

Registrar of Companies
Government Administration Building
133 Elgin Avenue
George Town
Grand Cayman

IMAX China Holding, Inc. (ROC # 244792) (the "Company")

TAKE NOTICE that by written resolutions of the Common A Shareholder of the Company passed on 8 April 2014, the following resolutions were passed:

Increase in Authorised Share Capital

- 1 It is resolved as an ordinary resolution that at the same time as the third amended and restated memorandum and articles of association of the Company (the "Amended and Restated M&A") becomes effective pursuant to the special resolution set out in paragraph 3 below, that the authorised share capital of the Company be increased from US\$50,000 divided into 4,700,000 voting Common A shares of a par value of US\$0.01 each and 300,000 non-voting Common B shares of a par value of US\$0.01 each to US\$62,562.50 divided into 4,700,000 voting Common A shares of a par value of US\$0.01 each, 300,000 non-voting Common B shares of a par value of US\$0.01 each, 750,000 voting Common C shares of par value US\$0.01 each and 506,250 voting Common D shares of a par value of US\$0.01 each by the creation of an additional 750,000 Common C shares with a par value of US\$0.01 each and an additional 506,250 Common D shares of a par value of US\$0.01 each having the rights and obligations set out in the Amended and Restated M&A.

Variation of Shareholder Rights and Adoption of the Third Amended and Restated M&A

- 2 It is resolved as a Special Resolution that the rights attaching to the Common A shares, the Common B shares, the Common C shares and the Common D shares shall be as set out in the Amended and Restated M&A and these resolutions constitute a consent to the variation of the rights attaching to such shares pursuant to Article 10.1 of the Second Amended and Restated Memorandum and Articles of Association of the Company.
- 3 It is resolved as a Special Resolution that the Second Amended and Restated Memorandum and Articles of Association of the Company currently in effect be amended and restated by their deletion in their entirety and the substitution in their place of the Third Amended and Restated Memorandum and Articles of Association annexed hereto.

Terms of issue of Common C Shares

- 4.1 The shareholder has reviewed the draft director resolutions (annexed hereto) pursuant to which the Directors' propose to issue that certain number of Common C shares of a par value of US\$0.01 each in the Company (the "Common C Shares") to FV and CMC.



- 4.2 It is noted that pursuant to Article 9.1 of the Amended and Restated M&A, the Company may issue Shares that are to be redeemed or are liable to be redeemed at the option of the Member or the Company, with the redemption of such Shares being effected in the manner and upon the terms as the Company may, by Special Resolution, determine before the issue of the Shares.
- 4.3 Accordingly, it is resolved as a Special Resolution that the terms and conditions attached to the Common C Shares are as set out in the Amended and Restated M&A and the terms and conditions of the Shareholders' Agreement, including but not limited to, the rights of redemption as set out therein.



Kesherra Spence
Corporate Administrator
for and on behalf of
Maples Corporate Services Limited

Dated this 8th day of April 2014



**THE COMPANIES LAW (2013 REVISION)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

**THIRD AMENDED AND RESTATED
MEMORANDUM AND ARTICLES OF ASSOCIATION**

OF

IMAX CHINA HOLDING, INC.

(AS ADOPTED BY SPECIAL RESOLUTION DATED 8 APRIL 2014)



**THE COMPANIES LAW (2013 REVISION)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

**THIRD AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION
OF**

IMAX CHINA HOLDING, INC.

(AS ADOPTED BY SPECIAL RESOLUTION DATED 8 APRIL 2014)

- 1 The name of the Company is **IMAX China Holding, Inc.**
- 2 The Registered Office of the Company shall be at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, or at such other place within the Cayman Islands as the Directors may decide.
- 3 The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the laws of the Cayman Islands.
- 4 The liability of each Member is limited to the amount unpaid on such Member's Shares.
- 5 The share capital of the Company is US\$62,562.50 divided into 4,700,000 voting Common A shares of a par value of US\$0.01 each, 300,000 non-voting Common B shares of a par value of US\$0.01 each, 750,000 voting Common C shares of a par value of US\$0.01 each and 506,250 voting Common D shares of a par value of US\$0.01 each.
- 6 The Company has power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.
- 7 Capitalised terms that are not defined in this Memorandum of Association bear the respective meanings given to them in the Articles of Association of the Company.



**THE COMPANIES LAW (2013 REVISION)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES**

**THIRD AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF
IMAX CHINA HOLDING, INC.**

(AS ADOPTED BY SPECIAL RESOLUTION DATED 8 APRIL 2014)

1 Interpretation

1.1 In these Articles Table A in the First Schedule to the Statute does not apply and, unless there is something in the subject or context inconsistent therewith:

"Affiliate"	of a Person (the " Subject Person ") means any other person that directly or indirectly Controls, is Controlled by, or is under direct or indirect common Control of, the Subject Person, which, for the avoidance of doubt, may include in the case of a Class C Shareholder, any of such Person's general partners and funds managed by such Person's fund managers or general partners; provided that the Company and its Subsidiaries shall be deemed not to be Affiliates of any Member.
"Articles"	means these articles of association of the Company.
"Auditor"	means the person for the time being performing the duties of auditor of the Company (if any).
"Board"	means the board of Directors of the Company.
"Business"	means: (i) the sale, lease, marketing and operation of Theatres, including the exhibition of films in such Theatres and any laser projection systems and related technology for Theatres; (ii) the provision of in-Theatre movie-going or live broadcast experiences; (iii) the marketing, distribution, sale, lease and maintenance of: (A) custom-built home theatres with a sale price of no less than US\$1,500,000; and (B) custom-built home theatres with a sale price of less than US\$1,500,000 and which have a projected Technology Cost of less than US\$7,500,000; (iv) the distribution of entertainment content through television broadcasts and Internet streaming; (v) the marketing of services to be performed by IMAX Corp pursuant to the DMR Services Agreements or the Services Agreements; (vi) the sale,



lease, marketing and operation of any other equipment provided by IMAX Corp pursuant to the Equipment Supply Agreements; (vii) the provision of services pursuant to the Services Agreements; (viii) such other lines of business as conducted by the Company pursuant to the Unrelated Business Agreement; and (ix) to engage in such other businesses or activities or make such other investments as may be approved by the Board from time to time in accordance with the terms and conditions of the Shareholders' Agreement. For the avoidance of any doubt, as of the date of the Shareholders' Agreement, the Business shall not include: (i) the provision, production, marketing, distribution, sale or maintenance of the products produced by or services derived from the joint venture between Sino Leader (Hong Kong) Limited, IMAX (Hong Kong) Holding, Limited and TCL-IMAX Entertainment Co., Limited (the "TCL-JV"); and (ii) the distribution of content or entertainment through the technology of PRIMA Cinema, Inc which will be contributed to the TCL JV, provided that as of the effective date of the Shareholders' Agreement, IMAX Corp: (a) shall assign to the Company the China-Equivalent TCL JV Interest (as defined in the Shareholders' Agreement) in accordance with the Subscription Agreement; and (b) has undertaken to make the TCL JV Contribution (as defined in the Subscription Agreement), in each case pursuant to the Subscription Agreement, and it is agreed that arrangements with respect to the Company's participation in the TCL JV in certain respects may be further adjusted in accordance with the terms set forth on Exhibit A attached to the Shareholders' Agreement.

"Business Day"

means any day other than Saturday, Sunday or other day on which commercial banks located in the Cayman Islands, the United States of America, Canada, the PRC or Hong Kong are authorized or required by law or executive order to be closed and on which no tropical cyclone warning no.8 or above and no "black" rainstorm warning signal is hoisted in Hong Kong at any time between 8:00 a.m. and 6:00 p.m. Hong Kong time.

"Cash"

means, as of any date of determination, the aggregate of cash (whether in hand or credited to any account with any banking, financial, acceptance credit, lending or other similar institution or organization) and cash equivalents.

"Class A Shareholder"

means the holders of Common A shares.

"Class C Shareholder"

means the holders of Common C shares.

"Class D Shareholder"

means the holders of Common D shares.

"CMC"

means CMCCP Dome Holdings Limited, an exempted company with limited liability incorporated and existing under



the laws of the Cayman Islands, whose registered address is at the office of Sertus Incorporations (Cayman) Limited, Sertus Chambers, P.O. Box 2547, 69 Dr. Roy's Drive, George Town, Grand Cayman KY1-1104, Cayman Islands or such other registered office address within the Cayman Islands from time to time ("**CMC Fund 1**"); and China Movie Entertainment CMC Limited, an exempted company with limited liability incorporated and existing under the laws of the Cayman Islands, whose registered address is at the office of Sertus Incorporations (Cayman) Limited, Sertus Chambers, P.O. Box 2547, 69 Dr. Roy's Drive, George Town, Grand Cayman KY1-1104, Cayman Islands or such other registered office address within the Cayman Islands from time to time ("**CMC Fund 2**"); (CMC Fund 1 and CMC Fund 2 together "**CMC**").

"Common A shares"

means a voting share of a par value of US\$0.01 in the capital of the Company designated as a Common A share, enjoying the rights, power, privileges and authorities provided by a resolution of the Directors passed at the time of issue of such share.

"Common B shares"

means a non-voting share of a par value of US\$0.01 in the capital of the Company designated as a Common B share, enjoying the rights, power, privileges and authorities provided by a resolution of the Directors passed at the time of issue of such share.

"Common C shares"

means a voting share of a par value of US\$0.01 in the capital of the Company designated as a Common C share, enjoying the rights, power, privileges and authorities provided by a resolution of the Directors passed at the time of issue of such share.

"Common D shares"

means a voting share of a par value of US\$0.01 in the capital of the Company designated as a Common D share, enjoying the rights, power, privileges and authorities provided by a resolution of the Directors passed at the time of issue of such share.

"Company"

means the above named company.

"Control"

of a Person means (a) ownership of more than 50% of the shares in issue or other equity interests or registered share capital of such Person or (b) the power to direct the management or policies of such Person, whether through the ownership of more than 50% of the voting power of such Person, through the power to appoint a majority of the members of the board of directors or similar governing body of such Person, through contractual arrangements or otherwise.



"Directors"	means the directors for the time being of the Company.
"Dividend"	means any dividend (whether interim or final) resolved to be paid on Shares pursuant to these Articles.
"DMR Services Agreements"	means the DMR services agreement between IMAX Corp and IMAX China (Hong Kong) Limited and the DMR services agreement between IMAX Corp and IMAX (Shanghai) Multimedia Co., Ltd. each dated October 28, 2011.
"Electronic Record"	has the same meaning as in the Electronic Transactions Law.
"Electronic Transactions Law"	means the Electronic Transactions Law (2003 Revision) of the Cayman Islands.
"Encumbrance"	means: (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including, without limitation, the mortgage created by the Mortgages over Shares or any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable law; (b) any lease, sublease, occupancy agreement, easement or covenant granting a right of use or occupancy to any person; (c) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any person; and (d) any adverse claim as to title, possession or use.
"Equipment Supply Agreements"	means collectively the equipment supply agreement and the equipment supply contract, each between IMAX Corp and IMAX (Shanghai) Multimedia Technology Co., Ltd. and each dated October 28, 2011, and the equipment supply agreement between IMAX Corp and IMAX China (Hong Kong) Limited dated 28 October 2011.
"Equity Securities"	means, with respect to any Person, such Person's capital stock, membership interests, partnership interests, registered share capital, joint venture or other ownership interests (including, without limitation, in the case of the Company, Shares) or any options, warrants or other securities that are directly or indirectly convertible into, or exercisable or exchangeable for, such capital stock, membership interests, partnership interests, registered share capital, joint venture or other ownership interests (whether or not such derivative securities are issued by such Person).
"Facility Agreement"	means the third amended and restated credit agreement dated

on or about the date hereof (as amended, modified, extended, renewed, restated or replaced from time to time) among, inter alia, IMAX Corp and the Secured Party, in its several capacities thereunder.

