year. The CNCG Committee also sets the deliverables and metrics for the CEO that must be met in the coming year to directly measure compensation under the various incentive plans. On an annual basis, the CEO reports to the CNCG Committee on his performance against his previously set objectives. In addition, the Board and members of the executive management participate in an annual formal assessment regarding the performance of the CEO. The findings of the CNCG Committee are reported to the Board for discussion, which can be held either with or without management present. A formal review of the findings and the Board’s overall assessment of CEO performance are reviewed with the CEO.

Diversity

Board

Cineplex encourages diversity in the composition of the Board. The Corporation signed the Catalyst Accord as a commitment to use its best efforts to increase the representation of women on the Board and has joined the international Catalyst-affiliated “30% Club”. The CNCG Committee actively seeks women candidates as a normal practice during the director identification and selection process. It consults with internal and external resources, reviews information sources that profile women who are currently on or have an interest in serving on public Canadian boards and seeks to identify qualified women in relevant industries.

Although diversity was already a factor considered in the nomination of Directors, the Board also adopted in 2019 a formal diversity policy with regard to the diversity of its Board (the “**Diversity Policy**”), a copy of which is available at <http://ir.cineplex.com/>. While the *Diversity Policy* does not have set targets regarding the representation of women on the Board, the Board recognizes that diversity

enriches discussions among directors and better reflects the Corporation's relationships with its various stakeholders.

As at the date hereof, the Board includes four women, who together represent 44% of the Directors or 50% of the independent Directors. The Board also currently includes four minorities, who together represent 40% of the Directors. With the proposed slate, minorities will represent 44% of the Directors.

Management

Although the Corporation has no formal targets regarding women in executive officer positions, as specified in the *Diversity Policy*, available at <http://ir.cineplex.com/>, the level of representation of women and diversity in management will be considered by the Corporation, the Board and the CNCG Committee in the making of management appointments. As a long-standing diverse employer which promotes and supports a culture of inclusion, the Corporation fully appreciates the benefits of leveraging a range of talents and perspectives. As a result, the Corporation actively considers the representation of women and ethnic minorities in executive officer appointments as a normal practice. As at the date hereof, three members of executive management of the Corporation, including its major subsidiaries, are women, representing 30% of executive management; 34% of all of senior management, including the major subsidiaries of the Corporation, are women.

The Corporation has been recognized for its diversity and inclusion initiatives and is proud to focus on inclusion at all levels of the business.

Ethical Business Conduct

The Board has approved a Code of Business Conduct and Ethics for the Corporation and its subsidiaries (the "**Code**"). All of the Directors, officers and full-time employees of the Corporation and its subsidiaries are subject to the Code. To ensure compliance, management requires formal review and acknowledgement of the Code by each full-time employee at the beginning of their employment and annually thereafter. Management monitors compliance with the Code and any Director or employee may report any violations of the Code directly to the Chair of the Audit Committee (currently Ms. Fukakusa). No waivers of the Code have been granted to date. A copy of the Code is available on the Corporation's website.

Part-time employees are subject to a separate hourly employee Code of Conduct; Scene employees are subject to a separate Scene Code of Conduct.

The Code reflects its commitment to high standards of ethical and business practices. The Code sets out basic principles to guide all directors, officers, employees, agents, representatives and advisors of Cineplex and its subsidiaries and affiliates. The Code addresses, among other things, compliance with laws, rules and regulations, conflicts of interest, confidentiality, privacy, corporate opportunities, competition and fair dealing, gifts and entertainment, dealing with public officials, discrimination and harassment, health and safety, use of technology, ownership and use of intellectual property, reporting procedures and whistle-blowing.

Cineplex is firmly committed to providing equal opportunity in all aspects of employment, and the Code provides that Cineplex will not tolerate any discrimination or harassment of any kind. Reporting and investigation procedures are set out in the Code and Cineplex's *Harassment, Discrimination and Workplace Violence Policy*, a copy of which is available on the Corporation's website.

A high standard of integrity is of utmost importance to Cineplex. Under the Code, gift, gratuity or entertainment may only be offered if it is consistent with customary business practices, is not excessive in value, cannot be construed as a bribe or payoff, and does not violate any applicable laws. Strict rules also apply when Cineplex does business with governmental agencies and officials. Officers or employees of companies that are partially or wholly owned by a government entity are considered foreign officials.

Cineplex encourages the reporting of violations and potential violations of the Code and has established a whistle-blowing reporting procedure within its Code.

Cineplex also values its relationships with suppliers because they help it achieve its business objectives and contribute to the overall success as a Corporation. To that end, the Corporation has adopted a *Supplier Code of Conduct*. The *Supplier Code of Conduct* sets forth the principles and ethical standards that the Corporation expects all its suppliers to work toward achieving throughout the course of its business relationship with Cineplex. A copy of the *Supplier Code of Conduct* is available on the Corporation's website and more details of the program are noted in the AIF.

Corporate Social Responsibility

Cineplex's corporate governance extends to environmental and social responsibility issues. The Board considers and recognizes the importance of environmental and social responsibility risks and it oversees these matters directly and through the CNCG Committee. Cineplex's approach to Corporate Social Responsibility ("CSR") is based on three key pillars: business ethics and values, environmental sustainability and being a good community partner. To that end, the Corporation has adopted a robust *CSR Statement*. Further details of activities and policies of the Corporation are set forth in the AIF and a copy of the Corporation's *CSR Statement* is available on the corporate website. The highlights of that CSR program are set forth below.

- ✓ Our leadership team participates in comprehensive inclusivity and diversity training and we make regular training courses available to employees.
- ✓ We have a Board *Diversity Policy* as well as an overall corporate *Diversity Policy* applicable across the Company's ecosystem of businesses.
- ✓ We disclose an enterprise level *Human Rights Policy* which addresses discrimination based on gender, race, disability, ethnicity, nationality, religion, sexual orientation, gender identity and gender expression.
- ✓ We publicly disclose data on workforce equality connected with gender equality for the Board and senior management.
- ✓ We have a publicly disclosed occupational *Health and Safety Policy* which explicitly encompasses all facilities and operations and extends to suppliers.
- ✓ We have a publicly disclosed *Code of Business Conduct & Ethics* which includes suppliers.
- ✓ We also have a separate publicly disclosed *Supplier Code of Conduct* which applies the same standards to suppliers or vendors and addresses the environmental impact of supplier products or services.
- ✓ We have a publicly disclosed anti-bribery or anti-corruption policy which specifically prohibits personnel from receiving and giving gifts, bribes, or facilitation payments.
- ✓ We have an Inclusivity, Corporate Social Responsibility, Health and Safety and Environmental Sustainability Committee which has oversight of policies and operational controls of environmental, health and safety and social risks.
- ✓ We integrate sustainability initiatives across the Company's ecosystem by managing our environmental footprint through three inter-connected environmental issues: waste, energy consumption and eco-friendly materials.

OTHER BUSINESS

The Directors are not aware of any other business to come before the Meeting other than those items of business set forth in the attached Notice of Annual and Special Meeting of Shareholders. If any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy to vote in respect of those matters in accordance with their judgment.

ADDITIONAL INFORMATION

Further information relating to the Audit Committee and the Corporation's external auditors is available in the AIF in the section entitled "Audit Committee". Financial information is provided in: (i) the Corporation's consolidated financial statements for the period ended December 31, 2019 and the Annual MD&A; (ii) the interim financial statements of the Corporation subsequent thereto; and (iii) the AIF (together with any documents incorporated therein by reference), all of which are available upon written request from the Secretary of the Corporation, 1303 Yonge Street, Toronto, Ontario, M4T 2Y9 and are available at Cineplex's website or on SEDAR at www.sedar.com.

APPROVAL OF DIRECTORS

The contents and the sending of this Circular to the Shareholders have been approved by the Board of Directors of the Corporation.

By Order of the Board of Directors of Cineplex Inc.

"Ellis Jacob"

President and Chief Executive Officer

SCHEDULE A

MANDATE OF THE BOARD OF DIRECTORS

The Articles of Incorporation of Cineplex provide that the investments and affairs the Corporation will be subject to the control and authority of a minimum of one and a maximum of twenty members on the Board (each, a “**Director**”). The Directors are responsible for supervising the activities and managing the investments and affairs of the Corporation pursuant to the Corporation’s bylaws (the “**Bylaws**”). The responsibilities of the Board described herein are made pursuant to such provision in the Bylaws and do not impose any additional responsibilities or liabilities on the Directors at law or otherwise.

1. COMPOSITION

The Board shall be constituted with a majority of individuals who qualify as independent Directors (defined below).

2. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board is responsible for supervising the activities and managing the investments and affairs of the Corporation pursuant to the Bylaws and in that regard shall be specifically responsible for:

- (i) the adoption of a strategic planning process and approval, on at least an annual basis, of a strategic plan which takes into account, among other things, the opportunities and risks of the Corporation’s business and investments;
- (ii) to the extent feasible, satisfying itself as to the integrity of the CEO and senior officers of the Corporation and that the CEO and other senior officers create a culture of integrity throughout the organization;
- (iii) the identification of the principal risks for the Corporation and ensuring the implementation of appropriate risk management systems;
- (iv) oversight of executive succession planning and leadership development;
- (v) CEO succession planning including review of CEO criteria and potential candidates to ensure strong and effective leadership transitions;
- (vi) oversight of Board succession planning to ensure continuity and consistency;
- (vii) adopting a disclosure policy which: (i) enables the Corporation to communicate effectively; (ii) addresses how the Corporation interacts with all of its stakeholders, including analysts and the public; (iii) contains measures for the Corporation to avoid selective disclosure; and (iv) is reviewed at such intervals or times as the Board deems appropriate;
- (viii) the integrity of the internal control and management information systems of the Corporation;
- (ix) establishing and maintaining a standing audit committee from members of the Board (the “**Audit Committee**”);
- (x) reviewing and reassessing the adequacy of the terms of reference of the Audit Committee at such intervals or times as the Board deems appropriate;

- (xi) receiving recommendations of the Audit Committee, and reviewing and approving, the audited, interim and any other publicly announced financial information of the Corporation;
- (xii) developing the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation;
- (xiii) implementing a process for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual Directors;
- (xiv) implementing a process for examining the size of the Board and undertaking, where appropriate, a program to establish a Board size which facilitates effective decision-making;
- (xv) implementing a process for reviewing the adequacy and form of compensation of Directors and ensuring that compensation realistically reflects the responsibilities and risk involved in being a Director;
- (xvi) meeting regularly with management of the Corporation or any other of the Corporation's investments to receive reports respecting the performance of the Corporation, new and proposed initiatives, the Corporation's business and investments, management concerns and any areas of concern involving the Corporation; and
- (xvii) meeting regularly without management of the Corporation present.

3. RESPONSIBILITIES OF THE CHAIR

The role and responsibilities of the chair of the Board (the "**Chair**") are set out below:

- (i) the Chair shall be expected to attend and chair meetings of the Board;
- (ii) the Chair shall not be a member of management of the Corporation;
- (iii) the Chair shall not be expected to and shall not perform policy making functions other than in his or her capacity as a Director. The Chair shall not have the right or entitlement to bind the Corporation in his or her capacity as Chair;
- (iv) the Chair shall provide direction with respect to the dates and frequencies of Board meetings and related committee meetings and the CEO of the Corporation and the Chair shall liaise with management to prepare Board meeting agendas;
- (v) the Chair shall ensure that the Board understands the boundaries between Board and management responsibilities; and
- (vi) the Chair shall ensure that the Board carries out its responsibilities effectively, which will involve the Board meeting on a regular basis without management of the Corporation present and may involve assigning responsibility for administering the Board's relationship to management to a committee of the Board.

4. DECISIONS REQUIRING PRIOR APPROVAL OF THE BOARD OF DIRECTORS

Approval of the Board shall be required for payment of dividends, significant acquisitions/dispositions, related party transactions, the release of any financial information to be publicly disseminated, the issuance or repurchase of shares of the Corporation, the approval of the terms of reference of committees of the Board and any other matter that would give rise to a material change (defined below) to the Corporation. The foregoing list is intended to specify particular matters requiring Board approval and is not intended to be an exhaustive list.

5. MEASURES FOR RECEIVING SHAREHOLDER FEEDBACK

All publicly disseminated materials of the Corporation shall provide for a mechanism for feedback of shareholders of the Corporation (the “**Shareholders**”). Persons designated to receive such information shall be required to provide a summary of the Shareholder’s feedback to the Directors on a semi-annual basis or at such other more frequent intervals as they see fit.

6. EXPECTATIONS OF MANAGEMENT

Management of the Corporation shall be required to report to the Board at the request of the Board on the performance of the Corporation, new and proposed initiatives, the Corporation’s business and investments, management concerns and any other matter the Board or its Chair may deem appropriate. In addition, the Board expects management of the Corporation to promptly report to the Chair any significant developments, changes, transactions or proposals respecting the Corporation.

7. DEFINITIONS

- 7.1. “**independent Director**” means a Director who has no direct or indirect material relationship with the Corporation or its affiliates.
- 7.2. “**material change**” in the affairs of the Corporation means a change in the business, operations or capital of the Corporation that could reasonably be expected to have a significant effect on the market price or value of the securities of the Corporation. A material change includes a decision to make such a change by the Board or by senior management of the Corporation who believe that Board confirmation is probable.
- 7.3. “**material relationship**” means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a Director’s independent judgment. Without limiting the generality of the foregoing, the following persons are considered to have a material relationship with the Corporation:
- (i) a person who is, or has been within the last three years, an employee or executive officer of the Corporation, or any of its predecessor, subsidiary or affiliated entities;
 - (ii) a person whose immediate family member is, or has been within the last three years, an executive officer of the Corporation, or any of its predecessor, subsidiary or affiliated entities;
 - (iii) a person who: (i) is a partner¹ of the Corporation’s internal or external auditor; (ii) is employed by the firm that is the Corporation’s internal or external auditor; or (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation’s audit (or that of its predecessor or subsidiary entities) within that time;
 - (iv) a person whose spouse, minor child or stepchild, or child or stepchild who shares a home with a person who: (i) is a partner of the firm that is the Corporation’s internal or external auditor; (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice; or (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation’s audit (or that of its predecessor or subsidiary entities) within that time;

¹ “partner” does not include a fixed income partner whose interest in the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with an internal or independent auditor if the compensation is not contingent in any way on continued services.

- (v) a person who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Corporation's current executive officers serves or served at that same time on the entity's compensation committee;
- (vi) a person who received, or whose immediate family member who is employed as an executive officer of the Corporation or any of its predecessor or subsidiary entities received, more than \$75,000 in direct compensation from the Corporation or its predecessor or subsidiary entities during any 12 month period within the last three years, other than: (i) as remuneration for acting in his or her capacity as member of the Board, a member of the board of trustees or any board committee; or (ii) fixed amounts of compensation under a retirement plan for prior service with the Corporation or any of its predecessor or subsidiary entities if the compensation is not contingent in any way on continued service; and
- (vii) a person who is an affiliated entity of the Corporation or any of its predecessor or subsidiary entities.

Confirmed June 30, 2020

SCHEDULE B

COMPENSATION, NOMINATING AND CORPORATE GOVERNANCE COMMITTEE TERMS OF REFERENCE

The following compensation, nominating and corporate governance terms of reference (the “**Terms of Reference**”) were adopted by the Board of Directors (the “**Board**”) of Cineplex Inc. (collectively, with its subsidiaries and affiliates, “**Cineplex**” or the “**Corporation**”).

The Compensation, Nominating and Corporate Governance Committee of Cineplex (the “**Committee**”) is a committee formed from the Board charged with: (i) advising and administering the Corporation’s executive compensation programs to ensure appropriate pay for performance; (ii) establishing procedures to assess CEO performance and plan for CEO succession; (iii) advising on key talent processes relating to executive succession; (iv) establishing procedures for the effective identification and recommendation of board and committee nominees and orientation of new Board directors of Cineplex Inc. (each a “**Director**”); (v) assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director; and (vi) developing and monitoring the Corporation’s approach to governance issues.

1. COMPOSITION

The Board shall elect members of the Committee annually, from among its members, to be composed of at least three Directors. The composition of the Committee shall be as prescribed in the bylaws of the Corporation.

2. REPORTS

The Committee shall report to the Board on a regular basis and, in any event, before the public disclosure by Cineplex in its management information circular, or as required by applicable disclosure legislation on: (i) compensation of Cineplex’s Directors and senior executives; (ii) an assessment of the Board’s performance; and (iii) the Corporation’s systems of governance practices for inclusion in public disclosure documents.

3. DUTIES AND RESPONSIBILITIES

The Committee shall perform the following functions, as well as any other functions specifically authorized by the Board:

3.1 **Compensation and Leadership Responsibilities:**

- a) Recommend the design of the overall compensation program for senior executives to the Board and ensure it is appropriate relative to comparable benchmarks and the goals of the Corporation.
- b) Recommend to the Board whether and to whom options to purchase shares of Cineplex shall be offered as compensation and, if so, the terms of such options.
- c) Recommend to the Board whether and to whom participation in any long term incentive plan should be made available and, if so, the terms of such participation.
- d) Assess the need for, and, if determined advisable, appoint or terminate, any compensation consultant responsible to assist in the evaluation of the compensation of a Director, the CEO or

senior executives. In this regard, the Committee will have sole authority to approve the consultant's fees and retention terms.

- e) Review and recommend to the Board, from time to time and at least bi-annually, the remuneration to be paid by Cineplex to Directors.
- f) Assess the performance of the CEO against objectives developed by the Board and report such assessment to the Directors.
- g) At least annually, review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and recommend to the Board the CEO's compensation levels based on this evaluation. In determining the long-term incentive component of the CEO's compensation, the Committee shall consider the performance of the Corporation and relative shareholder return, the value of similar incentive awards to CEOs at comparable entities, and the awards given to the CEO in past years.
- h) At least annually, review and make recommendations to the Board with respect to the compensation of all other senior officers and other key executives of Cineplex, including incentive-compensation plans and equity-based plans, on the advice of the CEO. In reviewing and making recommendations to the Board, the Committee shall ensure that a process is in place to maintain a compensation program for the senior executives of the Corporation at a fair and competitive level.
- i) At least annually, review and approve, for each of the CEO, CFO and other named executive officers of Cineplex: (a) the terms of any employment agreements, severance arrangements, and change in control arrangements/provisions, in each case as, when and if appropriate; and (b) any special or supplemental benefits, including retirement benefits.
- j) At least annually, review key human resources policies and programs in place and under development to ensure that programs related to performance evaluation, leadership development and succession planning for executives are effectively integrated with the strategy of the Corporation.
- k) At least annually, confirm the criteria for and identify potential CEO succession candidates, and monitor development plans for those identified to foster leadership depth.
- l) Review and recommend to the Board any material changes to employment practices or programs, including share ownership guidelines, retirement benefits and long-term incentives.
- m) Report on executive compensation as required by applicable public disclosure legislation.

