



COMPENSATION, NOMINATING & 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 2020