- "Financial Indebtedness"** means borrowings and indebtedness in the nature of borrowing (including by way of acceptance credits, discounting or similar facilities, loan stocks, bonds, debentures, notes, overdrafts or any other similar arrangements the purpose of which is to raise money) owed to any banking, financial, acceptance credit, lending or other similar institution or organization.
- "First Completion"** means the completion of the subscription for and issuance of the agreed number of Common C Shares by the Company to the parties identified as the "Investors" pursuant to the terms of Section 2.1 of the Subscription Agreement.
- "First Completion Date"** means the date on which the First Completion occurs.
- "FV"** means China Movie Entertainment FV Limited, an exempted company with limited liability incorporated and existing under the laws of the Cayman Islands, whose registered address is c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands or such other registered office address within the Cayman Islands from time to time.
- "GAAP"** means Generally Accepted Accounting Principles.
- "Group"** means collectively the Company and its Subsidiaries.
- "IMAX Corp"** means IMAX Corporation, a corporation incorporated pursuant to the laws of Canada whose registered office is at 2525 Speakman Drive, Mississauga, Ontario, Canada L5K 1B1.
- "Insolvency Event"** means, in relation to the Company, any winding-up, dissolution, reconstruction, reorganisation, administration, examinership, moratorium, arrangement or composition with creditors, proceedings under any bankruptcy or reorganisation legislation, receivership, legal limitation, incapacity or lack of corporate power or authority or other circumstances of, or any change in the constitution or change of corporate identity or loss of corporate identity by such person and any equivalent or analogous proceeding by whatever name known and in whatever jurisdiction, and any step taken (including, but without limitation, the presentation of a petition or the passing of a resolution) for or with a view to any of the foregoing.
- "IPO"** means any initial public offering of Shares (or other Equity Securities of the Company).



"IPO Floor"	means, in respect of each Common C Share, US\$266.67 (being US\$118.52 multiplied by 2.25), but subject to Section 1.3(j) of the Shareholders' Agreement.
"Irrevocable Proxy"	means a person appointed to represent a Member by an Irrevocable Proxy Instrument.
"Irrevocable Proxy Instrument"	means an instrument in or substantially in the form scheduled to these Articles appointing an Irrevocable Proxy.
"Letter of Undertaking"	means the letter of undertaking among IMAX Corp, IMAX China (Hong Kong) Limited and IMAX (Shanghai) Multimedia Technology Co., Ltd., dated 7 April 2014.
"LTM"	means, as of any date of determination, a period of the twelve months immediately preceding such date, which consists of the last four quarters the financial performance of each of which has been reported by IMAX Corp to the SEC as reflected in the Form 10-Q or Form 10-K and which has been filed with the SEC for each such quarter.
"Member"	has the same meaning as in the Statute.
"Memorandum"	means the memorandum of association of the Company.
"Minimum Ownership Requirement"	means, with respect FV or CMC, as applicable, (a) at any time prior to the Second Completion, at least 90% of the Common C Shares issued to such Person at the First Completion; and (b) at any time following the Second Completion, at least 90% of the Common C C Shares issued to such Person at both the First Completion and Second Completion; provided, that for the purposes of Article 32.11 only, "Minimum Ownership Requirement" shall be defined as provided in Article 32.11.
"Mortgages over Shares"	means each of the Cayman Islands law governed Equitable Share Mortgages relating to shares in the Company made between IMAX (Barbados) Holding, Inc. as mortgagor and Wells Fargo Bank, National Association as mortgagee dated 7 February 2013 and on or around the date of these Articles respectively.
"Net Cash"	means, as of any date of determination, the amount of the Cash of the relevant Person minus the Financial Indebtedness of such Person as of such date.
"Ordinary Resolution"	means a resolution passed by a simple majority of the Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, and includes a unanimous written resolution. In computing the majority when a poll is demanded regard shall be had to the



	number of votes to which each Member is entitled by these Articles.
"Party" or "Parties"	means any signatory or the signatories to the Shareholders' Agreement and any Person or Persons who subsequently becomes a party to the Shareholders' Agreement.
"Person"	means any natural person, firm, company, governmental authority, joint venture, partnership, association or other entity (whether or not having separate legal personality).
"PRC"	means the People's Republic of China, and for purposes of these Articles, excluding Hong Kong and Macau Special Administrative Regions of the PRC and Taiwan.
"Pro Rata Share"	means, with respect to any Member, the proportion that the number of Shares held by such Member bears to the aggregate number of Shares held by all Members, each calculated on an as-converted but otherwise non-diluted basis, which, for the avoidance of doubt, excludes any Shares issued or to be issued pursuant to an employee stock or share incentive plan.
"Qualified IPO"	means an initial public offering and listing of the Shares (or other Equity Securities of the Company) on a Qualified Stock Exchange, or if agreed among the Parties, any other international stock exchange, as determined by the Board, with respect to not less than 10% of the then total issued and outstanding Shares and yielding upon consummation of such initial public offering, in respect of each Common C Share, a per Share value that is no less than the IPO Floor.
"Qualified Stock Exchange"	means the New York Stock Exchange, NASDAQ, the Main Board of The Stock Exchange of Hong Kong Limited, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Toronto Stock Exchange and the London Stock Exchange.
"Register of Members"	means the register of Members maintained in accordance with the Statute and includes (except where otherwise stated) any branch or duplicate register of Members.
"Registered Office"	means the registered office for the time being of the Company.
"Reserved Matter"	means any resolution of the Members of the Company: <ul style="list-style-type: none"> (a) to wind up the Company; (b) to approve the presentation by the Company of a petition for its own winding up or the Company's taking any action to institute or consent to an Insolvency Event in any jurisdiction; (c) to amend the Memorandum of Association and/or these



	Articles; or
	(d) to increase the authorised share capital of the Company.
"Seal"	means the common seal of the Company and includes every duplicate seal.
"SEC"	means the U.S. Securities Exchange Commission.
"Second Completion"	means the completion of the subscription for and issuance of the agreed number of Common C Shares by FV and CMC pursuant to the terms of Section 2.2 of the Subscription Agreement.
"Secured Party"	means Wells Fargo Bank, National Association in its capacity as security agent under and pursuant to the Facility Agreement and any person succeeding or replacing Wells Fargo Bank, National Association as security agent under the Facility Agreement and, where the context so permits, any person who such Secured Party nominates pursuant to any Encumbrance.
"Secured Shares"	means a share which is subject to the Mortgages over Shares or any other Encumbrance.
"Services Agreements"	means the services agreement between IMAX Corp and IMAX (Shanghai) Multimedia Technology Co., Ltd, and the services agreement between IMAX Corp and IMAX (Hong Kong) Holding, Limited, each effective as of 1 January 2014, as may be amended from time to time.
"Share"	means a share in the Company and includes a fraction of a share in the Company.
"Share Rights"	means, with respect to the Shares of any class in issue, the class rights for the time being applicable to such Shares or other terms of offer for the time being applicable to such Shares whether set out in any subscription agreement or otherwise (including any representations, warranties or other disclosure relating to the offer or holding of such Shares).
"Shareholders' Agreement"	means the Shareholders' Agreement entered into among the Company, IMAX (Barbados) Holding, Inc., IMAX Corp, FV and CMC dated 7 April 2014, as may be amended from time to time.
"Special Resolution"	has the same meaning as in the Statute, and includes a unanimous written resolution.
"Statute"	means the Companies Law (2013 Revision) of the Cayman Islands.



"Subsidiary"	means any other Person in which the Company directly or indirectly holds a majority of the ownership interests, or a majority of the voting power, represented by Equity Securities of such Person.
"Subscription Agreement"	means the Subscription Agreement entered into among the Company, IMAX (Barbados) Holding, Inc., IMAX Corp, FV and CMC dated 7 April 2014, as may be amended from time to time.
"TCL JV"	means the provision, production, marketing, distribution, sale or maintenance of the products produced by or services derived from the joint venture between Sino Leader (Hong Kong) Limited, IMAX (Hong Kong) Holding, Limited and TCL-IMAX Entertainment Co., Limited.
"Technology Cost"	means the direct and third party costs to be incurred by IMAX Corp or its Affiliates (other than the Group) with respect to the development of the new, enhanced or improved technology and systems for the custom built home theatres, including costs of materials, equipment and facilities, costs relating to personnel, and third party licensing fees; provided, that: (a) all such costs arise directly from the development of such new, enhanced or improved technology or systems; and (b) to the extent any asset (including materials, equipment, facilities and licenses) and/or personnel used in the development of such new, enhanced or improved technology or systems is shared with any other business or activity of IMAX Corp, IMAX Corp shall include only the proportionate amount of such cost that is directly attributable to the development of such new, enhanced or improved technology and/or systems, and excluding, for the avoidance of doubt: (x) indirect costs incurred by IMAX Corp or its Affiliates leading up to the commencement of the new project, such as costs incurred by IMAX Corp or its Affiliates as part of its business development activities prior to the commencement of the new project; and (y) any profit or fee thereon.
"Theatres"	has the meaning ascribed to it in the Equipment Supply Agreements.
"Transfer"	means to sell, give, assign, hypothecate, charge, pledge, encumber, grant a security interest in or otherwise dispose of, or suffer to exist (whether by operation of law or otherwise) any Encumbrance on, any Shares or any right, title or interest therein or thereto.
"Treasury Share"	means a Share held in the name of the Company as a treasury share in accordance with the Statute.



"Unrelated Business Agreement"

means the unrelated business agreement among IMAX Corp, the Company, IMAX (Hong Kong) Holding, Limited and IMAX (Shanghai) Multimedia Technology Co., Ltd. dated October 28, 2011.

1.2 In these Articles:

- (a) words importing the singular number include the plural number and vice versa;
- (b) words importing the masculine gender include the feminine gender;
- (c) words importing persons include corporations as well as any other legal or natural person;
- (d) "written" and "in writing" include all modes of representing or reproducing words in visible form, including in the form of an Electronic Record;
- (e) "shall" shall be construed as imperative and "may" shall be construed as permissive;
- (f) references to any agreements, laws or regulations shall be construed as references to those agreements, laws or regulations as amended, novated, assigned, modified, re-enacted or replaced from time to time;
- (g) any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- (h) the term "and/or" is used herein to mean both "and" as well as "or." The use of "and/or" in certain contexts in no respects qualifies or modifies the use of the terms "and" or "or" in others. The term "or" shall not be interpreted to be exclusive and the term "and" shall not be interpreted to require the conjunctive (in each case, unless the context otherwise requires);
- (i) headings are inserted for reference only and shall be ignored in construing the Articles;
- (j) sections 8 and 19(3) of the Electronic Transactions Law shall not apply;
- (k) the term "clear days" in relation to the period of a notice means that period excluding the day when the notice is received or deemed to be received and the day for which it is given or on which it is to take effect; and
- (l) the term "holder" in relation to a Share means a person whose name is entered in the Register of Members as the holder of such Share.

2 Commencement of Business

- 2.1 The business of the Company may be commenced as soon after incorporation of the Company as the Directors shall see fit.



- 2.2 The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company, including the expenses of registration.

3 Issue of Shares

- 3.1 Subject to the provisions, if any, in the Memorandum (and to any direction that may be given by the Company in general meeting) and without prejudice to any rights attached to any existing Shares, the Directors may allot, issue, grant options over or otherwise dispose of Shares (including fractions of a Share) with or without preferred, deferred or other rights or restrictions, whether in regard to Dividend or other distribution, voting, return of capital or otherwise and to such persons, at such times and on such other terms as they think proper, and may also (subject to the Statute and these Articles) vary such rights.
- 3.2 The Company shall not issue Shares to bearer.

4 Register of Members

- 4.1 The Company shall maintain or cause to be maintained the Register of Members in accordance with the Statute.
- 4.2 The Directors may determine that the Company shall maintain one or more branch registers of Members in accordance with the Statute. The Directors may also determine which register of Members shall constitute the principal register and which shall constitute the branch register or registers, and to vary such determination from time to time.

5 Closing Register of Members or Fixing Record Date

- 5.1 For the purpose of determining Members entitled to notice of, or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any Dividend or other distribution, or in order to make a determination of Members for any other purpose, the Directors may provide that the Register of Members shall be closed for transfers for a stated period which shall not in any case exceed forty days.
- 5.2 In lieu of, or apart from, closing the Register of Members, the Directors may fix in advance or arrears a date as the record date for any such determination of Members entitled to notice of, or to vote at any meeting of the Members or any adjournment thereof, or for the purpose of determining the Members entitled to receive payment of any Dividend or other distribution, or in order to make a determination of Members for any other purpose.
- 5.3 If the Register of Members is not so closed and no record date is fixed for the determination of Members entitled to notice of, or to vote at, a meeting of Members or Members entitled to receive payment of a Dividend or other distribution, the date on which notice of the meeting is sent or the date on which the resolution of the Directors resolving to pay such Dividend or other distribution is passed, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Article, such determination shall apply to any adjournment thereof.