3.2 Governance Responsibilities:

- a) Assess the independence and qualifications of the members of the Board and their various committees.
- b) Review, and make recommendations to the Board regarding the composition of the various committees of the Board.
- c) Monitor and make recommendations to the Board regarding the quality of the relationship between management and the Board.
- d) Review and respond to requests by individual Directors to engage outside advisors at the expense of the Corporation.

- e) Review the proposed agenda for and provide recommendations as to additional topics for discussion at meetings of the Board.
- f) Assess the need and co-ordinate a program for continuing education for members of the Board.
- g) Annually review and report to the Board on organizational structure and succession planning matters.
- h) Report on governance as required by public disclosure requirements.
- i) Review and ensure compliance of the Corporation with its internal governance guidelines.
- j) Review from time to time the governance practices of the Corporation, its Board and committees of the Board to determine compliance with rules and policies of regulatory authorities governing the Corporation.
- k) At least annually, review the adequacy of the corporate governance guidelines of the Corporation and recommend any proposed changes to the Board.
- l) Determine and monitor the Corporation's standards for Director independence.
- m) At least annually, audit the practices of the Board (including separate meetings of non-management Directors) to ensure compliance with the governance guidelines of the Corporation.
- n) At least annually, review the powers, mandates and the membership of the various committees of the Board; assess and provide recommendations to the Board on the effectiveness of the Board and their committees and the contribution of each Director and of the Board and Committee Chairs.
- o) Undertake such other initiatives as are needed to help the Board deliver exemplary governance.

3.3 Nominating Responsibilities:

- a) Identify and propose any nominees to stand for election to the Board at the annual meeting of shareholders and, from time to time, propose new nominees to the Board and candidates for vacancies that become available on the Board. In this regard, the Committee will have the authority to appoint and, if appropriate, terminate the engagement of, any search firm to assist in the identification of director candidates and the Committee will have the sole authority to approve fees of such search firm and other retention terms.
- b) Maintain an orientation and educational program for new recruits to the Board in order to familiarize such candidates with the business of the Corporation, its management and professional advisors and its facilities and to ensure that prospective candidates fully understand the role of the Board, the role of the committees of the Board and the contribution individual Directors are expected to make, including in particular, the commitment of time and energy that is expected of Directors.

4. STRUCTURE

- a) No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by a resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum provided that if the number of members of the Committee is an even number one half of the number of members plus one shall constitute a quorum and provided further that a majority of the members present shall be unrelated Directors.

- b) No member of the Committee may participate in discussions or decisions related to his or her own compensation (other than in discussions with respect to Director remuneration generally). Where for any reason a member of the Committee is disqualified from voting on, or participating in, a decision, any other unrelated and disinterested Director not already a member of the Committee may be designated by the Directors to act as an alternate.
- c) Subject to the provisions of the Corporation's bylaws, any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a Director. Subject to the foregoing, each member of the Committee shall hold such office until the next annual meeting of Shareholders after his or her election as a member of the Committee.
- d) The Committee shall appoint one of its members to act as chair of the Committee (the "**Chair**"). The Chair will appoint a secretary who will keep minutes of all meetings (the "**Secretary**"). The Secretary does not have to be a member of the Committee or a Director and can be changed by simple notice from the Chair.
- e) The Committee will meet as many times as is necessary to carry out its responsibilities but in no event will the Committee meet less than once a year. Meetings will be at the call of the Chair. Notwithstanding the foregoing, any member of the Committee may call a meeting of the Committee, not to be held upon less than 48 hours' notice. Every meeting will include an in-camera portion without management.
- f) The time at which, and the place where, the meetings of the Committee shall be held, the calling of meetings and the procedure in all respects of such meeting shall be determined by the Committee.
- g) The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

5. **PROCESS**

The Committee will:

- a) obtain compensation data concerning comparable entities to the Corporation and other data deemed appropriate by the Committee, and to the extent possible, understand the basis upon which such comparable entities compensate their senior executives;
- b) meet with senior executives of the Corporation from time to time with a view to understanding personal needs, requirements, expectations and the Corporation's responsiveness to such criteria;
- c) document proceedings and decisions of the Committee with a view to justifying, to the extent necessary, decisions that have been reached, by the Committee, to Shareholders and other interested constituencies; and
- d) establish criteria through which effectiveness of the Board, Board committees, and Directors are assessed.

Where the Board deems appropriate, it may delegate authority to the Committee to approve any matters noted above where the Committee is otherwise tasked to make a recommendation to the Board.

6. INDEPENDENT ADVICE

In discharging its mandate, the Committee shall have the authority to retain (and authorize the payment thereof by the Corporation or its subsidiaries) and receive advice from, special legal, accounting or other advisors or consultants.

7. ANNUAL EVALUATION

At least annually, the Committee shall, in a manner it determines to be appropriate: (a) perform a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with these Terms of Reference; and (b) review and assess the adequacy of these Terms of Reference and recommend to the Board any improvements to Terms of Reference that the Committee determines to be appropriate.

Confirmed June 30, 2020

SCHEDULE C

OMNIBUS EQUITY INCENTIVE PLAN



CINEPLEX INC.

OMNIBUS EQUITY INCENTIVE PLAN
August 9, 2020

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Cineplex Inc.

Omnibus Equity Incentive Plan

**ARTICLE 1
PURPOSE**

1.1 Purpose

The purpose of this Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Employees and Consultants of the Corporation and its subsidiaries, to reward such of those Employees and Consultants as may be granted Awards under this Plan by the Board from time to time for their contributions toward the long term goals and success of the Corporation and to enable and encourage such Employees and Consultants to acquire Shares as long term investments and proprietary interests in the Corporation. This Plan is also intended to replace the Prior Plans (as defined below) as of the Effective Date and with respect to future grants and awards following such date.

**ARTICLE 2
INTERPRETATION**

2.1 Definitions

When used herein, unless the context otherwise requires, the following terms have the indicated meanings, respectively:

"Affiliate" means any entity that is an "affiliate" for the purposes of National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators, as amended from time to time;

"Award" means any Option, Restricted Share Unit, or Performance Share Unit granted under this Plan which may be denominated or settled in Shares, cash or in such other form as provided herein;

"Award Agreement" means a signed, written agreement between a Participant and the Corporation, in the form or any one of the forms approved by the Plan Administrator, evidencing the terms and conditions on which an Award has been granted under this Plan and which need not be identical to any other such agreements;

"Board" means the board of directors of the Corporation;

"Business Day" means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Toronto are open for commercial business during normal banking hours;

"Canadian Taxpayer" means a Participant that is resident of Canada for purposes of the Tax Act;

"Cashless Exercise" has the meaning set forth in Subsection 4.5(b);

"Cause" means, with respect to a particular Participant:

- (a) "cause" (or any similar term) as such term is defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Employee;
- (b) in the event there is no written or other applicable employment or other agreement between the Corporation or a subsidiary of the Corporation or "cause" (or any similar term) is not defined in such agreement, "cause" as such term is defined in the Award Agreement; or
- (c) in the event neither (a) nor (b) apply, then "cause" as such term is defined by applicable law or, if not so defined, such term shall refer to circumstances where (i) an employer may terminate an individual's employment without notice or pay in lieu thereof or other damages, or (ii) the Corporation or any subsidiary thereof may terminate the Participant's contract without notice or without pay in lieu thereof or other termination fee or damages;

“Change in Control” means any sale, disposition, assignment, reorganization, amalgamation, merger or other transaction, or series of related transactions, as a result of which a Person or group of Persons unrelated to the Corporation or any of its subsidiaries acting jointly or in concert, or Persons associated or affiliated with any such Person or group within the meaning of the *Securities Act* (Ontario), becomes the owner, legal or beneficial, directly or indirectly, of more than 50% of the Shares or exercises control or direction over more than 50% of the Shares (on a fully-diluted basis) and holders of Shares prior to such acquisition hold less than 50% of the Shares (on a fully diluted basis) following such acquisition. For greater certainty, a transaction that constitutes an internal reorganization of the Company shall not constitute a Change of Control under the Plan so long as holders of Shares prior to such reorganization continue to hold 50% or more of the equity securities of the successor entity following completion of the reorganization;

Notwithstanding the foregoing, for purposes of any Award that constitutes “deferred compensation” (within the meaning of Section 409A of the Code), the payment of which is triggered by or would be accelerated upon a Change in Control, a transaction will not be deemed a Change in Control for Awards granted to any Participant who is a U.S. Taxpayer unless the transaction qualifies as “a change in control event” within the meaning of U.S. Department of Treasury Regulation Section 1.409A-3(i)(5)(i).