6 Certificates for Shares

6.1 A Member shall only be entitled to a share certificate if the Directors resolve that share certificates shall be issued. Share certificates representing Shares, if any, shall be in such form as the Directors may determine. Share certificates shall be signed by one or more Directors or other person authorised by the Directors. The Directors may authorise certificates to be issued with the authorised signature(s) affixed by mechanical process. All certificates for Shares shall be consecutively numbered or otherwise identified and shall specify the Shares to which they relate. All certificates surrendered to the Company for transfer shall be cancelled and subject to these Articles no new certificate shall be issued until the former certificate representing a like number of relevant Shares shall have been surrendered and cancelled. Each share certificate for any Shares now held or hereafter acquired by any Member shall, for as long as the Shareholders' Agreement is effective, bear a legend as follows:

"IMAX China Holding, Inc. (the "**Company**") is an exempted company incorporated under the laws of the Cayman Islands, and the shares represented by this certificate shall not be sold, assigned, transferred, exchanged, mortgaged, pledged or otherwise disposed of or encumbered without compliance with the relevant transfer provisions of the Third Amended and Restated Memorandum and Articles of Association. The Company will not register the transfer of such shares on the register of members of the Company unless and until the transfer has been made in compliance with the relevant transfer provisions of the Third Amended and Restated Memorandum and Articles of Association."

6.2 The Company shall not be bound to issue more than one certificate for Shares held jointly by more than one person and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

6.3 If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and on the payment of such expenses reasonably incurred by the Company in investigating evidence, as the Directors may prescribe, and (in the case of defacement or wearing out) upon delivery of the old certificate.

6.4 Every share certificate sent in accordance with these Articles will be sent at the risk of the Member or other person entitled to the certificate. The Company will not be responsible for any share certificate lost or delayed in the course of delivery.

7 Transfer of Shares

7.1 Subject to Article 3.1 and subject to the other provisions of this Article 7, the Directors shall approve the registration of a transfer of Shares made in accordance with this Article 7.

7.2 Notwithstanding anything contained in these Articles, the Directors shall:

- (a) promptly register any transfer of Secured Shares which is made pursuant to the terms of any Encumbrance;
- (b) not register a transfer of any Secured Shares (other than a transfer of Secured Shares made pursuant to (a) above) without the prior written consent of the Secured Party; and
- (c) not suspend or unreasonably delay registration of any transfer of Secured Shares made pursuant to (a) above.



- 7.3 The instrument of transfer of any Share shall be in writing and shall be executed by or on behalf of the transferor (and if the Directors so require, signed by or on behalf of the transferee). The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the Register of Members.
- 7.4 Except for the Mortgages over Shares or the provision of any other charge over the Shares to financing banks pursuant to a bona fide financing transaction, no Member shall sell, give, assign, hypothecate, charge, pledge, encumber, grant a security interest in or otherwise dispose of, or suffer to exist (whether by operation of law or otherwise) any Encumbrance on, any Shares or any right, title or interest therein or thereto except as expressly permitted by this Article 7 and the terms and conditions of the Shareholders' Agreement.
- 7.5 Notwithstanding any other provision of these Articles, no Transfer may be made pursuant to this Article 7 unless (a) the transferee has agreed in writing to be bound by the terms and conditions of the Shareholders' Agreement and these Articles pursuant to a joinder substantially in the form attached to the Shareholders' Agreement as Exhibit A, (b) the Transfer complies in all respects with the other applicable provisions of these Articles and the Shareholders' Agreement and (c) the Transfer complies in all respects with applicable securities laws. If requested by the Company in its reasonable discretion, an opinion of counsel to such transferring Member shall be supplied to the Company, at such transferring Member's expense, to the effect that such Transfer complies with applicable securities laws, provided that such opinion shall not be required in relation to Transfers made pursuant to Article 7.2.
- 7.6 Notwithstanding anything to the contrary herein except for Article 7.7(a), the following Transfers may be made without compliance with the provisions of this Article 7 except for Article 7.5, after the Second Completion:
- (a) any Transfer by a Member to any Affiliate of such Member; or
 - (b) any sale of Shares on the public market in connection with or following an IPO.

A Person described with respect to a Member in clause (a) of this Article 7.6 is hereinafter referred to as a "**Permitted Transferee**" of such Member. If a transferee of Shares pursuant to clause (a) of this Article 7.6 at any time ceases to be a Permitted Transferee of the transferring Member, the transferee shall Transfer such Shares back to such transferring Member.

- 7.7 Transfer of Common C Shares.
- (a) Notwithstanding any other provision of these Articles, the Class C Shareholders may not Transfer any Common C Shares before the Second Completion other than a Transfer pursuant to (i) Article 7.8(c), (ii) Article 7.8 (d), (iii) Article 7.8(e) and the terms of the Shareholders' Agreement.
 - (b) Subject to Article 7.7(a), if any Class C Shareholder proposes to Transfer all of its Common C Shares, the Class A Shareholder shall have a right of first offer with respect to such Transfer as provided in this Article 7.7.
 - (c) If a Class C Shareholder (the "**Transferring Shareholder**") proposes to Transfer all of its Common C Shares, the Transferring Shareholder shall send written notice (the "**Class C Transfer Notice**") to the Class A Shareholder, which notice shall state (i) the name of the



- Transferring Shareholder, and (ii) the number of Shares to be Transferred (the "**Offered Shares**").
- (d) For a period of 30 days after delivery of a Class C Transfer Notice (the "**Offer Period**"), the Class A Shareholder and the Transferring Shareholder shall negotiate in good faith in respect of the terms and conditions of the proposed sale and purchase of the Offered Shares. The Class A Shareholder may assign to an Affiliate of the Class A Shareholder its right to acquire the Offered Shares pursuant to this Article 7.7.
- (e) Subject to the terms of the Shareholders' Agreement, if the Class A Shareholder and the Transferring Shareholder are unable to agree upon the terms of the proposed Transfer within the Offer Period, the Transferring Shareholder may Transfer all, but not less than all, of the Offered Shares to one or more third parties; provided, however, that (i) at any time prior to the occurrence of the earlier of an IPO or the fifth anniversary of the First Completion Date, the prior written consent of the Class A Shareholder for the proposed Transfer shall be required and the Transferring Shareholder shall provide reasonable details of the proposed Transfer to the Class A Shareholder, which consent shall not be unreasonably withheld (ii) such sale is bona fide, (iii) the price for the sale to the Transferee is a price higher than the lowest price offered by the Transferring Shareholder during negotiations to the Class A Shareholder and the sale is otherwise on terms and conditions no less favourable to the Transferring Shareholder than those offered to the Class A Shareholder and (iv) the Transfer is made within 90 days of the expiry of the Offer Period. If such a Transfer does not occur within such 90 day period for any reason, the restrictions provided for herein shall again become effective, and no Transfer of Common C Shares may be made by the Transferring Shareholder thereafter without again making an offer to the Class A Shareholder in accordance with this Article 7.7.
- (f) The closing of any purchase of Offered Shares by the Class A Shareholder shall be held at the principal office of the Company at 11:00 a.m. local time on the 45th day after the giving of the Class C Transfer Notice or at such other time and place as the parties to the transaction may agree. The said 45 day period shall be extended for an additional period of up to 45 days if necessary to obtain any approval, permission, authorization, consent or notifications from any governmental, regulatory or departmental authority required for such purchase and payment. At such closing, the Transferring Shareholder shall deliver certificates representing the Offered Shares, accompanied by duly executed instruments of transfer and the Transferring Shareholder's portion of the requisite transfer taxes, if any and the Company shall cause the Register of Members to be updated accordingly to reflect such transfer(s). Such Offered Shares shall be free and clear of any Encumbrance (other than Encumbrances arising hereunder or attributable to actions by the Class A Shareholder), and the Transferring Shareholder shall so represent and warrant and shall further represent and warrant that it is the legal and beneficial holder of such Offered Shares. The Class A Shareholder shall deliver for payment at such closing (or on such later date or dates as may be provided in the Class C Transfer Notice with respect to payment of consideration by the proposed transferee) the price payable in cash in full. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the sale of the Offered Shares to the Class A Shareholder and the Company shall cause the Register of Members to be updated to reflect the transfer. Any stamp duty or transfer taxes or fees payable on the transfer of any Offered Shares shall be borne and paid equally by the Transferring Shareholder and the Class A Shareholder.



7.8 Transfer of Common A Shares.

- (a) Prior to a Qualified IPO, subject to Article 11.2 and Article 7.8(d)(c), if the Class A Shareholder proposes to Transfer any Common A Shares to one or more unrelated bona fide third parties, such Member shall send a written notice (a "**Class A Transfer Notice**") to the Class C Shareholders stating (i) the name and address of the proposed transferee (the "**Transferee**"), (ii) the number of Common A Shares to be Transferred, (iii) the number of Common A Shares that the Class A Shareholder then holds, (iv) the consideration payable per Common A Share, (v) if the proposed Transfer involves the Transfer of, together with all prior Transfers of Common A Shares by the Class A Shareholder, more than 50% of the then outstanding Common A Shares (which for the avoidance of doubt, shall be inclusive of all previously Transferred Class A Shares), whether via share transfer, merger, consolidation or other business combination or otherwise in a single or a series of related transactions (a "**Qualifying Drag Transaction**"), whether the Class A Shareholder elects to exercise its Drag-Along Right, and (vi) the number of Common C Shares required to be sold by each Class C Shareholder (the "**Drag-Along Shares**") if the Drag-Along Right is exercised.
- (b) If the Class A Shareholder elects to exercise its Drag-Along Right, the provisions of Article 7.8(c) shall apply. If the Class A Shareholder does not elect to exercise its Drag-Along Right, the provisions of Article 7.8(d) shall apply, provided that if the proposed Transfer is a Qualifying Drag Transaction and the Class A Shareholder has not elected in the Class A Transfer Notice to exercise its Drag-Along Right in full and require the Class C Shareholders to Transfer all of the then outstanding Common C Shares, the Class C Shareholders shall have the right to elect to exercise either the Tag-Along Right or their rights under Article 7.8(e). For the avoidance of doubt, each Class C Shareholder may only elect to exercise either its Tag-Along Right or its IMAX China Sale Put Right, but not both or a combination of both.
- (c) If the proposed Transfer is a Qualifying Drag Transaction and the Class A Shareholder has elected in the Class A Transfer Notice to exercise its right to require the Class C Shareholders to sell all or part (provided that if the relevant Class A Transfer Notice is delivered after the First Completion Date and before the Second Completion Date, the Class A Shareholder must require that all but no less than all of the Common C Shares be transferred pursuant to the Class A Transfer Notice) of their Common C Shares (the "**Drag-Along Right**"), upon receipt of the Class A Transfer Notice, each Class C Shareholder shall be obligated to (i) sell its respective Drag-Along Shares, free and clear of any Encumbrance, in the transaction contemplated by the Class A Transfer Notice on the same terms and conditions as those of the Class A Shareholder (including payment of its pro rata share of all costs associated with such transaction) and (ii) otherwise take all necessary action to cause the consummation of such transaction, including executing documents as may reasonably be requested by the Class A Shareholder and voting its Shares in favour of such transaction and, to the extent permitted by applicable law, not exercising any appraisal rights in connection therewith.
- (d) Tag-Along Rights
- a. If (x) the proposed Transfer by the Class A Shareholder is not a Qualifying Drag Transaction or (y) if the proposed Transfer is a Qualifying Drag Transaction but the Class A Shareholder has not elected in the Class A Transfer Notice to exercise its Drag-Along Right in full to require the Class C Shareholders to

Transfer all of the then outstanding Common C Shares, each Class C Shareholder shall have the right (the "**Tag-Along Right**") but not the obligation to require the Transferee to purchase from such Class C Shareholder, for the same consideration per Share and upon the same terms and conditions as to be paid and given to the Class A Shareholder, (A) if the relevant Tag-Along Notice (as defined below) is delivered after the Second Completion Date and if the proposed Transfer is not a Qualifying Drag Transaction, a number of Common C Shares equal to the product of the total number of Common C Shares held by such Class C Shareholder multiplied by a fraction, the numerator of which is the number of Common A Shares proposed to be Transferred by the Class A Shareholder and the denominator of which is the total number of Common A Shares held by the Class A Shareholder, and (B) if the proposed Transfer is a Qualifying Drag Transaction, all of the Common C Shares held by such Class C Shareholder. If the relevant Tag-Along Notice is delivered prior to the Second Completion Date, a Class C Shareholder exercising its Tag-Along Right must tag all but not less than all of its Common C Shares.

- b. Within 20 days following the delivery of a Class A Transfer Notice, each Class C Shareholder who elects to exercise its Tag-Along Right shall deliver a written notice (the "**Tag-Along Notice**") of such election to the Class A Shareholder, specifying (i) the number of Common C Shares with respect to which it has elected to exercise its Tag-Along Right, as determined by Article 7.8(d)(a) above and (ii) the number of Common C Shares that the Class C Shareholder then holds. In order to be entitled to exercise its Tag-Along Right, each electing Class C Shareholder must agree to Transfer the Common C Shares on the same terms and conditions as those of the Class A Shareholder (including payment of its pro rata share of all costs associated with such transaction). If any Class C Shareholder has not exercised its Tag-Along Right during the 20 day period referred to in this Article above, the Tag-Along Right shall automatically terminate without any further action by any Party, and none of the Parties shall have any further rights, duties or obligations hereunder relating to the Tag-Along Right with respect to the Transfer set out in the Class A Transfer Notice.
- c. Notwithstanding the foregoing, the Class C Shareholders' Tag-Along Right shall not apply to the Transfer of up to 1,350,000 Common A shares in the aggregate by the Class A Shareholder, provided that such Transfers are made to unrelated third parties on an arm's length basis and pursuant to bona fide transactions.

(e) **IMAX China Sale Put Right**

- a. Subject to Article 11.2, if the proposed Transfer is a Qualifying Drag Transaction and the Class A Shareholder has not elected in the Class A Transfer Notice to exercise its Drag-Along Right in full and to require the Class C Shareholders to Transfer all of the then outstanding Common C Shares, each Class C Shareholder shall have the right, exercisable by the delivery of a notice signed by such Class C Shareholder (the "**IMAX China Sale Put Notice**") within 30 days after receipt of the Class A Transfer Notice, to require the Class A Shareholder or a Person designated by it to purchase all (but not less than all) of its Common C shares on the same terms and conditions as those applicable to the Class A Shareholder (the "**IMAX China Sale Put Right**"). The IMAX China Sale Put Notice shall specify (i) the name of the Class C Shareholder, (ii) the number of



Common C Shares that the Class C Shareholder elects to sell (the "**IMAX China Sale Put Shares**") and (iii) the number of Common C Shares that the Class C Shareholder then holds.

- b. Upon receipt of a IMAX China Sale Put Notice, the Class A Shareholder shall be obligated to purchase, or procure to be purchased, the IMAX China Sale Put Shares, free and clear of any Encumbrance, in the transaction contemplated by the Class A Transfer Notice on the same terms and conditions as those of the Class A Shareholder (including payment of its pro rata share of all costs associated with such transaction). If the Class C Shareholders have not exercised the IMAX China Sale Put Right during the 30 day period referred to in Article 7.8(e)(a), the IMAX China Sale Put Right shall automatically terminate without any further action by any Party, and none of the Parties shall have any further rights, duties or obligations hereunder relating to the IMAX China Sale Put Right.

7.9 The Parties agree that the Transfer restrictions in the Shareholders' Agreement and in these Articles shall not be capable of being avoided by the holding of Shares indirectly through a company or other entity that can itself be sold in order to dispose of an interest in Shares free of such restrictions. Any Transfer or other disposal of any shares (or other interest) resulting in any change of Control of a Member or of any company (or other entity) having Control over that Member shall be treated as being a Transfer of the Shares held by that Member (including, for the avoidance of doubt, any such Transfer or other disposal of IMAX (Barbados) Holding, Inc. by IMAX Corp), and the provisions of the Shareholders' Agreement and these Articles that apply in respect of the Transfer of Shares shall thereupon apply in respect of the Shares so held.

7.10 Any Transfer of Equity Securities exercisable or convertible into or exchangeable for Shares will be deemed for the purposes of this Article 7 to be a Transfer of Shares.

7.11 Within five Business Days after updating the Register of Members in connection with any Transfer of Shares, the Company shall send a notice to each Member and Secured Party (as relevant) stating that such Transfer has taken place and setting forth the name of the transferor, the name of the transferee and the number and class of Shares in the Company involved.

8 Pre-emptive Rights

8.1 The Company shall not issue any Shares, unless the Company has offered each Member in accordance with the provisions of this Article 8 the right to purchase up to all of such Member's Pro Rata Share of such issuance for a per Share consideration, payable solely in cash, equal to the per Share consideration to be paid by the Proposed Recipient and otherwise on the same terms and conditions as are offered to the Proposed Recipient; provided that the foregoing restriction shall not apply to (i) the issuance of Shares in a public offering approved by the Board in accordance with the Shareholders' Agreement, or (ii) the issuance of any Shares as part of any employee stock or share incentive plan.

8.2 Not less than 20 days before a proposed issuance of Shares other than in connection with an issuance permitted under Article 8.1 (a "**Proposed Issuance**"), the Company shall deliver to each Member written notice of the Proposed Issuance setting forth (i) the number, type and rights of the Shares to be issued, (ii) the consideration to be received by the Company in connection with the Proposed Issuance and (iii) the identity of the Proposed Recipients.



- 8.3 Within 20 days following delivery of the notice referred to in Article 8.2 (such period, the "**Pre-emptive Offer Period**"), each Member electing to exercise its rights under this Article 8 shall give written notice to the Company specifying the number of Shares such Member is willing to purchase and the calculation by such Member of its Pro Rata Share. Failure by any Member to give such notice within the Preemptive Offer Period shall be deemed a waiver by such Member of its rights under this Article 8 with respect to such Proposed Issuance.
- 8.4 If the Company does not receive notices during the Pre-emptive Offer Period with respect to all of the Shares offered, then the Company may issue such remaining offered securities to the Proposed Recipient(s) for a consideration per Share set out in the Company's notice in Article 8.2 and otherwise on the same terms and conditions as those offered to the exercising Shareholders at any time within 30 days following the Pre-emptive Offer Period; provided, that in connection with and as a condition to such issuance (solely in the case of any issuance of Shares), each Proposed Recipient of such Shares who is not then a party to the Shareholders' Agreement shall execute and deliver to the Company an agreement (a copy of which the Company shall then deliver to each Member) pursuant to which such Proposed Recipient agrees to be bound by the terms and conditions of the Shareholders' Agreement. In the event that all of the remaining offered Shares are not so issued during such 30 day period, the right of the Company to issue such unsold Shares shall expire and the obligations of this Article 8 shall be reinstated and such Shares shall not be offered unless first reoffered to the Members in accordance with this Article 8.

9 Redemption, Repurchase and Surrender of Shares

- 9.1 Subject to the provisions of the Statute the Company may issue Shares that are to be redeemed or are liable to be redeemed at the option of the Member or the Company. The redemption of such Shares shall be effected in such manner and upon such other terms as the Company may, by Special Resolution, determine before the issue of the Shares.
- 9.2 Subject to the provisions of the Statute, the Company may purchase its own Shares (including any redeemable Shares) in such manner and on such other terms as the Directors may agree with the relevant Member.
- 9.3 The Company may make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Statute, including out of capital.
- 9.4 The Directors may accept the surrender for no consideration of any fully paid Share.
- 9.5 Notwithstanding anything to the contrary in these Articles, the Company has authorised and issued Common C Shares with, among other things, such redemption rights as set out in the Shareholders' Agreement.

10 Treasury Shares

- 10.1 The Directors may, prior to the purchase, redemption or surrender of any Share and subject to the Share Rights of such Share, determine that such Share shall be held as a Treasury Share.
- 10.2 The Directors may determine to cancel a Treasury Share or transfer a Treasury Share on such terms as they think proper (including, without limitation, for nil consideration).



11 Variation of Rights of Shares

11.1 Subject to Article 32.11 and the terms and conditions of the Shareholders' Agreement to the extent applicable, if at any time the share capital of the Company is divided into different classes of Shares, all or any of the Share Rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than two thirds of the issued Shares of that class, or with the sanction of a resolution passed by a majority of not less than two thirds of the votes cast at a separate meeting of the holders of the Shares of that class. To any such meeting all the provisions of these Articles relating to general meetings shall apply *mutatis mutandis*, except that the necessary quorum shall be one person holding or representing by proxy at least one third of the issued Shares of the class and that any holder of Shares of the class present in person or by proxy may demand a poll.

11.2 Amendment of Rights

- (a) if a Class C Shareholder does not proceed with the Second Completion by 8 February 2015 other than due to a breach by the Company of its obligation to proceed with the Second Completion in accordance with the Subscription Agreement (a "**Breaching Class C Shareholder**"), then;
- a. such Breaching Class C Shareholder(s) shall cease to have any rights with effect from the Target Second Completion Date under Article 7.8 (d), Article 7.8(e) and Article 40; and
 - b. such Breaching Class C Shareholder(s) shall cease to have the right to appoint or remove Class C Director(s) pursuant to these Articles and any appointed Class C Director appointed by such Breaching Class C Shareholder(s) shall promptly resign from the Board; and
- (b) for the avoidance of doubt, if only one of the Class C Shareholders breaches its obligations under the Subscription Agreement in respect of the Second Completion, only the Breaching Class C Shareholder shall lose such rights pursuant to Article 11.2(a), and the non-Breaching Class C Shareholder's rights shall not be affected.

11.3 Subject to the foregoing Articles, the Share Rights applicable to any class of Shares in issue shall (unless otherwise expressly provided by the conditions of issue of such Shares) be deemed not to be varied by:

- (a) the creation, allotment or issue of further Shares ranking *pari passu* therewith and which may be issued with the benefit of the terms referred to below in Article 12;
- (b) the purchase or redemption of any Shares; and
- (c) the creation, allotment or issue of further Common B Shares pursuant to the terms and conditions of any employee stock or share incentive plan that may be approved by the Directors of the Company from time to time.



12 Variation of Terms

The Directors shall have the absolute discretion to agree with a Member to waive or modify the terms applicable to such Member's subscription for Shares (including those relating to redemption terms) without obtaining the consent of any other Member; provided that such waiver or modification does not amount to a variation of the rights attaching to the Shares of such other Members.

13 Commission on Sale of Shares

The Company may, in so far as the Statute permits, pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) or procuring or agreeing to procure subscriptions (whether absolutely or conditionally) for any Shares. Such commissions may be satisfied by the payment of cash and/or the issue of fully or partly paid-up Shares. The Company may also on any issue of Shares pay such brokerage as may be lawful.

14 Non Recognition of Trusts

The Company shall not, unless required by law, be bound by or compelled to recognise in any way (even when notified) any equitable, contingent, future or partial interest in any Share, or (except only as is otherwise provided by these Articles or the Statute) any other rights in respect of any Share other than an absolute right to the entirety thereof in the registered holder; provided that the Company shall recognise any Encumbrance or any rights in any Secured Share of the Secured Party.