“Code” means the United States Internal Revenue Code of 1986, as amended from time to time. Any reference to a section of the Code shall be deemed to include a reference to any regulations promulgated thereunder;

“Committee” has the meaning set forth in Section 3.2;

“Consultant” means any individual or entity engaged by the Corporation or any subsidiary of the Corporation to render consulting or advisory services (including as a director or officer of any subsidiary of the Corporation), other than as an Employee or Director, and whether or not compensated for such services;

“Control” means the relationship whereby a Person is considered to be “controlled” by a Person if:

- (a) when applied to the relationship between a Person and a corporation, the beneficial ownership by that Person, directly or indirectly, of voting securities or other interests in such corporation entitling the holder to exercise control and direction in fact over the activities of such corporation;
- (b) when applied to the relationship between a Person and a partnership, limited partnership, trust or joint venture, means the contractual right to direct the affairs of the partnership, limited partnership, trust or joint venture; and
- (c) when applied in relation to a trust, the beneficial ownership at the relevant time of more than 50% of the property settled under the trust, and

the words **“Controlled by”**, **“Controlling”** and similar words have corresponding meanings; provided that a Person who controls a corporation, partnership, limited partnership or joint venture will be deemed to Control a corporation, partnership, limited partnership, trust or joint venture which is Controlled by such Person and so on;

“Corporation” means Cineplex Inc.;

“Date of Grant” means, for any Award, the date specified by the Plan Administrator at the time it grants the Award or if no such date is specified, the date upon which the Award was granted;

“Director” means a director of the Corporation;

“Disability” or **“Disabled”** means any incapacity or inability of a particular Participant, including any physical or mental incapacity, disease or affliction of the Participant as determined by a legally qualified medical practitioner or by a court, which has prevented or which will likely prevent the Participant from performing the essential duties of his position (taking into account reasonable accommodation by the Corporation) for a continuous period of 180 days or for any cumulative period of 270 days in any 360 consecutive day period;

"Effective Date" means the effective date of this Plan, being August 9, 2020;

"Employee" means an individual who:

- (a) is considered an employee of the Corporation or a subsidiary of the Corporation for purposes of source deductions under applicable tax or social welfare legislation; or
- (b) works full-time or part-time on a regular weekly basis for the Corporation or a subsidiary of the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or a subsidiary of the Corporation over the details and methods of work as an employee of the Corporation or such subsidiary.

"Exchange" means the TSX and any other exchange on which the Shares are or may be listed from time to time;

"Exercise Notice" means a notice in writing, signed by a Participant and stating the Participant's intention to exercise a particular Option;

"Exercise Price" means the price at which an Option Share may be purchased pursuant to the exercise of an Option;

"Expiry Date" means, in respect of Options, the expiry date specified in the Award Agreement for an Option (which shall not be later than the tenth anniversary of the Date of Grant) or, if not so specified, means the tenth anniversary of the Date of Grant;

"In the Money Amount" has the meaning given to it in Subsection 4.5(b);

"Insider" means an "insider" as defined in the rules of the Exchange from time to time;

"Market Price" at any date in respect of the Shares shall be the volume weighted average closing price of Shares on the TSX, for the five (5) trading days immediately preceding the Date of Grant (or, if such Shares are not then listed and posted for trading on the TSX, on such stock exchange on which the Shares are listed and posted for trading as may be selected for such purpose by the Board); provided that, for so long as the Shares are listed and posted for trading on the TSX, the Market Price shall not be less than the market price, as calculated under the policies of the TSX; and provided, further, that with respect to an Award made to a U.S. Taxpayer such Participant and the number of Shares subject to such Award shall be identified by the Board or the Committee prior to the start of the applicable five trading day period. In the event that such Shares are not listed and posted for trading on any Exchange, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion and, with respect to an Award made to a U.S. Taxpayer, in accordance with Section 409A of the Code.

"Option" means a right to purchase Shares under Article 4 of this Plan that is non-assignable and non-transferable, unless otherwise approved by the Plan Administrator;

"Option Shares" means Shares issuable by the Corporation upon the exercise of outstanding Options;

"Participant" means an Employee or Consultant to whom an Award has been granted under this Plan;

"Participant's Employer" means with respect to a Participant that is or was an Employee, the Corporation or such subsidiary of the Corporation as is or, if the Participant has ceased to be employed by the Corporation or such subsidiary of the Corporation, was the Participant's Employer;

"Performance Goals" means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Corporation, a subsidiary of the Corporation, a division of the Corporation or a subsidiary of the Corporation, or an individual, or may be applied to the performance of the Corporation or a subsidiary of the Corporation relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Plan Administrator in its discretion;

“Performance Share Unit” or “PSU” means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 6;

“Person” means an individual, corporation, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, joint venture, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;

“Plan” means this Omnibus Equity Incentive Plan, as may be amended from time to time;

“Plan Administrator” means the Board, or if the administration of this Plan has been delegated by the Board to the Committee pursuant to Section 3.2, the Committee;

“Prior Plans” means, collectively: the amended and restated option plan of the Corporation originally adopted as of February 12, 2008, as amended and restated February 8, 2012, March 14, 2014 and March 10, 2016; the amended and restated performance share unit plan of the Corporation originally adopted as of January 1, 2011, as amended and restated on January 24, 2018; and the restricted share unit plan of the Corporation originally adopted as of January 24, 2018;

“Prior Plan Awards” has the meaning given to it in Section 3.7;

“PSU Service Year” has the meaning given to it in Section 6.1;

“Restricted Share Unit” or “RSU” means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 5;

“Retirement” means, unless otherwise defined in the Participant’s written or other applicable employment agreement or in the Award Agreement, the termination of the Participant’s working career at the age of 60 or such other retirement age, with consent of the Plan Administrator, if applicable;

“RSU Service Year” has the meaning given to it in Section 5.1.

“Section 409A of the Code” or “Section 409A” means Section 409A of the Code and all regulations, guidance, compliance programs, and other interpretive authority issued thereunder;

“Securities Laws” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Corporation or to which it is subject;

“Security Based Compensation Arrangement” means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to Directors, officers, Employees and/or service providers of the Corporation or any subsidiary of the Corporation, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;

“Share” means one (1) common share in the capital of the Corporation as constituted on the Effective Date or any share or shares issued in replacement of such common share in compliance with Canadian law or other applicable law, and/or one share of any additional class of common shares in the capital of the Corporation as may exist from time to time, or after an adjustment contemplated by Article 10, such other shares or securities to which the holder of an Award may be entitled as a result of such adjustment;

“subsidiary” means an issuer that is Controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary, or any other entity in which the Corporation has an equity interest and is designated by the Plan Administrator, from time to time, for purposes of this Plan to be a subsidiary;

“Tax Act” has the meaning set forth in Section 4.5(c);

“Target Performance” has the meaning set forth in Section 6.3;

“Termination Date” means, subject to applicable law which cannot be waived:

- (a) in the case of an Employee whose employment with the Corporation or a subsidiary of the Corporation terminates, (i) the date designated by the Employee and the Corporation or a subsidiary of the Corporation as the “Termination Date” (or similar term) in a written employment or other agreement between the Employee and Corporation or a subsidiary of the Corporation, or (ii) if no such written employment or other agreement exists, the date designated by the Corporation or a subsidiary of the Corporation, as the case may be, on which the Employee ceases to be an employee of the Corporation or the subsidiary of the Corporation, as the case may be, provided that, in the case of termination of employment by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given; and in any event, the “Termination Date” shall be determined without including any period of reasonable notice that the Corporation or the subsidiary of the Corporation (as the case may be) may be required by law to provide to the Participant or any pay in lieu of notice of termination, severance pay or other damages paid or payable to the Participant;
- (b) in the case of a Consultant whose agreement or arrangement with the Corporation or a subsidiary of the Corporation terminates, (i) the date designated by the Corporation or the subsidiary of the Corporation, as the “Termination Date” (or similar term) or expiry date in a written agreement between the Consultant and Corporation or a subsidiary of the Corporation, or (ii) if no such written agreement exists, the date designated by the Corporation or a subsidiary of the Corporation, as the case may be, on which the Consultant ceases to be a Consultant or a service provider to the Corporation or the subsidiary of the Corporation, as the case may be, or on which the Participant’s agreement or arrangement is terminated, provided that in the case of voluntary termination by the Participant of the Participant’s consulting agreement or other written arrangement, such date shall not be earlier than the date notice of voluntary termination was given; in any event, the “Termination Date” shall be determined without including any period of notice that the Corporation or the subsidiary of the Corporation (as the case may be) may be required by law to provide to the Participant or any pay in lieu of notice of termination, termination fees or other damages paid or payable to the Participant; and
- (c) in the case of a U.S. Taxpayer, a Participant’s “Termination Date” will be the date the Participant experiences a “separation from service” with the Corporation or a subsidiary of the Corporation within the meaning of Section 409A of the Code. As provided in Section 11.6(d) of this Plan, if at the time of such “separation from service” the U.S. Taxpayer is deemed to be a “specified employee” within the meaning of Section 409A of the Code, no payment of an Award that is considered “nonqualified deferred compensation” under Section 409A of the Code shall be made prior to the earlier of (a) the expiration of the six-month period measured from the date of such U.S. Taxpayer’s separation from service or (b) the date of the U.S. Taxpayer’s death, to the extent such delayed payment is required to avoid a prohibited distribution under Section 409A of the Code.

“TSX” means the Toronto Stock Exchange;

“U.S.” or **“United States”** means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;

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

“U.S. Taxpayer” shall mean a Participant who, with respect to an Award, is subject to taxation under the applicable U.S. tax laws.

2.2 Interpretation

- (a) Whenever the Plan Administrator exercises discretion in the administration of this Plan, the term “discretion” means the sole and absolute discretion of the Plan Administrator.

- (b) As used herein, the terms “Article”, “Section”, “Subsection” and “clause” mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.
- (e) Unless otherwise specified, all references to money amounts are to Canadian currency.
- (f) The headings used herein are for convenience only and are not to affect the interpretation of this Plan.