15 Lien on Shares

- 15.1 The Company shall have a first and paramount lien on all Shares (whether fully paid-up or not) registered in the name of a Member (whether solely or jointly with others) for all debts, liabilities or engagements to or with the Company (whether presently payable or not) by such Member or his estate, either alone or jointly with any other person, whether a Member or not, but the Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article. The Common C Shares are exempt from the foregoing. The registration of a transfer of any such Share shall operate as a waiver of the Company's lien thereon. The Company's lien on a Share shall also extend to any amount payable in respect of that Share. Notwithstanding anything contained in these Articles, any Secured Share shall be exempt from any present or future lien in favour of the Company that would otherwise have arisen under these Articles and the Company shall not assert any lien against any Secured Share while it remains subject to an Encumbrance.
- 15.2 The Company may sell, in such manner as the Directors think fit, any Shares on which the Company has a lien, if a sum in respect of which the lien exists is presently payable, and is not paid within fourteen clear days after notice has been received or deemed to have been received by the holder of the Shares, or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the Shares may be sold.
- 15.3 To give effect to any such sale the Directors may authorise any person to execute an instrument of transfer of the Shares sold to, or in accordance with the directions of, the purchaser. The purchaser or his nominee shall be registered as the holder of the Shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his



title to the Shares be affected by any irregularity or invalidity in the sale or the exercise of the Company's power of sale under these Articles.

- 15.4 The net proceeds of such sale after payment of costs, shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable and any balance shall (subject to a like lien for sums not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of the sale.

16 Call on Shares

- 16.1 Subject to the terms of the allotment and issue of any Shares, the Directors may make calls upon the Members in respect of any monies unpaid on their Shares (whether in respect of par value or premium), and each Member shall (subject to receiving at least fourteen clear days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on the Shares. A call may be revoked or postponed, in whole or in part, as the Directors may determine. A call may be required to be paid by instalments. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the Shares in respect of which the call was made. Notwithstanding anything contained in these Articles, any Secured Share shall be exempt from any present or future call upon the Members by the Company that would otherwise have arisen under these Articles and the Company shall not make any call in respect of any Secured Share while it remains subject to an Encumbrance.
- 16.2 A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.
- 16.3 The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
- 16.4 If a call remains unpaid after it has become due and payable, the person from whom it is due shall pay interest on the amount unpaid from the day it became due and payable until it is paid at such rate as the Directors may determine (and in addition all expenses that have been incurred by the Company by reason of such non-payment), but the Directors may waive payment of the interest or expenses wholly or in part.
- 16.5 An amount payable in respect of a Share on issue or allotment or at any fixed date, whether on account of the par value of the Share or premium or otherwise, shall be deemed to be a call and if it is not paid all the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call.
- 16.6 The Directors may issue Shares with different terms as to the amount and times of payment of calls, or the interest to be paid.
- 16.7 The Directors may, if they think fit, receive an amount from any Member willing to advance all or any part of the monies uncalled and unpaid upon any Shares held by him, and may (until the amount would otherwise become payable) pay interest at such rate as may be agreed upon between the Directors and the Member paying such amount in advance.
- 16.8 No such amount paid in advance of calls shall entitle the Member paying such amount to any portion of a Dividend or other distribution payable in respect of any period prior to the date upon which such amount would, but for such payment, become payable.



17 Forfeiture of Shares

- 17.1 If a call or instalment of a call remains unpaid after it has become due and payable the Directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment. The notice shall specify where payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited. Notwithstanding anything contained in these Articles, any Secured Share shall be exempt from the provisions of these Articles relating to forfeiture.
- 17.2 If the notice is not complied with, any Share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Directors. Such forfeiture shall include all Dividends, other distributions or other monies payable in respect of the forfeited Share and not paid before the forfeiture.
- 17.3 A forfeited Share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors think fit and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Directors think fit. Where for the purposes of its disposal a forfeited Share is to be transferred to any person the Directors may authorise some person to execute an instrument of transfer of the Share in favour of that person.
- 17.4 A person any of whose Shares have been forfeited shall cease to be a Member in respect of them and shall surrender to the Company for cancellation the certificate for the Shares forfeited and shall remain liable to pay to the Company all monies which at the date of forfeiture were payable by him to the Company in respect of those Shares together with interest at such rate as the Directors may determine, but his liability shall cease if and when the Company shall have received payment in full of all monies due and payable by him in respect of those Shares.
- 17.5 A certificate in writing under the hand of one Director or officer of the Company that a Share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share. The certificate shall (subject to the execution of an instrument of transfer) constitute a good title to the Share and the person to whom the Share is sold or otherwise disposed of shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.
- 17.6 The provisions of these Articles as to forfeiture shall apply in the case of non payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the par value of the Share or by way of premium as if it had been payable by virtue of a call duly made and notified.

18 Transmission of Shares

- 18.1 If a Member dies the survivor or survivors (where he was a joint holder) or his legal personal representatives (where he was a sole holder), shall be the only persons recognised by the Company as having any title to his Shares. The estate of a deceased Member is not thereby released from any liability in respect of any Share, for which he was a joint or sole holder.
- 18.2 Any person becoming entitled to a Share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any other way than by transfer) may, upon such evidence being



produced as may be required by the Directors, elect, by a notice in writing sent by him to the Company, either to become the holder of such Share or to have some person nominated by him registered as the holder of such Share. If he elects to have another person registered as the holder of such Share he shall sign an instrument of transfer of that Share to that person. The Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the relevant Member before his death or bankruptcy or liquidation or dissolution, as the case may be.

- 18.3 A person becoming entitled to a Share by reason of the death or bankruptcy or liquidation or dissolution of a Member (or in any other case than by transfer) shall be entitled to the same Dividends, other distributions and other advantages to which he would be entitled if he were the holder of such Share. However, he shall not, before becoming a Member in respect of a Share, be entitled in respect of it to exercise any right conferred by membership in relation to general meetings of the Company and the Directors may at any time give notice requiring any such person to elect either to be registered himself or to have some person nominated by him be registered as the holder of the Share (but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the relevant Member before his death or bankruptcy or liquidation or dissolution or any other case than by transfer, as the case may be). If the notice is not complied with within ninety days of being received or deemed to be received (as determined pursuant to these Articles) the Directors may thereafter withhold payment of all Dividends, other distributions, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

19 Amendments of Memorandum and Articles of Association and Alteration of Capital

- 19.1 Subject to the provisions of the Statute and Article 32.11, the Company may by Ordinary Resolution:
- (a) increase its share capital by such sum as the Ordinary Resolution shall prescribe and with such rights, priorities and privileges annexed thereto, as the Company in general meeting may determine;
 - (b) consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;
 - (c) convert all or any of its paid-up Shares into stock, and reconvert that stock into paid-up Shares of any denomination;
 - (d) by subdivision of its existing Shares or any of them divide the whole or any part of its share capital into Shares of smaller amount than is fixed by the Memorandum or into Shares without par value; and
 - (e) cancel any Shares that at the date of the passing of the Ordinary Resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.
- 19.2 All new Shares created in accordance with the provisions of the preceding Article shall be subject to the same provisions of these Articles with reference to the payment of calls, liens, transfer, transmission, forfeiture and otherwise as the Shares in the original share capital.



- 19.3 Subject to the provisions of the Statute and the provisions of these Articles as regards the matters to be dealt with by Ordinary Resolution and as applicable Article 32.11, the Company may by Special Resolution:
- (a) change its name;
 - (b) alter or add to these Articles;
 - (c) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein; and
 - (d) reduce its share capital or any capital redemption reserve fund.

20 Offices and Places of Business

Subject to the provisions of the Statute, the Company may by resolution of the Directors change the location of its Registered Office. The Company may, in addition to its Registered Office, maintain such other offices or places of business as the Directors determine.

21 General Meetings

- 21.1 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 21.2 The Company may, but shall not (unless required by the Statute) be obliged to, in each year hold a general meeting as its annual general meeting, and shall specify the meeting as such in the notices calling it. Any annual general meeting shall be held at such time and place as the Directors shall appoint and if no other time and place is prescribed by them, it shall be held at the Registered Office on the second Wednesday in December of each year at ten o'clock in the morning. At these meetings the report of the Directors (if any) shall be presented.
- 21.3 The Directors may call general meetings, and they shall on a Members' requisition forthwith proceed to convene an extraordinary general meeting of the Company.
- 21.4 A Members' requisition is a requisition of Members holding at the date of deposit of the requisition not less than ten per cent. in par value of the issued Shares which as at that date carry the right to vote at general meetings of the Company.
- 21.5 The Members' requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form each signed by one or more requisitionists.
- 21.6 If there are no Directors as at the date of the deposit of the Members' requisition or if the Directors do not within twenty-one days from the date of the deposit of the Members' requisition duly proceed to convene a general meeting to be held within a further twenty-one days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of the requisitionists, may themselves convene a general meeting, but any meeting so convened shall be held no later than the day which falls three months after the expiration of the said twenty-one day period.



21.7 A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

22 Notice of General Meetings

22.1 At least five clear days' notice shall be given of any general meeting. Every notice shall specify the place, the day and the hour of the meeting and the general nature of the business to be conducted at the general meeting and shall be given in the manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of these Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:

- (a) in the case of an annual general meeting, by all of the Members entitled to attend and vote thereat; and
- (b) in the case of an extraordinary general meeting, by a majority in number of the Members having a right to attend and vote at the meeting, together holding not less than ninety five per cent. in par value of the Shares giving that right.

22.2 The accidental omission to give notice of a general meeting to, or the non receipt of notice of a general meeting by, any person entitled to receive such notice shall not invalidate the proceedings of that general meeting.

23 Proceedings at General Meetings

23.1 No business shall be transacted at any general meeting unless a quorum is present. Members having a right to attend and vote at the general meeting, together holding not less than 50% of the Shares present in person or by proxy or if a corporation or other non-natural person by its duly authorised representative or proxy shall be a quorum unless the Company has only one Member entitled to vote at such general meeting in which case the quorum shall be that one Member present in person or by proxy or (in the case of a corporation or other non-natural person) by its duly authorised representative or proxy.

23.2 A person may participate at a general meeting by conference telephone or other communications equipment by means of which all the persons participating in the meeting can communicate with each other. Participation by a person in a general meeting in this manner is treated as presence in person at that meeting.

23.3 A resolution (including a Special Resolution) in writing (in one or more counterparts) signed by or on behalf of all of the Members for the time being entitled to receive notice of and to attend and vote at general meetings (or, being corporations or other non-natural persons, signed by their duly authorised representatives) shall be as valid and effective as if the resolution had been passed at a general meeting of the Company duly convened and held.

23.4 If a quorum is not present within half an hour from the time appointed for the meeting to commence or if during such a meeting a quorum ceases to be present, the meeting, if convened upon a Members' requisition, shall be dissolved and in any other case it shall stand adjourned to the same day in the next week at the same time and/or place or to such other day, time and/or place as the Directors may determine, and if at the adjourned meeting a quorum is not present



within half an hour from the time appointed for the meeting to commence, the Members present shall be a quorum.

- 23.5 The Directors may, at any time prior to the time appointed for the meeting to commence, appoint any person to act as chairman of a general meeting of the Company or, if the Directors do not make any such appointment, the chairman, if any, of the board of Directors shall preside as chairman at such general meeting. If there is no such chairman, or if he shall not be present within fifteen minutes after the time appointed for the meeting to commence, or is unwilling to act, the Directors present shall elect one of their number to be chairman of the meeting.
- 23.6 If no Director is willing to act as chairman or if no Director is present within fifteen minutes after the time appointed for the meeting to commence, the Members present shall choose one of their number to be chairman of the meeting.
- 23.7 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 23.8 When a general meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Otherwise it shall not be necessary to give any such notice of an adjourned meeting.
- 23.9 A resolution put to the vote of the meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands, the chairman demands a poll, or any other Member or Members collectively present in person or by proxy (or in the case of a corporation or other non-natural person, by its duly authorised representative or proxy) and holding at least ten per cent. in par value of the Shares giving a right to attend and vote at the meeting demand a poll.
- 23.10 Unless a poll is duly demanded and the demand is not withdrawn a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost or not carried by a particular majority, an entry to that effect in the minutes of the proceedings of the meeting shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 23.11 The demand for a poll may be withdrawn.
- 23.12 Except on a poll demanded on the election of a chairman or on a question of adjournment, a poll shall be taken as the chairman directs, and the result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded.
- 23.13 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such date, time and place as the chairman of the general meeting directs, and any business other than that upon which a poll has been demanded or is contingent thereon may proceed pending the taking of the poll.
- 23.14 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a second or casting vote.



24 Votes of Members

- 24.1 Subject to Articles 11.1 and 27 and any rights or restrictions attached to any Shares, on a show of hands every Member who (being an individual) is present in person or by proxy or, if a corporation or other non-natural person is present by its duly authorised representative or by proxy, shall have one vote and on a poll every Member present in any such manner shall have one vote for every Share of which he is the holder.
- 24.2 In the case of joint holders the vote of the senior holder who tenders a vote, whether in person or by proxy (or, in the case of a corporation or other non-natural person, by its duly authorised representative or proxy), shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the Register of Members.
- 24.3 A Member of unsound mind, or in respect of whom an order has been made by any court, having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person on such Member's behalf appointed by that court, and any such committee, receiver, curator bonis or other person may vote by proxy.
- 24.4 No person shall be entitled to vote at any general meeting unless he is registered as a Member on the record date for such meeting nor unless all calls or other monies then payable by him in respect of Shares have been paid.
- 24.5 No objection shall be raised as to the qualification of any voter except at the general meeting or adjourned general meeting at which the vote objected to is given or tendered and every vote not disallowed at the meeting shall be valid. Any objection made in due time in accordance with this Article shall be referred to the chairman whose decision shall be final and conclusive.
- 24.6 On a poll or on a show of hands votes may be cast either personally or by proxy (or in the case of a corporation or other non-natural person by its duly authorised representative or proxy). A Member may appoint more than one proxy or the same proxy under one or more instruments to attend and vote at a meeting. Where a Member appoints more than one proxy the instrument of proxy shall state which proxy is entitled to vote on a show of hands and shall specify the number of Shares in respect of which each proxy is entitled to exercise the related votes.
- 24.7 On a poll, a Member holding more than one Share need not cast the votes in respect of his Shares in the same way on any resolution and therefore may vote a Share or some or all such Shares either for or against a resolution and/or abstain from voting a Share or some or all of the Shares and, subject to the terms of the instrument appointing him, a proxy appointed under one or more instruments may vote a Share or some or all of the Shares in respect of which he is appointed either for or against a resolution and/or abstain from voting a Share or some or all of the Shares in respect of which he is appointed.

25 Proxies

- 25.1 The instrument appointing a proxy shall be in writing and shall be executed under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation or other non natural person, under the hand of its duly authorised representative. A proxy need not be a Member.



25.2 The Directors may, in the notice convening any meeting or adjourned meeting, or in an instrument of proxy sent out by the Company, specify the manner by which the instrument appointing a proxy shall be deposited and the place and the time (being not later than the time appointed for the commencement of the meeting or adjourned meeting to which the proxy relates) at which the instrument appointing a proxy shall be deposited. In the absence of any such direction from the Directors in the notice convening any meeting or adjourned meeting or in an instrument of proxy sent out by the Company, the instrument appointing a proxy shall be deposited physically at the Registered Office not less than 48 hours before the time appointed for the meeting or adjourned meeting to commence at which the person named in the instrument proposes to vote.

The chairman may in any event at his discretion declare that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted, or which has not been declared to have been duly deposited by the chairman, shall be invalid.

25.3 The instrument appointing a proxy may be in any usual or common form (or such other form as the Directors may approve) and may be expressed to be for a particular meeting or any adjournment thereof or generally until revoked. An instrument appointing a proxy shall be deemed to include the power to demand or join or concur in demanding a poll.

25.4 Votes given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Share in respect of which the proxy is given unless notice in writing of such death, insanity, revocation or transfer was received by the Company at the Registered Office before the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy.

26 Corporate Members

Any corporation or other non-natural person which is a Member may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Member.

27 Shares that May Not be Voted

27.1 Shares in the Company that are beneficially owned by the Company shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding Shares at any given time.

27.2 Subject to Article 11.1, the holders of the Common B shares shall not be entitled to vote at any General Meeting of the Company duly convened in accordance with these Articles.

28 Board of Directors

28.1 There shall be a board of Directors consisting of not more than nine persons (exclusive of alternate Directors) provided however that the Company may by Ordinary Resolution increase or reduce the limits in the number of Directors and further provided that:



- (a) for so long as FV, together with its Affiliates, meets the Minimum Ownership Requirement, FV shall be entitled to appoint or remove a nominee as a director (the "**FV Director**"), subject to Article 28.3;
 - (b) for so long as CMC, together with its Affiliates, meets the Minimum Ownership Requirement, CMC shall be entitled to appoint or remove a nominee as a director (the "**CMC Director**", and together with the FV Director, the "**Class C Directors**"), subject to Article 28.3; and
 - (c) the Class A Shareholder may appoint or remove up to seven nominees as a director, among which one nominee shall be an independent director who shall be reasonably satisfactory to the Class C Shareholders.
- 28.2 Subject to Article 11.2, so long as each of FV and CMC, together with their respective Affiliates, meets the Minimum Ownership Requirement, each of FV and CMC shall have the right to appoint one observer to Board meetings. The observers may attend Board meetings but shall not have any vote at any Board meeting.
- 28.3 Prior to exercising its appointment of a Class C Director or an observer to the Board, each Class C Shareholder shall consult with IMAX Corp with respect to the identity of the potential appointee, and shall take into consideration in good faith any objections raised by IMAX Corp in connection therewith and provided that the Class C Shareholders shall not appoint any individual to whom IMAX Corp has already objected prior to the date of the Shareholders' Agreement as either a Class C Director (or as a proxy, for any Class C Director) or to serve as an observer.
- 28.4 The Directors may appoint any person to be a Director, either to fill a vacancy or as an additional director, provided that the Directors have first obtained the consent of the holder of the Shares entitled to appoint such Director pursuant to Article 28.1 and provided further that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors.

29 Powers of Directors

- 29.1 Subject to the provisions of the Statute, the Memorandum and these Articles, the Shareholders' Agreement (to the extent permitted by applicable law) and to any directions given by Special Resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. A duly convened meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.
- 29.2 All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall determine by resolution.
- 29.3 The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.



29.4 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof and to issue debentures, debenture stock, mortgages, bonds and other such securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

30 Removal and Replacement of Directors

30.1 Subject to applicable law and Article 11.2, a Director may be removed from the Board, with or without cause, upon, and only upon, the affirmative vote of the relevant Member that nominated such Director.

30.2 Subject to Article 11.2, in the event any Director resigns or is removed in accordance with Article 30.1, the Member that nominated such Director will have the right to nominate such Director's successor or replacement, and such successor or replacement Director shall be nominated and appointed on or as soon as practicable after the date of such resignation or removal.

31 Vacation of Office of Director

Subject to Article 30, the office of a Director shall be vacated if:

- (a) the Director gives notice in writing to the Company that he resigns the office of Director; or
- (b) the Director absents himself (for the avoidance of doubt, without being represented by proxy or an alternate Director appointed by him) from three consecutive meetings of the board of Directors without special leave of absence from the Directors, and the Directors pass a resolution that he has by reason of such absence vacated office; or
- (c) the Director dies, becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (d) the Director is found to be or becomes of unsound mind.

32 Proceedings of Directors

32.1 Meetings of the Board shall take place at least once in every quarterly period. Meetings shall be held in a location approved by a majority of the Directors.

32.2 All meetings of the Board shall require a quorum of at least six Directors; provided, however, that at any time when there are any Class C Directors the quorum must include all of the Class C Directors. A person who holds office as an alternate Director shall, if his appointor is not present, be counted in the quorum. A Director who also acts as an alternate Director shall, if his appointor is not present, count twice towards the quorum. If such a quorum is not present within one hour from the time appointed for the meeting due to the absence of the Class C Directors, the meeting shall adjourn to such place and time as those Directors who did attend shall decide or, if no such decision is reached, at the same place and time seven days later, at which meeting the Directors present shall constitute a valid quorum, provided that notice of such adjourned meeting shall have been delivered to all Directors at least five days prior to the date of such adjourned meeting.



- 32.3 Subject to the provisions of these Articles, the Directors may regulate their proceedings as they think fit. At any Board meeting, each Director may exercise one vote. Any Director may, by written notice to the Company Secretary, authorize another Director to attend and vote by proxy for such Director at any Board meeting. A Director who is also an alternate Director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote. Except as provided in Article 32.11, the adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted meeting of the Board. The Board shall not at any meeting adopt any resolution covering any matter that is not specified on the agenda for such meeting unless all Directors are present at such meeting and vote in favour of such resolution.
- 32.4 A person may participate in a meeting of the Directors or committee of Directors by conference telephone or other communications equipment by means of which all the persons participating in the meeting can communicate with each other at the same time. Participation by a person in a meeting in this manner is treated as presence in person at that meeting. Unless otherwise determined by the Directors the meeting shall be deemed to be held at the place where the chairman is located at the start of the meeting.
- 32.5 A resolution in writing (in one or more counterparts) signed by all the Directors or all the members of a committee of the Directors or, in the case of a resolution in writing relating to the removal of any Director or the vacation of office by any Director, all of the Directors other than the Director who is the subject of such resolution (an alternate Director being entitled to sign such a resolution on behalf of his appointor and if such alternate Director is also a Director, being entitled to sign such resolution both on behalf of his appointor and in his capacity as a Director) shall be as valid and effectual as if it had been passed at a meeting of the Directors, or committee of Directors as the case may be, duly convened and held.
- 32.6 A meeting of the Directors may be called by the chairman of the Board or any three other Directors or the Class C Directors as a group (provided that the Class C Directors may not call more than two meetings per calendar year and any meeting called by the Class C Directors shall count against the number of regular meetings to be held by the Board pursuant to Article 32.1, in each case by giving notice in writing to the Company Secretary specifying the date, time and agenda for such meeting. The Company Secretary shall upon receipt of such notice give a copy of such notice to all Directors and the observers of such meeting, accompanied by a written agenda specifying the business of such meeting and copies of all papers relevant for such meeting. Not less than 7 days' notice shall be given to all Directors; provided, however, that such notice period (i) shall not apply in the case of an adjourned meeting pursuant to Article 32.2 and (ii) such notice period may be reduced with the written consent of all of the Directors. To any such notice of a meeting of the Directors all the provisions of these Articles relating to the giving of notices by the Company to the Members shall apply *mutatis mutandis*.
- 32.7 The continuing Directors (or a sole continuing Director, as the case may be) may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors the continuing Directors or Director may act for the purpose of increasing the number of Directors to be equal to such fixed number, or of summoning a general meeting of the Company, but for no other purpose.
- 32.8 The chairman of the Board shall be selected by a majority vote of the Directors who may determine the period for which he is to hold office; but if no such chairman is elected, or if at any



meeting the chairman is not present within five minutes after the time appointed for the meeting to commence, the Directors present may choose one of their number to be chairman of the meeting.

- 32.9 All acts done by any meeting of the Directors or of a committee of the Directors (including any person acting as an alternate Director) shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director or alternate Director, and/or that they or any of them were disqualified, and/or had vacated their office and/or were not entitled to vote, be as valid as if every such person had been duly appointed and/or not disqualified to be a Director or alternate Director and/or had not vacated their office and/or had been entitled to vote, as the case may be.
- 32.10 A Director but not an alternate Director may be represented at any meetings of the board of Directors by a proxy appointed in writing by him. The proxy shall count towards the quorum and the vote of the proxy shall for all purposes be deemed to be that of the appointing Director.
- 32.11 Subject to Article 11.2, so long as a Class C Shareholder and its Affiliates meet the Minimum Ownership Requirement (provided, that for the purposes of this Article 32.11 only, the percentage "90%" used in the definition of "Minimum Ownership Requirement" shall be replaced with "75%" wherever used), the Company shall not, directly or indirectly, authorize or take any of the actions, or authorize or take or omit to take any action that would have the effect of any of the actions, set forth in Exhibit A without the prior written consent of either Class C Shareholder.

33 Presumption of Assent

A Director or alternate Director who is present at a meeting of the board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the chairman or secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director or alternate Director who voted in favour of such action.