ARTICLE 3 ADMINISTRATION

3.1 Administration

This Plan will be administered by the Plan Administrator and the Plan Administrator has sole and complete authority, in its discretion, to:

- (a) determine the individuals to whom grants under the Plan may be made;
- (b) make grants of Awards under the Plan relating to the issuance of Shares (including any combination of Options, Restricted Share Units, or Performance Share Units) in such amounts, to such Persons and, subject to the provisions of this Plan, on such terms and conditions as it determines including without limitation:
 - (i) the time or times at which Awards may be granted;
 - (ii) the conditions under which:
 - (A) Awards may be granted to Participants; or
 - (B) Awards may be forfeited to the Corporation,
 including any conditions relating to the attainment of specified Performance Goals;
 - (iii) the number of Shares to be covered by any Award;
 - (iv) the price, if any, to be paid by a Participant in connection with the purchase of Shares covered by any Awards;
 - (v) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and
 - (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine;

- (c) establish the form or forms of Award Agreements;
- (d) cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of this Plan;
- (e) construe and interpret this Plan and all Award Agreements;
- (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to this Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws; and
- (g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

3.2 Delegation to Committee

- (a) The initial Plan Administrator shall be the Board.
- (b) To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee of the Board (the “**Committee**”) all or any of the powers conferred on the Plan Administrator pursuant to this Plan, including the power to sub-delegate to any member(s) of the Committee or any specified officer(s) of the Corporation or its subsidiaries all or any of the powers delegated by the Board. In such event, the Committee or any sub-delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party. Any decision made or action taken by the Committee or any sub-delegate arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive and binding on the Corporation and all subsidiaries of the Corporation, all Participants and all other Persons.

3.3 Determinations Binding

Any decision made or action taken by the Board, the Committee or any sub-delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration or interpretation of this Plan is final, conclusive and binding on the Corporation, the affected Participant(s), their legal and personal representatives and all other Persons.

3.4 Eligibility

All Employees and Consultants are eligible to participate in the Plan, subject to Section 9.1(h). Participation in the Plan is voluntary and eligibility to participate does not confer upon any Employee or Consultant any right to receive any grant of an Award pursuant to the Plan. The extent to which any Employee or Consultant is entitled to receive a grant of an Award pursuant to the Plan will be determined in the sole and absolute discretion of the Plan Administrator.

3.5 Plan Administrator Requirements

Any Award granted under this Plan shall be subject to the requirement that, if at any time the Corporation shall determine that the listing, registration or qualification of the Shares issuable pursuant to such Award upon any securities exchange or under any Securities Laws of any jurisdiction, or the consent or approval of the Exchange and any securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, such Award may not be accepted or exercised, as applicable, in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Plan Administrator. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval. Participants shall, to the extent applicable, cooperate with the Corporation in complying with such legislation, rules, regulations and policies.

3.6 Total Shares Subject to Awards

- (a) Subject to adjustment as provided for in Article 10 and any subsequent amendment to this Plan, the aggregate number of Shares that may be issued pursuant to this Plan shall be 1,761,345 Shares; provided that no more than 1,200,000 Shares may be issued in the aggregate pursuant to the settlement of Restricted Share Units and Performance Share Units.
- (b) To the extent any Awards (or portion(s) thereof) under this Plan or any Prior Plan Awards (or portion(s) thereof) terminate or are cancelled for any reason prior to exercise in full, or are surrendered to the Corporation by the Participant, except surrenders relating to the payment of the purchase price of any such award or the satisfaction of the tax withholding obligations related to any such award, any Shares subject to such awards (or portion(s) thereof) shall be added back to the number of Shares reserved for issuance under this Plan and will again become available for issuance pursuant to the exercise of Awards granted under this Plan.
- (c) Any Shares issued by the Corporation through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of Shares available for issuance pursuant to the exercise of Awards granted under this Plan.
- (d) For greater certainty, in connection with the grant of Options pursuant to this Plan, only the number of Shares actually granted to a Participant who has elected to use the Cashless Exercise in accordance with Section 4.5 shall reduce the number of Shares available for issuance pursuant to the exercise of Awards granted under this Plan.

3.7 Prior Plans

On and after the Effective Date, subject to the terms of any agreement in respect of an award under the Prior Plans, no new awards may be granted under the Prior Plans, it being understood that awards outstanding under the Prior Plans prior to the Effective Date (“**Prior Plan Awards**”) shall remain in full force and effect under the Prior Plans according to their respective terms; provided that the Plan Administrator may amend any such Prior Plan Awards on or after the Effective Date to cause such Prior Plan Awards to become subject to, and settled pursuant to, the terms of the Plan and each Prior Plan Award so amended shall retain its original grant date for purposes of applying the terms of the Plan. For the avoidance of doubt, all remaining available Shares under the Prior Plans that are not the subject of Prior Plan Awards will automatically and immediately cease to be available under the Prior Plans at the Effective Date of this Plan.

3.8 Limits on Grants of Awards

Notwithstanding anything in this Plan:

- (a) the aggregate number of Shares:
 - (i) issuable to Insiders at any time, under all of the Corporation’s Security Based Compensation Arrangements, shall not exceed ten percent (10%) of the Corporation’s issued and outstanding Shares; and
 - (ii) issued to Insiders within any one (1) year period, under all of the Corporation’s Security Based Compensation Arrangements, shall not exceed ten percent (10%) of the Corporation’s issued and outstanding Shares.
- (b) the Plan Administrator shall not grant any Awards that may be denominated or settled in Shares to residents of the United States unless such Awards and the Shares issuable upon exercise thereof are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

3.9 Award Agreements

Each Award under this Plan will be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Plan Administrator may direct. Any one officer of the Corporation is authorized and empowered to execute and deliver, for and on behalf of the Corporation, an Award Agreement to each Participant granted an Award pursuant to this Plan.

3.10 Non-transferability of Awards

Except as permitted by the Plan Administrator and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or as required by law, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect. To the extent that certain rights to exercise any portion of an outstanding Award pass to a beneficiary or legal representative upon death of a Participant, the period in which such Award can be exercised by such beneficiary or legal representative shall not exceed one year from the Participant's death.

ARTICLE 4 OPTIONS

4.1 Granting of Options

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Options to any Participant. The terms and conditions of each Option grant shall be evidenced by an Award Agreement.

4.2 Exercise Price

The Plan Administrator will establish the Exercise Price at the time each Option is granted, which Exercise Price must in all cases be not less than the Market Price on the Date of Grant.

4.3 Term of Options

Subject to any accelerated vesting or termination as set forth in this Plan, each Option expires on its Expiry Date.

4.4 Vesting and Exercisability

- (a) The Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Options.
- (b) Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant. Each vested Option may be exercised at any time or from time to time, for up to the total number of Option Shares with respect to which it is then exercisable. The Plan Administrator has the right to accelerate the date upon which any Option becomes exercisable.
- (c) Subject to the provisions of this Plan and any Award Agreement, Options shall be exercised by means of a fully completed Exercise Notice delivered to the Corporation.
- (d) The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in this Section 4.4, such as vesting conditions relating to the attainment of specified Performance Goals.

- (e) No Option holder who is resident in the United States may exercise Options unless the Option Shares are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

4.5 Payment of Exercise Price

- (a) Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in the particular Award Agreement, the Exercise Notice must be accompanied by payment of the Exercise Price. The Exercise Price must be fully paid by certified cheque, wire transfer, bank draft or money order payable to the Corporation or by such other means as might be specified from time to time by the Plan Administrator, which may include (i) through an arrangement with a broker approved by the Corporation (or through an arrangement directly with the Corporation) whereby payment of the Exercise Price is accomplished with the proceeds of the sale of Shares deliverable upon the exercise of the Option, (ii) through the cashless exercise process set out in Section 4.5(b), or (iii) such other consideration and method of payment for the issuance of Shares to the extent permitted by Securities Laws, or any combination of the foregoing methods of payment.
- (b) A Participant may, in lieu of exercising an Option pursuant to an Exercise Notice, elect to surrender such Option to the Corporation (a **"Cashless Exercise"**) in consideration for an amount from the Corporation equal to (i) the Market Price of the Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate Exercise Price of the Option (or portion thereof) surrendered relating to such Shares, (the **"In-the-Money Amount"**) by written notice to the Corporation indicating the number of Options such Participant wishes to exercise using the Cashless Exercise, and such other information that the Corporation may require. Subject to Section 7.3, the Corporation shall satisfy payment of the In-the-Money Amount by delivering to the Participant such number of Shares (rounded down to the nearest whole number) having a fair market value equal to the In-the-Money Amount. No Shares will be issued or transferred until full payment therefor has been received by the Corporation.
- (c) If a Participant surrenders Options through a Cashless Exercise pursuant to Section 4.5(b), to the extent that such Participant would be entitled to a deduction under paragraph 110(1)(d) of the *Income Tax Act* (Canada) (the **"Tax Act"**) in respect of such surrender if the election described in subsection 110(1.1) of the Tax Act were made and filed (and the other procedures described therein were undertaken) on a timely basis after such surrender, the Corporation will cause such election to be so made and filed (and such other procedures to be so undertaken).

ARTICLE 5 RESTRICTED SHARE UNITS

5.1 Granting of RSUs

- (a) The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any Participant in respect of a bonus or similar payment in respect of services rendered by the applicable Participant in a taxation year (the **"RSU Service Year"**). The terms and conditions of each RSU grant may be evidenced by an Award Agreement. Each RSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 5.4(a)), upon the settlement of such RSU.
- (b) The number of RSUs (including fractional RSUs) granted at any particular time pursuant to this Article 5 will be calculated by dividing (i) the amount of any bonus or similar payment that is to be paid in RSUs, as determined by the Plan Administrator, by (ii) the greater of (A) the Market Price of a Share on the Date of Grant; and (B) such amount as determined by the Plan Administrator in its sole discretion.