34 Directors' Interests

- 34.1 A Director or alternate Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.
- 34.2 A Director or alternate Director may act by himself or by, through or on behalf of his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director or alternate Director.
- 34.3 A Director or alternate Director may be or become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested as a shareholder, a contracting party or otherwise, and no such Director or alternate Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company.
- 34.4 No person shall be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company



in which any Director or alternate Director shall be in any way interested be or be liable to be avoided, nor shall any Director or alternate Director so contracting or being so interested be liable to account to the Company for any profit realised by or arising in connection with any such contract or transaction by reason of such Director or alternate Director holding office or of the fiduciary relationship thereby established. A Director (or his alternate Director in his absence) shall be at liberty to vote in respect of any contract or transaction in which he is interested provided that the nature of the interest of any Director or alternate Director in any such contract or transaction shall be disclosed by him at or prior to its consideration and any vote thereon.

- 34.5 A general notice that a Director or alternate Director is a shareholder, director, officer or employee of any specified firm or company and is to be regarded as interested in any transaction with such firm or company shall be sufficient disclosure for the purposes of voting on a resolution in respect of a contract or transaction in which he has an interest, and after such general notice it shall not be necessary to give special notice relating to any particular transaction.

35 Minutes

The Directors shall cause minutes to be made in books kept for the purpose of all appointments of officers made by the Directors, all proceedings at meetings of the Company or the holders of any class of Shares and of the Directors, and of committees of the Directors, including the names of the Directors or alternate Directors present at each meeting.

36 Delegation of Directors' Powers

- 36.1 The Directors shall not delegate their authority with respect to any matter relating to the management and control of the Company to any committee of the Board, unless the Class C Directors are designated members of any such committee.
- 36.2 Subject to Article 36.1, the Directors may delegate any of their powers, authorities and discretions, including the power to sub-delegate, to any committee consisting of one or more Directors. They may also delegate to any managing director or any Director holding any other executive office such of their powers, authorities and discretions as they consider desirable to be exercised by him provided that an alternate Director may not act as managing director and the appointment of a managing director shall be revoked forthwith if he ceases to be a Director. Any such delegation may be made subject to any conditions the Directors may impose and either collaterally with or to the exclusion of their own powers and any such delegation may be revoked or altered by the Directors. Subject to any such conditions, the proceedings of a committee of Directors shall be governed by these Articles regulating the proceedings of Directors, so far as they are capable of applying.
- 36.3 The Directors may establish any committees, local boards or agencies or appoint any person to be a manager or agent for managing the affairs of the Company and may appoint any person to be a member of such committees, local boards or agencies. Any such appointment may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and any such appointment may be revoked or altered by the Directors. Subject to any such conditions, the proceedings of any such committee, local board or agency shall be governed by these Articles regulating the proceedings of Directors, so far as they are capable of applying.

- 36.4 The Directors may by power of attorney or otherwise appoint any person to be the agent of the Company on such conditions as the Directors may determine, provided that the delegation is not to the exclusion of their own powers and may be revoked by the Directors at any time.
- 36.5 The Directors may by power of attorney or otherwise appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or authorised signatory of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorneys or authorised signatories as the Directors may think fit and may also authorise any such attorney or authorised signatory to delegate all or any of the powers, authorities and discretions vested in him.
- 36.6 The Directors may appoint such officers of the Company (including, for the avoidance of doubt and without limitation, any secretary) as they consider necessary on such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors may think fit. Unless otherwise specified in the terms of his appointment an officer of the Company may be removed by resolution of the Directors or Members. An officer of the Company may vacate his office at any time if he gives notice in writing to the Company that he resigns his office.

37 Alternate Directors

- 37.1 Any Director (but not an alternate Director) may by writing appoint any other Director, or any other person willing to act, to be an alternate Director and by writing may remove from office an alternate Director so appointed by him.
- 37.2 An alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at every such meeting at which the Director appointing him is not personally present, to sign any written resolution of the Directors, and generally to perform all the functions of his appointor as a Director in his absence.
- 37.3 An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director.
- 37.4 Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.
- 37.5 Subject to the provisions of these Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and shall not be deemed to be the agent of the Director appointing him.

38 Remuneration of Directors

- 38.1 The remuneration to be paid to the Directors, if any, shall be such remuneration as the Directors shall determine. The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors, or general meetings of the Company, or separate meetings of the



holders of any class of Shares or debentures of the Company, or otherwise in connection with the business of the Company or the discharge of their duties as a Director, or to receive a fixed allowance in respect thereof as may be determined by the Directors, or a combination partly of one such method and partly the other.

- 38.2 The Directors may by resolution approve additional remuneration to any Director for any services which in the opinion of the Directors go beyond his ordinary routine work as a Director. Any fees paid to a Director who is also counsel, attorney or solicitor to the Company, or otherwise serves it in a professional capacity shall be in addition to his remuneration as a Director.

39 Seal

- 39.1 The Company may, if the Directors so determine, have a Seal. The Seal shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors. Every instrument to which the Seal has been affixed shall be signed by at least one person who shall be either a Director or some officer of the Company or other person appointed by the Directors for the purpose.
- 39.2 The Company may have for use in any place or places outside the Cayman Islands a duplicate Seal or Seals each of which shall be a facsimile of the common Seal of the Company and, if the Directors so determine, with the addition on its face of the name of every place where it is to be used.
- 39.3 A Director or officer, representative or attorney of the Company may without further authority of the Directors affix the Seal over his signature alone to any document of the Company required to be authenticated by him under seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.

40 Dividends, Distributions and Reserve

- 40.1 Subject to the Statute and these Articles and except as otherwise provided by the rights attached to any Shares, the Directors may resolve to pay Dividends and other distributions on Shares in issue and authorise payment of the Dividends or other distributions out of the funds of the Company lawfully available therefor. A Dividend shall be deemed to be an interim Dividend unless the terms of the resolution pursuant to which the Directors resolve to pay such Dividend specifically state that such Dividend shall be a final Dividend. No Dividend or other distribution shall be paid except out of the realised or unrealised profits of the Company, out of the share premium account or as otherwise permitted by the Statute.
- 40.2 Subject to Article 11.2, immediately prior to any IPO, the Board may, to the extent permitted by applicable law, resolve to pay special dividends on a pro rata basis to all the Members at such time (the "**Pre-IPO Shareholders**") of an amount in the aggregate up to 75% of the amount of the Net Cash of the Company immediately prior to such IPO (the "**Dividend Amount**"). Subject to applicable law and if, as determined by the Board in good faith, any of such Dividend Amount is required to be used for a designated business purpose or will be required to fund operations in the ordinary course of business over the 12 month period immediately after the completion of the IPO (the "**Withheld Amount**"), the Company shall, to the extent permitted by applicable law, pay to the Pre-IPO Shareholders the portion of such Dividend Amount less the Withheld Amount on a pro rata basis. The Withheld Amount (which shall be in the form of a note issued and payable by the Company to the Pre-IPO Shareholders) will be paid by the Company on a pro rata basis based on the pre-IPO relative ownership percentage of each such Pre-IPO Shareholder as soon



as practicable after the IPO, taking into account any proceeds received by the Company from the IPO and the cash generated by the Business, and to the extent permitted by applicable law, no later than the Business Day immediately following the date on which the post-IPO Net Cash of the Company is equal to or exceeds the higher of US\$10,000,000 and 200% of the Withheld Amount.

- 40.3 Except as otherwise provided by the rights attached to any Shares, all Dividends and other distributions shall be paid among Members in proportion to the number of Shares held by each such Member. If any Share is issued on terms providing that it shall rank for Dividend as from a particular date, that Share shall rank for Dividend accordingly.
- 40.4 The Directors may deduct from any Dividend or other distribution payable to any Member all sums of money (if any) then payable by him to the Company on account of calls or otherwise.
- 40.5 The Directors may resolve that any Dividend or other distribution be paid wholly or partly by the distribution of specific assets and in particular (but without limitation) by the distribution of shares, debentures, or securities of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional Shares and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the basis of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees in such manner as may seem expedient to the Directors.
- 40.6 Except as otherwise provided by the rights attached to any Shares, Dividends and other distributions may be paid in any currency. The Directors may determine the basis of conversion for any currency conversions that may be required and how any costs involved are to be met.
- 40.7 The Directors may, before resolving to pay any Dividend or other distribution, set aside such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose of the Company and pending such application may, at the discretion of the Directors, be employed in the business of the Company.
- 40.8 Any Dividend, other distribution, interest or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of the holder who is first named on the Register of Members or to such person and to such address as such holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any Dividends, other distributions, bonuses, or other monies payable in respect of the Share held by them as joint holders.
- 40.9 No Dividend or other distribution shall bear interest against the Company.
- 40.10 Any Dividend or other distribution which cannot be paid to a Member and/or which remains unclaimed after six months from the date on which such Dividend or other distribution becomes payable may, in the discretion of the Directors, be paid into a separate account in the Company's name, provided that the Company shall not be constituted as a trustee in respect of that account and the Dividend or other distribution shall remain as a debt due to the Member. Any Dividend or other distribution which remains unclaimed after a period of six years from the date on which such Dividend or other distribution becomes payable shall be forfeited and shall revert to the Company.



41 Capitalisation

The Directors may at any time capitalise any sum standing to the credit of any of the Company's reserve accounts or funds (including the share premium account and capital redemption reserve fund) or any sum standing to the credit of the profit and loss account or otherwise available for distribution; appropriate such sum to Members in the proportions in which such sum would have been divisible amongst such Members had the same been a distribution of profits by way of Dividend or other distribution; and apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalisation, with full power given to the Directors to make such provisions as they think fit in the case of Shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all of the Members interested into an agreement with the Company providing for such capitalisation and matters incidental or relating thereto and any agreement made under such authority shall be effective and binding on all such Members and the Company.

42 Books of Account

- 42.1 The Directors shall cause proper books of account to be kept with respect to all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place, all sales and purchases of goods by the Company and the assets and liabilities of the Company. Proper books of account shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.
- 42.2 Subject to Section 9.8 of the Shareholder's Agreement to the extent applicable, the Directors shall determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Statute or authorised by the Directors or by the Company in general meeting.
- 42.3 The Directors may cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by law.

43 Audit

- 43.1 The Directors may appoint an Auditor of the Company who shall hold office on such terms as the Directors determine.
- 43.2 Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditor.
- 43.3 Auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment in the case of a company which is registered with the Registrar of Companies as an ordinary company,



and at the next extraordinary general meeting following their appointment in the case of a company which is registered with the Registrar of Companies as an exempted company, and at any other time during their term of office, upon request of the Directors or any general meeting of the Members.

44 Notices

- 44.1 Notices shall be in writing and may be given by the Company to any Member either personally or by sending it by courier, post, cable, telex, fax or e-mail to him or to his address as shown in the Register of Members (or where the notice is given by e-mail by sending it to the e-mail address provided by such Member). Any notice, if posted from one country to another, is to be sent by airmail.
- 44.2 Where a notice is sent by courier, service of the notice shall be deemed to be effected by delivery of the notice to a courier company, and shall be deemed to have been received on the third day (not including Saturdays or Sundays or public holidays) following the day on which the notice was delivered to the courier. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre paying and posting a letter containing the notice, and shall be deemed to have been received on the fifth day (not including Saturdays or Sundays or public holidays in the Cayman Islands) following the day on which the notice was posted. Where a notice is sent by cable, telex or fax, service of the notice shall be deemed to be effected by properly addressing and sending such notice and shall be deemed to have been received on the same day that it was transmitted. Where a notice is given by e-mail service shall be deemed to be effected by transmitting the e-mail to the e-mail address provided by the intended recipient and shall be deemed to have been received on the same day that it was sent, and it shall not be necessary for the receipt of the e-mail to be acknowledged by the recipient.
- 44.3 A notice may be given by the Company to the person or persons which the Company has been advised are entitled to a Share or Shares in consequence of the death or bankruptcy of a Member in the same manner as other notices which are required to be given under these Articles and shall be addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the persons claiming to be so entitled, or at the option of the Company by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
- 44.4 Notice of every general meeting shall be given in any manner authorised by these Articles to every holder of Shares carrying an entitlement to receive such notice on the record date for such meeting except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the Register of Members and every person upon whom the ownership of a Share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member where the Member but for his death or bankruptcy would be entitled to receive notice of the meeting, and no other person shall be entitled to receive notices of general meetings.