5.2 RSU Account

All RSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant.

5.3 Vesting of RSUs

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that the terms comply with Section 409A, with respect to a U.S. Taxpayer.

5.4 Settlement of RSUs

- (a) The Plan Administrator shall have the sole authority to determine the settlement terms applicable to the grant of RSUs, provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable. Subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any RSU, the Participant shall redeem each vested RSU for:
 - (i) one (1) fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct,
 - (ii) a cash payment, or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above,
 in each case as determined by the Plan Administrator in its discretion.
- (b) Any cash payments made under this Section 5.4 by the Corporation to a Participant in respect of RSUs to be redeemed for cash shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested RSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within; provided, that with respect to any Award subject to Section 409A of the Code, payment shall not be delayed beyond the date of payment of such Award as set forth in this Plan.
- (d) Notwithstanding any other terms of this Plan but subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, no settlement date for any RSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any RSU, under this Section 5.4 any later than the final Business Day of the third calendar year following the applicable RSU Service Year.
- (e) No RSU holder who is resident in the United States may settle RSUs for Shares unless the Shares issuable upon settlement of the RSUs are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

ARTICLE 6 PERFORMANCE SHARE UNITS

6.1 Granting of PSUs

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any Participant in respect of a bonus or similar payment in respect of services rendered by the applicable Participant in a taxation year (the "PSU Service Year"). The terms and conditions of each PSU grant shall be evidenced by an Award Agreement, provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is

applicable. Each PSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 6.6(a)), upon the achievement of such Performance Goals during such performance periods as the Plan Administrator shall establish.

6.2 Terms of PSUs

The Performance Goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the termination of a Participant's employment and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable Award Agreement.

6.3 Performance Goals

The Plan Administrator will issue Performance Goals prior to the Date of Grant to which such Performance Goals pertain. The Performance Goals may be based upon the achievement of corporate, divisional or individual goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Plan Administrator. The Plan Administrator may modify the Performance Goals as necessary to align them with the Corporation's corporate objectives, subject to any limitations set forth in an Award Agreement or an employment or other agreement with a Participant. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur) ("**Target Performance**"), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

6.4 PSU Account

All PSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant.

6.5 Vesting of PSUs

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs.

6.6 Settlement of PSUs

- (a) The Plan Administrator shall have the authority to determine the settlement terms applicable to the grant of PSUs provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable. Subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any PSU, the Participant shall redeem each vested PSU for:
 - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct,
 - (ii) a cash payment, or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above,
 in each case as determined by the Plan Administrator in its discretion.
- (b) Any cash payments made under this Section 6.6 by the Corporation to a Participant in respect of PSUs to be redeemed for cash shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Share as at the settlement date.

- (c) Payment of cash to Participants on the redemption of vested PSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within; provided, that with respect to any Award subject to Section 409A of the Code, payment shall not be delayed beyond the date of payment of such Award as set forth in this Plan.
- (d) Notwithstanding any other terms of this Plan but subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, no settlement date for any PSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any PSU, under this Section 6.6 any later than the final Business Day of the third calendar year following the applicable PSU Service Year.
- (e) No PSU holder who is resident in the United States may settle PSUs for Shares unless the Shares issuable upon settlement of the PSUs are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

ARTICLE 7 ADDITIONAL AWARD TERMS

7.1 Dividend Equivalents

- (a) Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, an Award of RSUs and PSUs shall include the right for such RSUs and PSUs to be credited with dividend equivalents in the form of additional RSUs and PSUs, respectively, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs and PSUs, as applicable, held by the Participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first Business Day immediately following the dividend record date, with fractions computed to three decimal places. Dividend equivalents credited to a Participant's account shall vest in proportion to the RSUs and PSUs to which they relate, and shall be settled in accordance with Subsections 5.4 and 6.6, respectively.
- (b) The foregoing does not obligate the Corporation to declare or pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.

7.2 Black-out Period

If an Award expires during, or within five Business Days after, a routine or special trading black-out period imposed by the Corporation to restrict trades in the Corporation's securities, then, notwithstanding any other provision of this Plan, unless the delayed expiration would result in tax consequences, the Award shall expire ten Business Days after the trading black-out period is lifted by the Corporation.

7.3 Withholding Taxes

Notwithstanding any other terms of this Plan, the granting, vesting or settlement of each Award under this Plan is subject to the condition that if at any time the Plan Administrator determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, vesting or settlement, such action is not effective unless such withholding has been effected to the satisfaction of the Plan Administrator. In such circumstances, the Plan Administrator may require that a Participant pay to the Corporation the minimum amount as the Corporation or a subsidiary of the Corporation is obliged to withhold or remit to the relevant taxing authority in respect of the granting, vesting or settlement of the Award. Any such additional payment is due no later than the date on which such amount with respect to the Award is required to be remitted to the relevant tax authority by the Corporation or a subsidiary of the Corporation, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Corporation or any Affiliate may (a) withhold such amount from any remuneration or other amount payable by the Corporation or any Affiliate to the Participant, (b) require the sale, on behalf of the applicable Participant, of a number of Shares issued upon exercise, vesting, or settlement of such Award and the remittance to the Corporation of the net proceeds from such sale sufficient to satisfy such amount, or (c) enter into any other suitable arrangements for the receipt of such amount.

7.4 Recoupment

Notwithstanding any other terms of this Plan, Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Corporation or the relevant subsidiary of the Corporation, or as set out in the Participant's employment agreement, Award Agreement or other written agreement, or as otherwise required by law or the rules of the Exchange. The Plan Administrator may at any time waive the application of this Section 7.4 to any Participant or category of Participants.

ARTICLE 8 CLAW-BACK PROVISION

If the Plan Administrator determines that a Participant engaged in an act of embezzlement, fraud, breach of fiduciary duty or any other misconduct which constitutes Cause for dismissal during the Participant's employment or engagement that significantly contributed to an obligation to restate the Corporation's financial statements (whether required by law, accounting principles, regulatory policy or settlement with regulators having jurisdiction over the Corporation), that Participant may be required to return any outstanding unexercised or unredeemed Awards for cancellation, and repay the proceeds resulting from any sale or other disposition of Shares issued or issuable upon redemption or exercise of an Award (including under a Cashless Exercise) or any cash received on redemption of an Award, if the sale, disposition or receipt of cash occurred during the three year period following the first public issuance or filing with the Ontario Securities Commission (or its successor(s)) of the financial statements required to be restated. The term "proceeds" means, with respect to any sale or other disposition of Shares issued or issuable upon exercise or redemption of an Award, an amount determined appropriate (on an "after-tax" basis taking into account any tax recoupment possible after the claw-back) by the Plan Administrator to reflect the effect of the restatement on the Corporation's financial statements, up to:

- (a) the amount equal to the number of Shares sold or disposed of multiplied by the difference between the market value per Share the time of such sale or disposition and the exercise price;
- (b) in the case of a Cashless Exercise, the amount equal to the number of Shares sold or disposed of multiplied by the market value per Share at the time of such sale or disposition; or
- (c) in the case of a redemption for cash, the total amount received by the Participant in cash.

The Plan Administrator may, in determining the appropriate amount of the claw-back referred to above, take into account penalties or punishments imposed by third parties, such as law enforcement agencies, regulators or other authorities. The Plan Administrator's power to determine the appropriate punishment for the Participant is in addition to, and not in replacement of, any remedies which may be imposed by such entities and any other remedies available to the Corporation or its subsidiaries. The amounts which may be clawed-back under this section are a reasonable pre-estimate of the damages which would be suffered by the Company in the event of the misconduct described above by a Participant and shall not be construed as a penalty. If any court or arbitrator determines that any provision contained in this Article 8 is unenforceable because of the duration of the provision or for any other reason, the duration or scope of the provision, as the case may be, shall be reduced so that the provision becomes enforceable and, in its reduced form, the provision shall then be enforceable and shall be enforced.

ARTICLE 9 TERMINATION OF EMPLOYMENT OR SERVICES

9.1 Termination of Employee or Consultant

Subject to Section 9.2, unless otherwise determined by the Plan Administrator or as set forth in an employment agreement, Award Agreement or other written agreement:

- (a) where a Participant's employment, consulting or other agreement or arrangement is terminated or the Participant ceases to hold office or his or her position, as applicable, by reason of voluntary resignation by the Participant, then, subject to applicable law that cannot be waived by the Participant:

- (i) each Award held by the Participant that has not vested as of the Termination Date is immediately forfeited and cancelled as of the Termination Date; and
 - (ii) each Award held by a Participant that has vested may be exercised, settled or surrendered to the Corporation by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award, and (B) the date that is 30 days after the Termination Date, provided that (1) with respect to any vested Performance Share Units held by such Participant, where the determination regarding achievement of Performance Goals has not been made by the end of such period, any such Performance Share Units will be forfeited, and (2) any Awards subject to Section 409A awarded to U.S. Taxpayers, shall be exercised, settled or surrendered within the same calendar year as the Participant's "separation from service". Any Award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled;
- (b) where a Participant's employment, consulting or other agreement or arrangement is terminated or the Participant ceases to hold office or his or her position, as applicable, by reason of termination by the Corporation or a subsidiary of the Corporation for Cause, all vested or unvested Awards granted to such Participant shall terminate automatically and become void immediately;
- (c) where a Participant's employment, consulting or other agreement or arrangement is terminated or the Participant ceases to hold office or his or her position, as applicable, by reason of termination by the Corporation or a subsidiary of the Corporation without Cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice), then, subject to applicable law that cannot be waived by the Participant:
 - (i) each Award held by the Participant that has not vested as of the Termination Date is immediately forfeited and cancelled as of the Termination Date; and
 - (ii) each Award held by a Participant that has vested may be exercised, settled or surrendered to the Corporation by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award, and (B) the date that is 30 days after the Termination Date; provided that, with respect to any Performance Share Units held by such Participant, the attainment of Performance Goals shall be assessed on the basis of the lesser of (i) the actual achievement of the Performance Goals up to the Termination Date and (ii) Target Performance;

provided further that any Awards subject to Section 409A awarded to U.S. Taxpayers, shall be exercised, settled or surrendered within the same calendar year as the Participant's "separation from service"; provided, however, that any Award that is intended to be an ISO must be exercised within 90 days following the Participant's separation from service. Any Award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled;
- (d) where a Participant's employment, consulting or other agreement or arrangement is terminated by reason of the death of the Participant, then each Award held by the Participant that has not vested as of the date of the death of such Participant shall vest on such date and may be exercised, settled or surrendered to the Corporation by the Participant at any time during the period that terminates on the earlier of: (i) the Expiry Date of such Award, and (ii) the first anniversary of the date of the death of such Participant provided that any Awards subject to Section 409A awarded to U.S. Taxpayers, shall be exercised or surrendered within the same calendar year as the Participant's death. Any Award that has not been exercised, settled or surrendered at the end of such period shall be immediately forfeited and cancelled. All other unvested Awards shall be immediately forfeited and cancelled;
- (e) where a Participant becomes Disabled, then each Award held by the Participant that has not vested as of the date of the Disability of such Participant shall vest on such date and may be exercised or surrendered to the Corporation by a Participant at any time until the Expiry Date of such Award, provided that (1) with respect to any Performance

Share Units held by such Participant, the attainment of Performance Goals shall be assessed on the basis of the lesser of (i) the actual achievement of the Performance Goals up to the Termination Date and (ii) Target Performance, and (2) any Awards subject to Section 409A awarded to U.S. Taxpayers, shall be exercised or surrendered within the same calendar year as the Participant's "separation from service". Any Award that remains unexercised or has not been surrendered to the Corporation by the Participant shall be immediately forfeited upon the termination of such period;

(f) where a Participant's employment, consulting or other agreement or arrangement is terminated due to Retirement, then:

- (i) each Option held by the Participant that has not vested as of the date of such Retirement shall continue to vest in accordance with its terms and may be exercised or surrendered to the Corporation by a Participant at any time during the period that terminates on the earlier of (A) the Expiry Date of such Option and (B) the fourth anniversary of the Participant's date of Retirement;
- (ii) each Restricted Share Unit held by the Participant that has not vested as of the date of such Retirement shall continue to vest in accordance with its terms and, if such Restricted Share Unit vests, shall be settled in accordance with this Plan; and
- (iii) each Performance Share Unit held by the Participant that has not vested as of the date of such Retirement shall continue to vest in accordance with its terms and the attainment of Performance Goals with respect to any such Performance Share Units shall be assessed on the basis of the actual achievement of Performance Goals;

provided that any Awards subject to Section 409A awarded to U.S. Taxpayers, shall, if such Awards vest, be exercised or surrendered within the same calendar year as the Participant's "separation from service".

Notwithstanding the foregoing, if, following his or her Retirement, the Participant commences (the "**Commencement Date**") employment, consulting or acting as a director of the Corporation or any of its subsidiaries (or in an analogous capacity) or otherwise as a service provider to any Person that carries on or proposes to carry on a business competitive with the Corporation or any of its subsidiaries, any Award held by the Participant that has not been exercised, surrendered or settled as of the Commencement Date shall be immediately forfeited and cancelled as of the Commencement Date.

(g) a Participant's eligibility to receive further grants of Awards under this Plan ceases as of the earliest of the following:

- (i) the Termination Date;
- (ii) the date that the Corporation or a subsidiary of the Corporation, as the case may be, provides the Participant with written notification that the Participant's employment, consulting or other agreement or arrangement is terminated, notwithstanding that such date may be prior to the Termination Date; or
- (iii) the date of the death, Disability, or Retirement, or the date notice is given of the resignation of the Participant; and

(h) notwithstanding Subsection 9.1(a), unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, Awards are not affected by a change of employment or consulting agreement or arrangement, or directorship within or among the Corporation or a subsidiary of the Corporation for so long as the Participant continues to be an Employee or Consultant, as applicable, of the Corporation or a subsidiary of the Corporation.

9.2 Discretion to Permit Acceleration

Notwithstanding the provisions of Section 9.1, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in such Section, or in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator.

ARTICLE 10 EVENTS AFFECTING THE CORPORATION

10.1 General

The existence of any Awards does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Article 10 would have an adverse effect on this Plan or on any Award granted hereunder.

10.2 Change in Control

Except as may be set forth in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant:

- (a) Notwithstanding anything else in this Plan or any Award Agreement, the Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, including to cause (i) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control; (ii) outstanding Awards to vest and become exercisable, realizable, or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such merger or Change in Control; (iii) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights, then such Award may be terminated by the Corporation without payment); (iv) the replacement of such Award with other rights or property selected by the Board in its sole discretion; or (v) any combination of the foregoing. In taking any of the actions permitted under this Section 10.2(a), the Plan Administrator will not be required to treat all Awards similarly in the transaction. Notwithstanding the foregoing, in the case of Options held by a Canadian Taxpayer, the Plan Administrator may not cause the Canadian Taxpayer to receive (pursuant to this Subsection 10.2(a)) any property in connection with a Change in Control other than rights to acquire shares of a corporation or units of a "mutual fund trust" (as defined in the Tax Act), of the Corporation or a "qualifying person" (as defined in the Tax Act) that does not deal at arm's length (for purposes of the Tax Act) with the Corporation, as applicable, at the time such rights are issued or granted.
- (b) Notwithstanding Section 9.1, and except as otherwise provided in a written employment or other agreement between the Corporation or a subsidiary of the Corporation and a Participant, if within 12 months following the completion of a transaction resulting in a Change in Control, a Participant's employment, consultancy or directorship is terminated by the Corporation or a subsidiary of the Corporation without Cause:

- (i) any unvested Awards held by the Participant that have not been exercised, settled or surrendered as of the Termination Date shall immediately vest; and
- (ii) any vested Awards of Participants may be exercised, settled or surrendered to the Corporation by such Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the date that is 90 days after the Termination Date; provided that, with respect to any Performance Share Units held by a Participant, the attainment of Performance Goals shall be assessed on the basis of the lesser of (i) the actual achievement of Performance Goals up to the Termination Date and (ii) Target Performance;

provided further that any Awards subject to Section 409A awarded to U.S. Taxpayers, shall be exercised, settled or surrendered within the same calendar year as the Participant's "separation from service", with any Award that has not been exercised, settled or surrendered at the end of such period being immediately forfeited and cancelled; provided, however, that any Award that is intended to be an ISO must be exercised within 90 days following the Participant's separation from service.

- (c) Notwithstanding Subsection 10.2(a) and unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Shares will cease trading on an Exchange, then the Corporation may terminate all of the Awards, other than an Option held by a Participant that is a resident of Canada for the purposes of the Tax Act, granted under this Plan at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such Participant as determined by the Plan Administrator, acting reasonably.
- (d) It is intended that any actions taken under this Section 10.2 will comply with the requirements of Section 409A of the Code with respect to Awards granted to U.S. Taxpayers.

10.3 Reorganization of Corporation's Capital

Should the Corporation effect a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Corporation that does not constitute a Change in Control and that would warrant the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

10.4 Other Events Affecting the Corporation

In the event of an amalgamation, combination, arrangement, merger or other transaction or reorganization involving the Corporation and occurring by exchange of Shares, by sale or lease of assets or otherwise, that does not constitute a Change in Control and that warrants the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

10.5 Immediate Acceleration of Awards

In taking any of the steps provided in Sections 10.3 and 10.4, the Plan Administrator will not be required to treat all Awards similarly and where the Plan Administrator determines that the steps provided in Sections 10.3 and 10.4 would not preserve proportionately the rights, value and obligations of the Participants holding such Awards in the circumstances or otherwise determines that it is appropriate, the Plan Administrator may, but is not required to, permit the immediate vesting of any unvested Awards.

10.6 Issue by Corporation of Additional Shares

Except as expressly provided in this Article 10, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Shares that may be acquired as a result of a grant of Awards.

10.7 Fractions

No fractional Shares will be issued pursuant to an Award. Accordingly, if, as a result of any adjustment under this Article 10 or a dividend equivalent, a Participant would become entitled to a fractional Share, the Participant has the right to acquire only the adjusted number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares, which shall be disregarded.

ARTICLE 11 U.S. TAXPAYERS

11.1 Provisions for U.S. Taxpayers

Options granted under this Plan to U.S. Taxpayers may be non-qualified stock options or incentive stock options qualifying under Section 422 of the Code (“ISOs”). Each Option shall be designated in the Award Agreement as either an ISO or a non-qualified stock option. The Corporation shall not be liable to any Participant or to any other Person if it is determined that an Option intended to be an ISO does not qualify as an ISO.

11.2 ISOs

Subject to any limitations in Section 3.6, the aggregate number of Shares reserved for issuance in respect of granted ISOs shall not exceed 200,000 Shares³, and the terms and conditions of any ISOs granted to a U.S. Taxpayer on the Date of Grant hereunder, including the eligible recipients of ISOs, shall be subject to the provisions of Section 422 of the Code, and the terms, conditions, limitations and administrative procedures established by the Plan Administrator from time to time in accordance with this Plan. At the discretion of the Plan Administrator, ISOs may be granted to any employee of the Corporation, or of a “parent corporation” or “subsidiary corporation”, as such terms are defined in Sections 424(e) and (f) of the Code, otherwise eligible to receive an Award under this Plan.

11.3 ISO Grants to 10% Shareholders

Notwithstanding anything to the contrary in this Plan, if an ISO is granted to a person who owns shares representing more than 10% of the voting power of all classes of shares of the Corporation or of a “parent corporation” or “subsidiary corporation”, as such terms are defined in Section 424(e) and (f) of the Code, on the Date of Grant, the term of the Option shall not exceed five years from the time of grant of such Option and the Exercise Price shall be at least 110% of the Market Price of the Shares subject to the Option.

11.4 \$100,000 Per Year Limitation for ISOs

To the extent the aggregate Market Price as at the Date of Grant of the Shares for which ISOs are exercisable for the first time by any person during any calendar year (under all plans of the Corporation) exceeds \$100,000, such excess ISOs shall be treated as non-qualified stock options.

³ U.S. counsel suggests 200,000 limit. This is based on the amount which would allow Cineplex to issue the \$100,000 annual limit of ISOs up to ten times under the current fair market value.

11.5 Disqualifying Dispositions

Each person awarded an ISO under this Plan shall notify the Corporation in writing immediately after the date he or she makes a disposition or transfer of any Shares acquired pursuant to the exercise of such ISO if such disposition or transfer is made (a) within two years from the Date of Grant or (b) within one year after the date such person acquired the Shares. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the person in such disposition or other transfer. The Corporation may, if determined by the Plan Administrator and in accordance with procedures established by it, retain possession of any Shares acquired pursuant to the exercise of an ISO as agent for the applicable person until the end of the later of the periods described in (a) or (b) above, subject to complying with any instructions from such person as to the sale of such Shares.

11.6 Section 409A of the Code

- (a) This Plan will be construed and interpreted to be exempt from, or where not so exempt, to comply with Section 409A of the Code to the extent required to preserve the intended tax consequences of this Plan. Any reference in this Plan to Section 409A of the Code also include any regulation promulgated thereunder or any other formal guidance issued by the Internal Revenue Service with respect to Section 409A of the Code. Each Award shall be construed and administered such that the Award either (A) qualifies for an exemption from the requirements of Section 409A of the Code or (B) satisfies the requirements of Section 409A of the Code. If an Award is subject to Section 409A of the Code, (I) distributions shall only be made in a manner and upon an event permitted under Section 409A of the Code, (II) payments to be made upon a termination of employment or service shall only be made upon a “separation from service” under Section 409A of the Code, (III) unless the Award specifies otherwise, each installment payment shall be treated as a separate payment for purposes of Section 409A of the Code, and (IV) in no event shall a Participant that is a U.S. Taxpayer, directly or indirectly, designate the calendar year in which a distribution is made except in accordance with Section 409A of the Code. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A of the Code, the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A of the Code. The Corporation reserves the right to amend this Plan to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of this Plan in light of Section 409A of the Code. In no event will the Corporation or any of its subsidiaries or Affiliates be liable for any tax, interest or penalties that may be imposed on a Participant under Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.
- (b) All terms of the Plan that are undefined or ambiguous must be interpreted in a manner that complies with Section 409A of the Code if necessary to comply with Section 409A of the Code.
- (c) The Plan Administrator, in its sole discretion, may permit the acceleration of the time or schedule of payment of a U.S. Taxpayer’s vested Awards in the Plan under circumstances that constitute permissible acceleration events under Section 409A of the Code.
- (d) Notwithstanding any provisions of the Plan to the contrary, in the case of any “specified employee” within the meaning of Section 409A of the Code who is a U.S. Taxpayer, distributions of non-qualified deferred compensation under Section 409A of the Code made in connection with a “separation from service” within the meaning set forth in Section 409A of the Code may not be made prior to the date which is six months after the date of separation from service (or, if earlier, the date of death of the U.S. Taxpayer). Any amounts subject to a delay in payment pursuant to the preceding sentence shall be paid as soon practicable following such six-month anniversary of such separation from service.

11.7 Section 83(b) Election

If a Participant makes an election pursuant to Section 83(b) of the Code with respect to an Award of Shares subject to vesting or other forfeiture conditions, the Participant shall be required to promptly file a copy of such election with the Corporation.

11.8 Application of Article 11 to U.S. Taxpayers

For greater certainty, the provisions of this Article 11 shall only apply to U.S. Taxpayers.

ARTICLE 12 AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

12.1 Amendment, Suspension, or Termination of the Plan

The Plan Administrator may from time to time, without notice and without approval of the holders of voting shares of the Corporation, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion determines appropriate, provided, however, that:

- (a) no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or Exchange requirements; and
- (b) any amendment that would cause an Award held by a U.S. Taxpayer to be subject to the additional tax penalty under Section 409A(1)(b)(i)(II) of the Code shall be null and void *ab initio* with respect to the U.S. Taxpayer unless the consent of the U.S. Taxpayer is obtained.

12.2 Shareholder Approval

Notwithstanding Section 12.1 and subject to any rules of the Exchange, approval of the holders of Shares shall be required for any amendment, modification or change that:

- (a) increases the number of Shares reserved for issuance under the Plan, except pursuant to the provisions under Article 10 which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (b) increases or removes the 10% limits on Shares issuable or issued to Insiders as set forth in Subsection 3.8(a);
- (c) reduces the exercise price of an Option Award (for this purpose, a cancellation or termination of an Option Award of a Participant prior to its Expiry Date for the purpose of reissuing an Option Award to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option Award) except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (d) extends the term of an Option Award beyond the original Expiry Date (except where an Expiry Date would have fallen within a blackout period applicable to the Participant or within five Business Days following the expiry of such a blackout period);
- (e) permits Awards to be transferred to a Person;
- (f) changes the eligible participants of the Plan; or
- (g) deletes or reduces the range of amendments which require approval of shareholders under this Section 12.2.

12.3 Permitted Amendments

Without limiting the generality of Section 12.1, but subject to Section 12.2, the Plan Administrator may, without shareholder approval, at any time or from time to time, amend the Plan for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award;
- (b) making any amendments to the provisions set out in Article 9;
- (c) making any amendments to add covenants of the Corporation for the protection of Participants, as the case may be, provided that the Plan Administrator shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;
- (d) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants; or
- (e) making such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

ARTICLE 13 MISCELLANEOUS

13.1 Legal Requirement

The Corporation is not obligated to grant any Awards, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Plan Administrator, in its sole discretion, such action would constitute a violation by a Participant or the Corporation of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any Exchange upon which the Shares may then be listed.

13.2 No Other Benefit

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

13.3 Rights of Participant

No Participant has any claim or right to be granted an Award and the granting of any Award is not to be construed as giving a Participant a right to remain as an Employee or Consultant. No Participant has any rights as a shareholder of the Corporation in respect of Shares issuable pursuant to any Award until the allotment and issuance to such Participant, or as such Participant may direct, of certificates representing such Shares.

13.4 Corporate Action

Nothing contained in this Plan or in an Award shall be construed so as to prevent the Corporation from taking corporate action which is deemed by the Corporation to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or any Award.

13.5 Conflict

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of the Award Agreement shall govern.

13.6 Anti-Hedging Policy

By accepting an Award each Participant acknowledges that he or she is restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of Awards.

13.7 Participant Information

Each Participant shall provide the Corporation with all information (including personal information) required by the Corporation in order to administer the Plan. Each Participant acknowledges that information required by the Corporation in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such persons (including persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Corporation to make such disclosure on the Participant's behalf.

13.8 Participation in the Plan

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Corporation to ensure the continued employment or engagement of such Participant. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Shares. The Corporation does not assume responsibility for the income or other tax consequences for the Participants and they are advised to consult with their own tax advisors.

13.9 International Participants

With respect to Participants who reside or work outside Canada and the United States, the Plan Administrator may, in its sole discretion, amend, or otherwise modify, without shareholder approval, the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the provisions of local law, and the Plan Administrator may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions.

13.10 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Corporation and its subsidiaries.

13.11 General Restrictions or Assignment

Except as required by law, the rights of a Participant under the Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant unless otherwise approved by the Plan Administrator.

13.12 Severability

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

13.13 Notices

All written notices to be given by a Participant to the Corporation shall be delivered personally, e-mail or mail, postage prepaid, addressed as follows:

Cineplex Inc.
1303 Yonge Street, 2nd Floor
Toronto, Ontario
M4T 2Y9 Canada

Attention: Chief Legal Officer

All notices to a Participant will be addressed to the principal address of the Participant on file with the Corporation. Either the Corporation or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally or by e-mail, on the date of delivery, and if sent by mail, on the fifth Business Day following the date of mailing. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

13.14 Effective Date

This Plan becomes effective on a date to be determined by the Plan Administrator, subject to the approval of the shareholders of the Corporation.

13.15 Governing Law

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without any reference to conflicts of law rules.

13.16 Submission to Jurisdiction

The Corporation and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of Ontario in respect of any action or proceeding relating in any way to the Plan, including, without limitation, with respect to the grant of Awards and any issuance of Shares made in accordance with the Plan.