45 Winding Up

- 45.1 If the Company shall be wound up the liquidator shall apply the assets of the Company in satisfaction of creditors' claims in such manner and order as such liquidator thinks fit. Subject to the rights attaching to any Shares, in a winding up:



- (a) if the assets available for distribution amongst the Members shall be insufficient to repay the whole of the Company's issued share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the number of Shares held by each such Member; or
- (b) if the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the Company's issued share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the number of Shares held by each such Member subject to a deduction from those Shares in respect of which there are monies due, of all monies payable to the Company for unpaid calls or otherwise.

45.2 If the Company shall be wound up the liquidator may, subject to the rights attaching to any Shares and with the sanction of a Special Resolution of the Company and any other sanction required by the Statute, divide amongst the Members in kind the whole or any part of the assets of the Company (whether such assets shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

46 Indemnity and Insurance

46.1 Every Director and officer of the Company (which for the avoidance of doubt, shall not include auditors of the Company), together with every former Director and former officer of the Company (each an "**Indemnified Person**") shall be indemnified out of the assets of the Company against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, whatsoever which they or any of them may incur as a result of any act or failure to act in carrying out their functions other than such liability (if any) that they may incur by reason of their own actual fraud or wilful default. No Indemnified Person shall be liable to the Company for any loss or damage incurred by the Company as a result (whether direct or indirect) of the carrying out of their functions unless that liability arises through the actual fraud or wilful default of such Indemnified Person. No person shall be found to have committed actual fraud or wilful default under this Article unless or until a court of competent jurisdiction shall have made a finding to that effect.

46.2 The Company shall advance to each Indemnified Person reasonable attorneys' fees and other costs and expenses incurred in connection with the defence of any action, suit, proceeding or investigation involving such Indemnified Person for which indemnity will or could be sought. In connection with any advance of any expenses hereunder, the Indemnified Person shall execute an undertaking to repay the advanced amount to the Company if it shall be determined by final judgment or other final adjudication that such Indemnified Person was not entitled to indemnification pursuant to this Article. If it shall be determined by a final judgment or other final adjudication that such Indemnified Person was not entitled to indemnification with respect to such judgment, costs or expenses, then such party shall not be indemnified with respect to such judgment, costs or expenses and any advancement shall be returned to the Company (without interest) by the Indemnified Person.

46.3 The Directors, on behalf of the Company, may purchase and maintain insurance for the benefit of any Director or other officer of the Company against any liability which, by virtue of any rule of



law, would otherwise attach to such person in respect of any negligence, default, breach of duty or breach of trust of which such person may be guilty in relation to the Company.

47 Financial Year

Unless the Directors otherwise prescribe, the financial year of the Company shall end on 31st December in each year and, following the year of incorporation, shall begin on 1st January in each year.

48 Transfer by Way of Continuation

If the Company is exempted as defined in the Statute, it shall, subject to the provisions of the Statute and with the approval of a Special Resolution, have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

49 Mergers and Consolidations

The Company shall, with the approval of a Special Resolution, have the power to merge or consolidate with one or more constituent companies (as defined in the Statute), upon such terms as the Directors may determine.

50 Irrevocable Proxy and Power of Attorney

- 50.1 The appointment of any Irrevocable Proxy by a Member shall be irrevocable until both the relevant Member and the Irrevocable Proxy appointed by such Member have provided their written confirmation to the Company that such appointment is terminated.
- 50.2 No Member may appoint more than one Irrevocable Proxy such that there is more than one Irrevocable Proxy of such Member in existence at any one time and any purported later appointment which is inconsistent with an earlier Irrevocable Proxy Instrument shall be ineffective unless both the relevant Member and the Irrevocable Proxy appointed under the earlier Irrevocable Proxy Instrument have provided their written confirmation to the Company that such later appointment should be effective and that the earlier appointment should be terminated.
- 50.3 Notwithstanding any provision to the contrary contained in these Articles, following the appointment of an Irrevocable Proxy and service of a copy of the relevant Irrevocable Proxy Instrument on the Company:
- (a) only the Irrevocable Proxy and no Member nor any other proxy of a Member may cast the vote of such Member at a meeting (whether by way of poll or on a show of hands) convened in respect of a Reserved Matter otherwise than through the Irrevocable Proxy of such Member and the votes of the Member represented by such Irrevocable Proxy shall, for the avoidance of doubt, not be counted in any poll or show of hands if cast by the member or by any proxy other than the Irrevocable Proxy during such period;
 - (b) only the Irrevocable Proxy and no Member nor any other proxy of a Member may sign a resolution in writing concerning any Reserved Matter as contemplated in Article 22.3 otherwise than through the Irrevocable Proxy of such Member and only a resolution in writing signed by the irrevocable Proxy appointed by such Member and the other Members of the Company (if any) shall be effective as provided in Article 22.3 and a



resolution signed by all of the Members or by any proxy of any Member other than an Irrevocable Proxy during such period shall not be so effective; and

- (c) the Company shall, in addition to giving any notice to Members as required by these Articles, give written notice to the Irrevocable Proxy of any meeting convened in respect of a Reserved Matter and shall provide to the Irrevocable Proxy copies of any resolution in writing concerning any Reserved Matter (in each case such notice or copies to be provided to the Irrevocable Proxy on such terms and within such time limits as are set out in these Articles as if such Irrevocable Proxy were the Member represented by the Irrevocable Proxy).

51 Miscellaneous

Pursuant to Article 32.11, the provisions set forth in Exhibit A hereto constitute part of these Articles.

52 IPO

Notwithstanding any other provision of these Articles, in the event of an occurrence of an IPO, the rights of the Class C Shareholders under Articles 28, 32.11 and Exhibit A will immediately cease to apply and, in particular, such Class C Shareholders shall cease to have the right to appoint Class C Directors pursuant to these Articles.



EXHIBIT A

RESERVED MATTERS

- 1 amendment of the Memorandum of Association and these Articles that disproportionately and adversely affect the rights or interests of the Class C Shareholders other than such amendments that are required by law. For the avoidance of doubt, to the extent the conversion or collapse of all classes of shares of the Company into one class of Common Shares is required by the relevant stock exchange in connection with an IPO, an amendment to the Memorandum of Association or these Articles to provide for such conversion or collapse on a 1:1 basis is deemed not to be an amendment that disproportionately and adversely affect the rights or interests of the Class C Shareholders;
- 2 any related-party transaction that is not negotiated and entered into on an arm's length basis (for the avoidance of doubt, subject to paragraph 3 below, the related party transactions pursuant to the agreements set forth on Schedule 2 of the Shareholders' Agreement (the "**IMAX Agreements**") shall be deemed to have been approved);
- 3 any amendments to, waivers of, or deviations from, any of the terms of the IMAX Agreements, other than amendments, waivers or deviations that are: (i) of an administrative, operational or technical nature that do not have any effect on any of the economic terms in such agreements, provided that the Class C Shareholders are informed in writing of any such amendment, waiver or deviation and provided with a copy of the amended IMAX Agreement, as applicable, on a quarterly basis; or (ii) changes to the economic terms of the IMAX Agreements to the extent required pursuant to the Letter of Undertaking;
- 4 authorization or issuance of (i) any Equity Securities in the Company that have any preference over or are senior to or pari passu with the Common C Shares (including in respect of voting, distributions, liquidation preference or redemption), (ii) any Equity Securities in the Company that are issued for per Share consideration lower than the Original Class C Share Price (as such term is defined in the Shareholders' Agreement), and (iii) any other Equity Securities in the Company, except for (x) no more than 10% of then issued and outstanding Shares that are junior to the Common C Shares and are issued for a per Share consideration at not lower than the Original Class C Share Price, and (y) an additional 5% of then issued and outstanding Shares that are junior to the Common C Shares and are issued for a per Share consideration at not lower than the aggregate amount of the Original Class C Share Price plus an internal rate of return of 20% per annum on the Original Class C Share Price, in each case under (x) and (y), pursuant to bona fide third party financing transactions;
- 5 other than the transactions set out in Section 4 of the Subscription Agreement as illustrated in the Funds Flow Memo (as such term is defined in the Subscription Agreement), incurring indebtedness by the Company in excess of trailing EBITDA multiplied by 3.5;
- 6 entry into any Unrelated Business (as such term is defined in the Unrelated Business Agreement) (including any joint venture or partnership) by the Company;
- 7 conducting any Unrelated Business projected to account for more than 50% of the Company's gross margin in any year, or the Company (i) accepting or declining any opportunity to fund its pro



- rata contribution or (ii) negotiating any royalty rate, in each case, with respect to any Unrelated Business;
- 8 making any contribution (in the form of equity, debt or otherwise) in respect of the TCL JV, whether in cash or otherwise (it being understood that in the event that such contribution is not consented to by either Class C Shareholder pursuant to this provision, IMAX Corp shall be permitted to make such contribution provided that such contribution is made at a valuation that is no less than that offered to the Company and the Company's shareholding in the TCL JV will be diluted accordingly);
 - 9 undertaking any IPO by the Company on any exchange that is not a Qualified Stock Exchange;
 - 10 any change in board size of the Company;
 - 11 any change in the Company's stock option or incentive benefits in a manner materially detrimental to CMC or FV;
 - 12 appointment or removal of any auditors by the Company unless the replacement is any one of Ernst & Young, KPMG, Price Water House Coopers or Deloitte Touche Tohmutsu accounting firm or is the auditor of IMAX Corp;
 - 13 (i) voluntarily commence any case, proceeding or other action (A) under any bankruptcy, insolvency or similar law seeking to have an order of relief entered with respect to the Company or seeking to adjudicate the Company a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to the Company or the Company's debts or (B) seeking appointment of a receiver, trustee, custodian or other similar official for the Company or all or substantial part of the Company's property, (ii) voluntarily make a general assignment for the benefit of the Company's creditors; and
 - 14 any amendments to, waivers of, or deviations from, any of the terms of the Personnel Secondment Agreement dated as of 11 August 2011 by and between IMAX Corp and the WFOE that modify the current proportionate time spent formula specified therein such that the Company and/or the WFOE will be charged disproportionately for the time spent by such employee on Greater China matters.



SCHEDULE

FORM OF IRREVOCABLE PROXY AND POWER OF ATTORNEY

The undersigned, [], being the [legal and beneficial] owner of [] shares of [] par value each, being the issued and outstanding shares (the "Shares") in the capital of IMAX China Holding, Inc. (the "Company"), an exempted company incorporated with limited liability in the Cayman Islands, hereby irrevocably:

- 1 makes, constitutes and appoints [name of proxy] (the "Proxy") as the Irrevocable Proxy of the undersigned with full power to appoint a nominee or nominees to act hereunder from time to time and to have all other rights and entitlements of an "Irrevocable Proxy" (as such term is defined in the Articles of Association of the Company) under the Articles of Association of the Company, including:
 - (a) to vote in respect of all of the Shares at all general meetings of members of the Company convened in respect of a Reserved Matter with the same force and effect as the undersigned might or could do; and
 - (b) to requisition and convene a meeting or meetings of the members of the Company in respect of any Reserved Matter; and
- 2 makes, constitutes and appoints the Proxy as the true and lawful attorney-in-fact of the undersigned to approve, complete, amend, execute and deliver any resolution in writing concerning any Reserved Matter or sign any approval in writing concerning any Reserved Matter as contemplated in the Articles of Association of the Company in the name of and on behalf of the undersigned, and the undersigned hereby ratifies and confirms all that the said Proxy or its nominee or nominees shall do or cause to be done by virtue hereof.

The power of attorney granted hereunder (and the appointment of the Proxy as Irrevocable Proxy of the undersigned) shall be governed by and construed in accordance with the laws of the Cayman Islands and shall be irrevocable until both the undersigned and the Proxy have confirmed to the Company in writing that the Proxy's appointment hereunder is terminated.

The power of attorney hereby granted is granted irrevocably for full value as part of the security constituted hereby to secure proprietary interests of and the performance of obligations owed to Wells Fargo Bank, National Association and the undersigned hereby acknowledges the same.



IN WITNESS whereof this Instrument is executed as a deed the day and year first above written.

EXECUTED AS A DEED by [INSERT]:)
)
)
)
)
)
)

Duly Authorised Signatory

Name:

Title:

in the presence of:

Signature of Witness

Name:

Address:

Occupation:

