



ANNUAL INFORMATION FORM

March 16, 2020

TABLE OF CONTENTS

	<u>Page</u>
EXPLANATORY NOTES	2
CORPORATE STRUCTURE	3
GENERAL DEVELOPMENT OF THE BUSINESS	4
History of the Corporation	4
Recent Developments	4
Key Developments in 2019	5
BUSINESS OF CINEPLEX	5
Corporate Strategy	5
Cineplex Revenues	7
Theatre and Location-Based Entertainment Locations	7
Employees	8
Trademarks	9
Competition	9
Corporate Social Responsibility	10
Regulatory Environment	12
Credit Facility	13
CAPITAL STRUCTURE	14
Common Shares	14
Preferred Shares	14
DIRECTORS AND OFFICERS	14
Penalties or Sanctions	15
Conflicts of Interest	15
Biographies	15
Committees of the Board of Directors of the Corporation	19
Audit Committee	19
Education and Experience	19
Audit Fees	21
Pre-Approval Policies and Procedures	21
RISK FACTORS	21
DIVIDENDS	22
MARKET FOR SECURITIES	22
TRADING PRICE AND VOLUME	22
ACCOUNTING MATTERS	23
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	23
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	23
TRANSFER AGENT AND REGISTRAR	23
MATERIAL CONTRACTS	24
INTERESTS OF EXPERTS	24
ADDITIONAL INFORMATION	24
GLOSSARY OF TERMS	25

Schedule A
CINEPLEX INC. AUDIT COMMITTEE - TERMS OF REFERENCE



ANNUAL INFORMATION FORM

EXPLANATORY NOTES

The information in this Annual Information Form is stated as of December 31, 2019, unless otherwise indicated.

For an explanation of the capitalized terms and expressions, please refer to the “Glossary of Terms” at the end of this Annual Information Form. Unless otherwise indicated or the context otherwise requires, “Corporation” refers to Cineplex Inc., “Cineplex” refers to the Corporation and its subsidiaries and “Cineplex Entertainment LP” or the “Partnership” refers to Cineplex Entertainment Limited Partnership. Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to “\$” are to Canadian dollars.

On December 15, 2019, Cineplex entered into an arrangement agreement (the “**Arrangement Agreement**”) with Cineworld Group, plc, (“**Cineworld**”), whereby Cineworld agreed to indirectly acquire all of the common shares of Cineplex (“**Common Shares**”) for \$34.00 per Common Share in cash pursuant to a statutory plan of arrangement (the “**Cineworld Transaction**”). Completion of the Cineworld Transaction remains subject to the satisfaction or waiver of certain closing conditions that have not yet been satisfied, including the receipt of Investment Canada Act approval. The transaction is expected to close during the first half of 2020. Upon closing, the Common Shares will cease trading on the Toronto Stock Exchange and Cineplex will become a wholly-owned subsidiary of Cineworld.

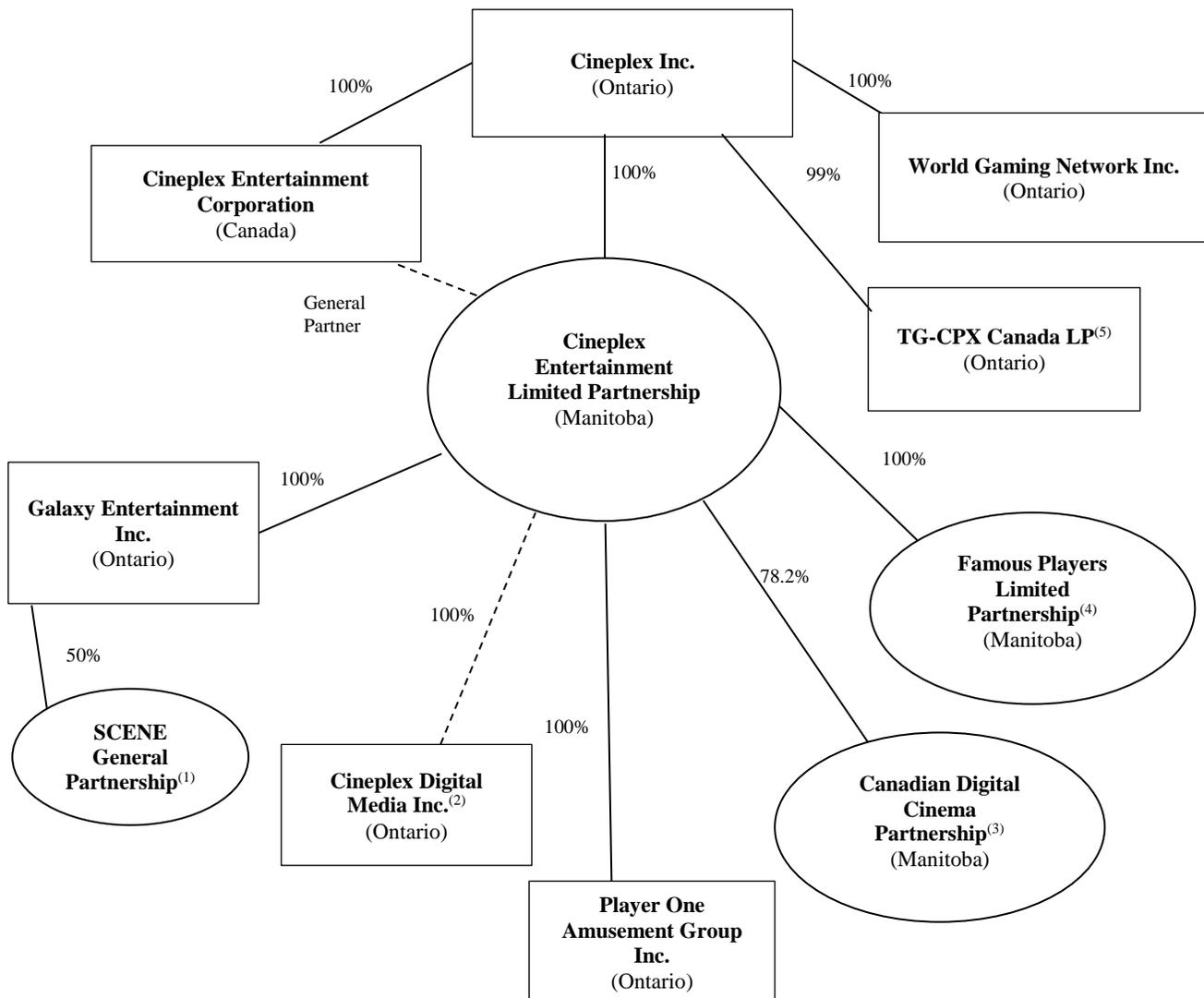
Certain information included in this Annual Information Form contains forward-looking statements within the meaning of applicable securities laws. These forward-looking statements include, among others, statements with respect to Cineplex’s objectives, goals and strategies to achieve those objectives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

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, which give rise to the possibility that predictions, forecasts, projections and other forward-looking statements will not be achieved. Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. The forward-looking statements contained in this Annual Information Form are based on certain key expectations and assumptions made by Cineplex, including expectations and assumptions concerning the anticipated benefits of the Cineworld Transaction and the receipt, in a timely manner, of regulatory approvals in respect of said transaction. Cineplex cautions readers not to place undue reliance on these statements, as a number of important factors, many of which are beyond Cineplex’s control, could cause actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. Those risks and uncertainties include the impact of the COVID-19 outbreak and the responses of government and the public to the outbreak (including declining theatre attendance and government directed shut downs of theatres), adverse factors generally encountered in the film exhibition industry such as poor film product and unauthorized copying; the risks generally associated with the restaurant or entertainment industries; the risks associated with national and world events, including war, terrorism, international conflicts, natural disasters, extreme weather conditions, infectious diseases, criminal acts, changes in income tax legislation; and general economic conditions. The foregoing list of factors that may affect future results is not exhaustive. When reviewing Cineplex’s forward-looking statements, readers should carefully consider the foregoing factors and other uncertainties and potential events. Additional information about factors that may cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the “Risk Factors” section of the Corporation’s year-end Management’s Discussion and Analysis dated February 11, 2020 (the “**Annual MD&A**”) which is incorporated herein by reference and available on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) (www.sedar.com).

These statements are made as of the date of this Annual Information Form and, except as required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Additionally, we undertake no obligation to comment on analyses, expectations or statements made by third parties in respect of Cineplex, its financial or operating results or its securities. All forward-looking statements in this Annual Information Form are qualified by these cautionary statements.

CORPORATE STRUCTURE

The Corporation is governed by the *Business Corporations Act* (Ontario) (the “OBCA”) pursuant to articles of arrangement dated January 1, 2011. The Corporation is a reporting issuer and its Common Shares are traded on the Toronto Stock Exchange (the “TSX”) under the symbol “CGX”. The Corporation directly owns all of the LP Units of Cineplex Entertainment LP, a limited partnership formed under the laws of the Province of Manitoba. The principal and head office of the Corporation is located at 1303 Yonge Street, Toronto, Ontario, M4T 2Y9. The chart below illustrates the structure of the Corporation and its principal subsidiaries as at the date hereof (including jurisdiction of establishment/incorporation of the various entities):



- (1) SCENE General Partnership is 50% owned by The Bank of Nova Scotia.
- (2) Cineplex Digital Media Inc. is a wholly owned subsidiary of DDC Group International Inc., which is 100% owned by Cineplex Entertainment LP.
- (3) CDCP GP Inc. is the general partner of Canadian Digital Cinema Partnership; 21.8% owned by Empire Theatres Limited.
- (4) Famous Players Co. is the general partner of Famous Players Limited Partnership.

(5) TG-CPX Canada GP Inc is 1% owned by Topgolf Canada Holdings UK; TG-CPX Canada GP Inc. is the general partner of TG-CPX Canada LP.

GENERAL DEVELOPMENT OF THE BUSINESS

History of the Corporation

The history of Cineplex dates back to 1912 when Adolph Zukor founded the Famous Players Film Corporation. Recent decades have seen a series of mergers, acquisitions and growth that created the corporate structure today. Since its initial public offering in 2003, Cineplex has acquired theatres from Famous Players Limited Partnership, American Multi-Cinema Inc. and Empire Theatres Limited (among others), creating a national coast-to-coast movie exhibition company. In recent years, Cineplex has also focused upon diversification initiatives expanding its core competencies into digital place-based media and amusement and leisure businesses.

Cineplex today is a top-tier Canadian brand that operates in the Film Entertainment and Content, Amusement and Leisure, and Media sectors. A leading entertainment and media company, Cineplex welcomes over 70 million guests annually through its circuit of theatres and location-based entertainment venues across the country. In addition to being Canada's largest and most innovative film exhibitor, Cineplex also operates successful businesses in digital commerce (CineplexStore.com), food service, alternative programming (Cineplex Events), cinema media (Cineplex Media), digital place-based media (Cineplex Digital Media), amusement solutions (Player One Amusement Group) and an online esports platform for competitive and passionate gamers (World Gaming). Additionally, Cineplex operates a location-based entertainment business through Canada's newest destination for 'Eats & Entertainment' (*The Rec Room*), and also complexes specially designed for teens and families (*Playdium*). These businesses are supported by Cineplex's joint venture partnership in SCENE General Partnership ("SCENE"), Canada's largest entertainment loyalty program.

While the film exhibition business is wholly Canadian, the Corporation also has an international footprint in digital place-based media and an expanding amusement and leisure business throughout North America.

As discussed under "Explanatory Notes", on December 15, 2019, Cineplex entered into the Arrangement Agreement with Cineworld, whereby Cineworld agreed to indirectly acquire all of the Common Shares of Cineplex for \$34.00 per Common Share in cash pursuant to a statutory plan of arrangement. The transaction is expected to close during the first half of 2020. Upon closing, the Common Shares will cease trading on the Toronto Stock Exchange and Cineplex will become a wholly-owned subsidiary of Cineworld.

Recent Developments

In May 2016, the Corporation entered into a sixth amended and restated credit agreement with a syndicate of lenders. The facilities were to mature in April 2021. Effective November 2018, the Corporation and the Partnership amended that agreement and entered into a seventh amended and restated credit agreement (the "**Credit Agreement**") increasing its senior secured Revolving Facility by \$175.0 million (the "**Revolving Facility**") while its senior secured non-revolving credit facility remained at \$150.0 million (the "**Term Facility**") (together with the Revolving Facility, the "**Credit Facilities**"). The Credit Facilities bear interest at a floating rate based on the Canadian dollar prime rate, or bankers' acceptances rates plus, in each case, an applicable margin to those rates. The Revolving Facility matures on November 13, 2023 and the Term Facility matures on November 13, 2025. The Credit Facilities are payable in full at maturity, with no scheduled repayment of principal required prior to maturity. In conjunction with the Credit Facilities, Cineplex entered into interest rate swap agreements with an aggregate notional amount of \$450.0 million.

In September 2016, the Corporation opened the first location of *The Rec Room* at South Edmonton Common in Edmonton, Alberta. Since that time, Cineplex has opened seven additional *The Rec Room* locations and, as of the date hereof, has announced the opening of four more across the country. The Corporation also opened two *Playdium* locations in 2019 and has announced an additional two more as part of its expanding location-based entertainment business.

In October 2016, P1AG acquired Tricorp Amusements, Inc. of New Jersey, a leading provider of interactive video, redemption and amusement gaming services ("**Tricorp**"). P1AG also acquired the operating assets of SAW, LLC of Florida ("**SAW**"), a leading provider of coin operated rides, amusement and redemption games as well as bulk-vending equipment on December 1, 2016. On April 1, 2017, P1AG acquired the assets of Dandy Amusements International Inc. ("**Dandy**"), a California-based leading amusement gaming machine operator with operations in western United States. These acquisitions continue P1AG's strategic growth in the United States.

In May 2017, the deferred consideration relating to the acquisition of EK3 Technologies Inc. was finalized at \$10.0 million.

In July 2017, the Corporation announced an exclusive partnership with *Topgolf* to bring multiple *Topgolf* sports entertainment complexes to markets across Canada. Topgolf has the right to require Cineplex to acquire the interest of TGLP owned by Topgolf under certain circumstances at any time after July 25, 2022.

In September 2017 the Corporation implemented a normal course issuer bid (“NCIB”) through the TSX allowing the Corporation to purchase up to 6,308,955 Common Shares through September 2018. That NCIB has since expired.

In October 2017, the Corporation announced plans to relaunch the *Playdium* brand concept, a location-based entertainment venue targeting families and teens in mid-sized communities across Canada, with its first location opening in Brampton, Ontario in 2019.

In September 2018, the Corporation acquired a 34.7% interest in VRstudios, Inc. for \$4.7 million. VRstudios is based in Seattle, Washington and is a worldwide provider of turn-key location-based virtual reality solutions.

In December 2018, the Corporation repaid \$107.5 million in cash for the convertible unsecured debentures at maturity.

In December 2019, Cineplex entered into the Cineworld Transaction, pursuant to which Cineworld agreed to indirectly acquire all of the Common Shares of Cineplex. Upon closing, the Common Shares will cease trading on the Toronto Stock Exchange and Cineplex will become a wholly-owned subsidiary of Cineworld.

Key Developments in 2019

For a complete discussion of the 2019 key developments in each of the Corporation’s business initiatives, reference is made to the Corporation’s Annual MD&A.

BUSINESS OF CINEPLEX

The Corporation’s operations are primarily conducted in three main areas: (i) film entertainment and content; (ii) media; and (iii) amusement and leisure, all supported by the SCENE loyalty program. These three reportable segments are business units offering differing products and services and managed separately due to their distinct natures.

Corporate Strategy

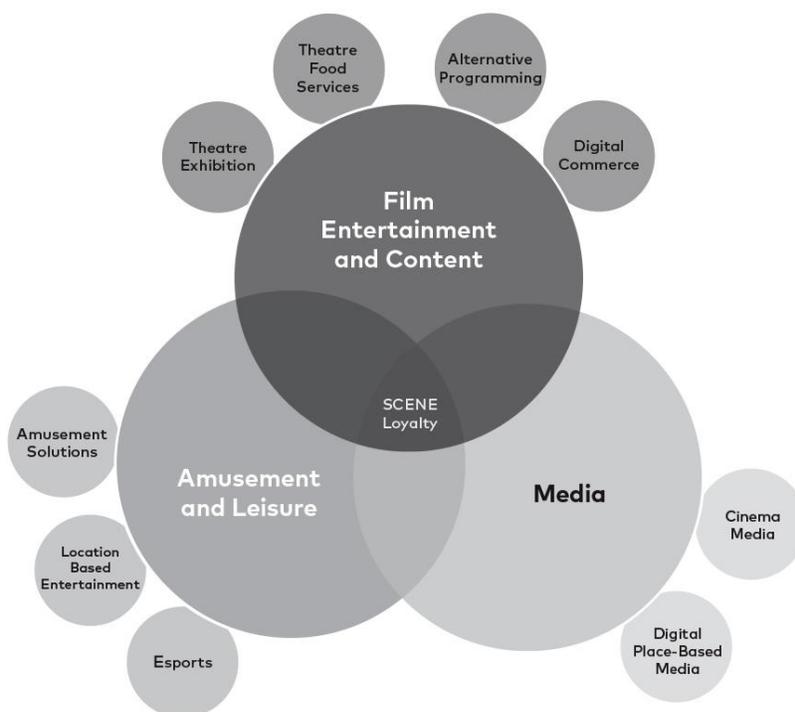
Cineplex’s mission statement is “Passionately delivering exceptional experiences.” All of its efforts are focused towards this mission and it is Cineplex’s goal to consistently provide guests and customers with exceptional experiences.

Cineplex’s key strategic areas of focus include the following:

- Continue to enhance and expand Cineplex’s presence as an entertainment destination for Canadians in-theatre, at-home and on-the-go;
- Capitalize on core media strengths and infrastructure to provide continued growth of Cineplex’s media business both inside and outside theatres;
- Develop and scale amusement and leisure concepts by extending existing capabilities and infrastructure;
- Drive value within businesses by leveraging opportunities to optimize value, realize synergies, implement customer-centric technology and leverage big data across the Cineplex ecosystems; and
- Pursue opportunities that are strategic, accretive and capitalize on Cineplex’s core strengths.

Cineplex uses the SCENE loyalty program and database as a strategic asset to link these areas of focus and drive customer acquisition and ancillary businesses.

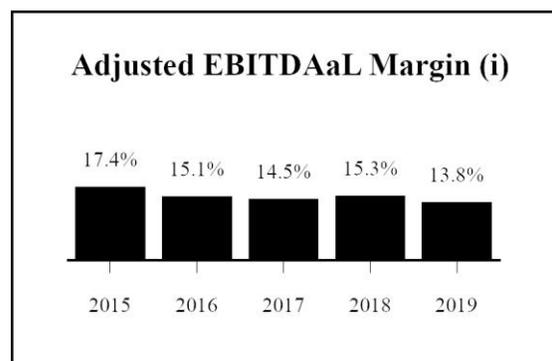
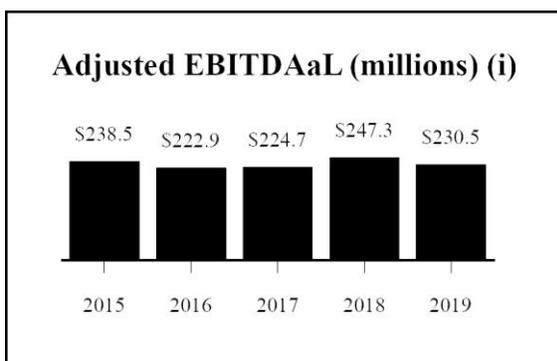
Diversified Entertainment and Media Company



Key elements of this strategy include going beyond movies to reach customers in new ways and maximizing revenue per patron. Cineplex has implemented in-theatre initiatives to improve the overall entertainment experience, including increased premium offerings, enhanced in-theatre services, alternative pricing strategies, continued development of the SCENE loyalty program and initiatives in theatre food service such as optimizing and adding product offerings and improving service execution. The ultimate goal of these in-theatre customer service initiatives is to maximize revenue per patron and increase the frequency of movie-going at Cineplex's theatres.

While box office revenues (which include alternative programming) continue to account for the largest portion of Cineplex's revenues, expanded theatre food service offerings, cinema media, digital place-based media, amusement and leisure, the Cineplex Store, promotions and other revenue streams have increased as a share of total revenues. Cineplex is committed to diversifying its revenue streams outside of the traditional theatre exhibition model through its media and amusement and leisure businesses.

Although Cineplex focuses on growth initiatives, management remains vigilant in controlling costs without compromising experiences. Cineplex will continue to invest in new revenue generating activities, as it has in prior years.



(i) 2019 includes expenses related to the Cineworld Transaction in the amount of \$11.7 million

Cineplex Revenues

Cineplex generates revenues primarily from box office and food service sales. These revenues are affected primarily by theatre attendance levels and by changes in BPP and CPP. Box office revenues represented 42.4% of revenues in 2019 and continues to represent Cineplex's largest revenue component.

Revenue mix % by period	2019	2018	2017	2016	2015
Box office	42.4%	44.9%	46.2%	49.8%	53.3%
Food service	29.0%	29.5%	28.5%	28.8%	30.5%
Media	11.8%	10.1%	10.8%	11.3%	11.2%
Amusement	13.7%	12.8%	11.9%	7.6%	2.2%
Other	3.1%	2.7%	2.6%	2.5%	2.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Cineplex has three reportable segments, film entertainment and content, media and amusement and leisure. The reportable segments are business units offering differing products and services and managed separately due to their distinct natures. These three reportable segments have been determined by Cineplex's chief operating decision makers.

Revenue mix % by year	Year to date	
	2019	2018
Film Entertainment and Content	72.8%	75.5%
Media	11.8%	10.0%
Amusement and Leisure	15.4%	14.5%
Total	100.0%	100.0%

A key component of Cineplex's business strategy is to position itself as the leading exhibitor in the Canadian market by focusing on providing customers with an exceptional entertainment experience. Cineplex's share of the Canadian theatre exhibition market based on Canadian industry box office revenues was approximately 75% for the quarter and year ended December 31, 2019. As a result of Cineplex's focus on diversifying the business beyond the traditional movie exhibition model, its revenue mix has shifted from box office revenue to other revenue sources.

Theatre and Location-Based Entertainment Locations

Cineplex's theatre circuit is concentrated in major metropolitan and mid-sized markets. As of December 31, 2019, Cineplex owned, leased or had a joint venture interest in 1,693 screens in 165 theatres from coast to coast. Cineplex's modern multiplex theatres are designed to provide guests with a premium movie-going experience and maximize profitability by matching the number and quality of auditoria and seats with the size of the market served. In addition, Cineplex's auditorium seating capacities are varied within individual theatres, enabling it to maximize revenues by shifting films to smaller or larger auditoriums in response to changing attendance levels. Cineplex continues to focus on providing guests with a variety of premium viewing options through which to enjoy the theatre experience. These premium-priced offerings, which include 3D, 4DX, UltraAVX, VIP Cinemas, IMAX, ScreenX, D-BOX and the Clubhouse, generate higher revenues per patron and also expand the customer base.

In general, Cineplex leases theatres under long-term leases, with original terms typically ranging from 15 to 20 years (with lease payment increases typically every five years) and containing various renewal options, usually in intervals of five years and, in some cases, termination rights. Leases for 81 theatres expire within five years (66 of which have renewal or extension options). Cineplex's theatre leases generally provide for minimum rental payments.

Cineplex									
Theatre locations and screens at December 31, 2019									
Province	Locations	Screens	3D Digital Screens	UltraAVX	IMAX Screens (i)	VIP Auditoriums	D-BOX Auditoriums	Recliner Auditoriums	Other Screens (ii)
Ontario	68	730	358	41	13	48	47	105	9
Quebec	20	250	98	10	3	4	7	11	—
British Columbia	25	237	125	16	3	15	16	39	1
Alberta	19	208	112	20	2	11	16	42	6
Nova Scotia	12	91	44	1	1	—	2	—	—
Saskatchewan	6	54	28	3	1	3	3	16	1
Manitoba	5	49	26	1	1	3	2	—	—
New Brunswick	5	41	20	2	—	—	2	—	—
Newfoundland & Labrador	3	20	9	—	1	—	1	—	—
Prince Edward Island	2	13	6	—	—	—	1	—	—
TOTALS	165	1,693	826	94	25	84	97	213	17
Percentage of screens			49%	6%	1%	5%	6%	13%	1%
(i) All IMAX screens are 3D enabled. Total 3D screens including IMAX screens are 851 screens or 50% of the circuit.									
(ii) Other screens includes 4DX, <i>Cineplex Clubhouse</i> and ScreenX.									

Cineplex - Theatres, screens and premium offerings in the last eight quarters								
	2019				2018			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Theatres	165	165	165	165	164	165	164	163
Screens	1,693	1,695	1,695	1,692	1,686	1,696	1,683	1,676
3D Digital Screens	826	827	826	824	821	826	816	811
UltraAVX Screens	94	93	93	90	90	90	88	87
IMAX Screens	25	25	25	25	25	25	25	24
VIP Auditoriums	84	79	79	75	75	75	63	63
D-BOX Locations	97	92	92	89	89	89	86	82
Recliner Screens	213	182	182	173	173	173	155	149
Other Screens	17	5	4	4	4	3	2	1

Cineplex – Location Based Entertainment - at December 31, 2019		
Province	<i>The Rec Room</i>	<i>Playdium</i>
Ontario	3	2
Alberta	3	—
Newfoundland & Labrador	1	—
TOTALS	7	2

For a complete discussion regarding the revenues and operations of the Corporation, reference is made to the Corporation's Annual MD&A.

Employees

As at December 31, 2019, the Corporation employed in excess of 13,000 people through the United States and Canada, of whom 14% are full-time employees and 86% are part-time employees. In its theatrical business, the Corporation employed approximately 12,000 people in Canada, of whom 10% are full-time employees and 90% are part-time employees; approximately 6% of Cineplex's theatre employees are represented by unions which are primarily located in the

province of Quebec. In its amusement and leisure businesses, the Corporation employed approximately 1,900 people (the vast majority of whom are in Canada), of which 28% are full-time employees and 72% are part-time employees. Employees of The Rec Room constitute approximately 1,400 of the location-based entertainment employees. Eleven percent of the employees of The Rec Room are full-time and 89% are part-time; no employees of The Rec Room business are represented by unions. The Corporation's digital place-based media business employees approximately 190 individuals, the vast majority of whom are full-time and in Canada.

Trademarks

Management believes the exhibition trademarks "*Cineplex*", "*Cineplex Odeon*", "*Cineplex VIP Cinemas*", "*Galaxy*", "*SilverCity*", "*UltraAVX*", "*Outtakes*" and "*Poptopia*" enjoy significant brand awareness in the Canadian film exhibition market. Cineplex uses the "*Scotiabank Theatre*" brand under a license agreement with Scotiabank. Management also believes that the trademarks used in our location-based entertainment business are of growing value, including "*Playdium*" and "*The Rec Room*".

Competition

Cineplex competes for the public's leisure time and disposable income with alternative forms of entertainment, including in-home and online consumption of content and out-of-home entertainment such as other movie exhibitors, sporting events, live music concerts, family entertainment centres, live theatre and restaurants.

Cineplex focuses its in-theatre business on attracting customers to its facilities for their entertainment choice. Management believes that movie theatres compete well with alternative forms of out-of-home entertainment as a result of their lower cost and higher availability. Management also believes that the modern multiplex theatre has become a meeting place as well as an entertainment destination. Focusing on the competition from other exhibitors, Cineplex believes that the principal competitive factors are:

- The ability to maintain and grow theatre attendance and movie-going frequency;
- The seating capacity, location, quality and reputation of an exhibitor's theatre;
- The level of customer service and amenities such as recliner seating, VIP Cinemas, specialized auditoriums such as UltraAVX and variety of food service offerings;
- The quality of projection and sound equipment, including specialized projection systems such as 3D, 4DX, ScreenX, D-BOX and digital offerings;
- The ability to secure an appropriate variety of filmed content;
- Box office pricing strategy;
- Marketing and promotional programs, including the SCENE loyalty program; and
- The ability to secure sites for potential new theatre developments.

Cineplex's theatres are also subject to varying degrees of competition in the locations in which they operate because competitors vary substantially in size, number and proximity at each location. Cineplex has a number of theatrical exhibition competitors, including Rainbow Cinemas, Imagine Cinemas, Cinemas Guzzo, Landmark Cinemas as well as independent operators. The building of new theatres, the addition of screens or conversion to recliner seating to existing theatres by competitors in areas in which Cineplex operates may reduce attendance levels at Cineplex theatres. In addition to competing for guests at its existing theatres, Cineplex also faces competition in acquiring and developing new theatre sites and acquiring existing theatres.

Cineplex also competes with a number of at-home entertainment alternatives and secondary movie distribution channels, such as cable and satellite television, gaming, Blu-ray discs, TVoD, SVoD, as well as pay-per-view services and downloads via the Internet. To that end, Cineplex has developed the Cineplex Store in an effort to attract its customers to enjoy Cineplex movies for their at-home entertainment in lieu of the multitude of other at-home viewing options. With its SCENE loyalty program, Cineplex has the ability to communicate directly with movie-lovers to attract them to the Cineplex Store viewing options.

Cineplex's amusement and leisure operations compete against other offerings for guests' entertainment spending. In each of the local markets in which Cineplex operates and will operate, it faces competition from local, national or international brands that also offer a wide variety of restaurant and/or amusement and gaming experiences, including sporting events, bowling alleys, entertainment centres, nightclubs and restaurants. Competition for guests' entertainment time and spending also extends to in-home entertainment such as internet or video gaming and other in-home leisure activities.

Corporate Social Responsibility

Cineplex's approach to Corporate Social Responsibility is based on three key pillars: Business Ethics and Values, Environmental Sustainability and being a good Community Partner.

Business Ethics and Values

Cineplex is committed to sustainable growth and good stewardship in the communities that it serves, guided by the *Cineplex Values*, the Corporation's *Code of Business Conduct and Ethics* and its *Supplier Code of Conduct*. A copy of each of these documents can be found on the corporate website.

The *Code of Business Conduct and Ethics* addresses the ethical business standards and practices for its board, leadership team, employees and contractors; each individual must read, understand and re-commit to the Code each year with training and sign-off. It outlines behaviours and practices that will ensure full compliance with laws as well as reaffirm Cineplex's commitment to integrity, honesty and respect when dealing with its team, partners, suppliers and the community.

Cineplex also values its relationships with suppliers because they help it achieve its business objectives and contribute to the overall success as a Corporation. To that end, the Corporation has adopted a *Supplier Code of Conduct*. The *Supplier Code of Conduct* sets forth the principles and ethical standards that the Corporation expects all its suppliers to work toward achieving throughout the course of its business relationship with Cineplex. It provides, among other things:

- Ethical business practices
- Responsible sourcing of its products
- Responsible subcontracting
- Responsible information security and adherence to best practices in privacy
- Maintenance of human rights and labour standards
- Provision of safe and healthy work environments
- Good stewardship

Cineplex's board, leadership team and nearly 13,000 employees across North America all work under the guidance of the *Cineplex Values* of Teamwork, Innovation and Excellence, which are closely aligned and ultimately reaffirmed by its approach to corporate governance and stewardship.

Environmental Sustainability

The Corporation integrates sustainability initiatives across its ecosystem by managing its environmental footprint and demonstrating to employees, guests, partners and shareholders an ongoing commitment to a sustainable future. Guided by a newly appointed head of sustainability and a cross-functional Environmental Sustainability Committee, Cineplex is taking steps across its business through three inter-connected environmental issues: waste, energy consumption and eco-friendly materials. Generally, Cineplex works to reduce its greenhouse gas emissions, use less paper and manage its resources and waste to minimize the impact it has on the communities in which it operates. The Corporation has adopted, among other initiatives, the following:

- **Waste:** Cineplex takes steps to reduce the amount of waste generated at its theatres, location-based entertainment venues and corporate offices by increasing its landfill diversion rate and taking steps to operate more efficiently. The Corporation proudly recycles paper and plastic, participating in the GEEP E-Waste recycling national program. The Corporation also reuses 3D glasses and ensures the safe disposal of electronic waste. Where supported by municipal waste facilities, the Corporation uses compostable packaging and separates organic waste.
- **Energy Efficiency:** To meet global warming targets, Canada has committed to reducing its greenhouse gas emissions and Cineplex is committed to doing its part in seeing those targets met. The Corporation has multiple programs in place, including LED lighting retrofits and building automation systems, that seek to improve the energy efficiency at all of its venues. Through efforts like maximizing its use of Forest Stewardship Council (FSC) certified paper in its popcorn bags and drink cups, Cineplex take steps to reduce the amount of greenhouse gases emitted in its operations. Three of the Corporation's recently constructed facilities are LEED certified.

- **Eco-Friendly Materials:** Cineplex prioritizes the purchasing of eco-friendly goods and services and regularly reviews the materials it uses throughout its buildings. Through efforts like ensuring the drinking straws are either paper or fully biodegradable, Cineplex strives to limit harmful chemicals in the products it uses and offers, whether it be packaging, receipts or cleaning supplies.

Community Partner

Cineplex is dedicated to being a good corporate citizen and partner in the communities which it operates through our ongoing support of local communities across the country. This includes taking steps to ensure its offices and venues are inclusive to all. Contributions are made from across the Cineplex ecosystem, including support for local initiatives, regional activations that assist communities in times of need, and support for the Canadian entertainment and media industries.

- **Charitable Activities:** Cineplex, its employees and partners have helped contribute tens of millions of dollars through a variety of partnerships with non-profit charity organizations across Canada. Most recently, Cineplex employees worked closely with its national charity partner, WE Charity, to help inspire and empower Canadian youth to make a positive difference. From 2014 through 2019, Cineplex raised and donated over \$5.5 million for WE youth programs, through corporate gifts and partner support, donations and concession sales at our annual Community Day. In-kind contributions of venue space and media to support multiple not-for-profit organizations are also valued in excess of \$1 million annually. In 2019, Cineplex’s annual Community Day fundraiser – which welcomed guests across Canada into its theatres for a morning of free movies - raised over \$180,000 for the Boys and Girls Clubs of Canada in just a few hours.
- **Local Community Support:** Cineplex employees across the country have their finger on the pulse on their communities and regularly support local events to benefit the neighbourhoods in which it operates. When disaster strikes, Cineplex has a long history of helping Canadian communities when they need it most. In addition to using corporate resources for communities in need, the Corporation has also leveraged its network of theatres and offices to help fundraise for Canadian Red Cross.
- **Industry Support:** Cineplex has a long history of supporting the Canadian entertainment and media industries. The Corporation supports over 35 film festivals every year from Newfoundland to British Columbia. These festivals range in size from local community events like the *Whistler Film Festival* or *Cinefest Sudbury*, to week-long celebrations of film like the world-class *Toronto International Film Festival*. Cineplex also proudly supports the Canadian Film Centre, Academy of Canadian Cinema and Television, Hot Docs, Reel Canada, Canada's Walk of Fame, First Weekend Club, the Canadian Picture Pioneers and the Scotiabank Giller Prize.
- **Inclusivity and Diversity:** In addition to inclusive hiring practices across the Cineplex ecosystem and being a leader in spearheading employment opportunities for individuals with special needs, the Cineplex leadership team participates in comprehensive inclusivity and diversity training and makes regular training courses available to employees interested in learning. Under the guidance of Cineplex’s Inclusivity Committee, the Corporation has been recognized for its initiatives in diversity and inclusion both with its employee contingent as well as with its guests. The Corporation was an early adopter to sign the Catalyst Accord and is a proud member of the international Catalyst-affiliated “30% Club”. The Corporation has a *Board Diversity Policy* as well as an overall corporate *Diversity Policy* for employment across its businesses, both of which are available on the corporate website. While the diversity policies do not have any set targets regarding the representation of women or other minorities in management appointments, Cineplex, the Board and the Compensation, Nominating and Corporate Governance Committee consider the level of representation of women and diversity of the Board and in management when making those appointments. At present, 30% of the Corporation’s Board of Directors are women and 40% are ethnic minorities, including the Corporation’s Chief Executive Officer. Of the 54 members of senior management (Vice-Presidents and above), 11 (or 28%) of those are women and six are visible minorities.
- **Accessibility:** The Corporation strives to make its offices, theatres and location-based entertainment venues accessible to everyone, whether it be a guest, employee or partner. This commitment is, first and foremost, about doing the right thing – and Cineplex is proud of its position as a Canadian retail leader in accessibility. The Corporation offers programs that accommodate guests who are deaf, deafened, hard of hearing, visually impaired or live with physical or mobility challenges. Cineplex is a founding partner of and proud participant in the ‘Access 2’ program, administered by Easter Seals Canada, providing free or significantly reduced admission to support persons accompanying a person with a disability. The Corporation is proud to have been recognized by the Canadian

Foundation for Physically Disabled Persons for its work in supporting Canadians with disabilities. In partnership with Autism Speaks Canada, Cineplex presents Sensory Friendly Screenings, providing a sensory-friendly environment for individuals with autism spectrum disorder or sensory-sensitivities and their families to view new release films in theatres across the country.

- **Award-Winning Culture:** Guided by the *Cineplex Values* of Teamwork, Innovation and Excellence, Cineplex believes in the power of working together and recognizes that its employees are its greatest asset. In 2018 and 2019, Cineplex was proudly named one of Canada's Most Admired Corporate Cultures by Waterstone Human Capital for the third time, each honour being for a three-year term. Announced annually, the program celebrates organizations across four categories that have cultures that drive performance and contribute to the bottom line. Cineplex was recognized for its dedication to employee engagement initiatives, passion for the community and strong leadership.

Regulatory Environment

General

Cineplex's operations are subject to international, federal, provincial and local laws governing matters such as privacy, film classification, construction, renovation and operation of theatres, wages and working conditions, health and sanitation requirements as well as licensing (including business, gaming and liquor licensing). Management believes that Cineplex's operations are in material compliance with all such laws.

Environmental

Cineplex owns, leases and/or operates entertainment locations and other properties which are subject to certain federal, provincial and local laws and regulations relating to environmental protection, including those governing past or present releases of hazardous materials. Certain of these laws and regulations may impose liability on certain classes of persons for the costs of investigation or remediation of such contamination, regardless of fault or the legality of the original disposal. These persons include the present or former owner or a person in care or control of a contaminated property and companies that generated, disposed of or arranged for the disposal of hazardous substances found at the property. As a result, Cineplex may incur costs to clean up contamination present on, at or under its leased and owned properties, even if such contamination was present prior to the commencement of Cineplex's operations at the site and was not caused by its activities. Management is currently not aware of any such situation.

Human Rights

Cineplex continually works to ensure that its services are delivered with a focus on respecting the dignity of each of its guests so as to be in compliance with all human rights legislation and free from any form of discrimination. In that regard, Cineplex trains its employees on accessibility and human rights issues. Cineplex has a *Human Rights Policy* applicable to all of its operations, a copy of which is available on the corporate website.

Québec Cinema Act

In the province of Québec, film distributors and theatre operators must be licensed under the *Québec Cinema Act* and must obtain a permit for the exhibition of each print of a film. Generally, a permit will only be issued for English language prints if the distributor also makes the same number of French dubbed prints of the same film available to exhibitors for exhibition at the same time. However, distributors may obtain a provisional permit if a French dubbed version does not exist when an application is made, allowing a distributor to distribute any number of English language prints for an initial 45-day period. In Cineplex's experience, most major English language films are released simultaneously in both English and French.

Credit Facility

Cineplex increased and extended its bank credit facilities effective November 13, 2018 (the “Credit Facilities”). At December 31, 2019, the Credit Facilities consisted of the following (in millions of dollars):

	Available	Drawn	Reserved	Remaining
(i) a five-year senior secured revolving credit facility (“Revolving Facility”)	\$ 650.0	\$ 475.0	\$ 8.7	\$ 166.3
(ii) a seven-year senior secured non-revolving term facility (“Term Facility”)	\$ 150.0	\$ 150.0	—	—

Letters of credit outstanding at December 31, 2019 of \$8.7 million are reserved against the Revolving Facility.

The following is a summary of the material terms and conditions contained in the Credit Facilities. This summary is qualified in its entirety by reference to the provisions of the Credit Agreement which contains a complete statement of those terms and conditions.

Summary of Facilities

The Credit Facilities bear interest at a floating rate based on the Canadian dollar prime rate, or bankers’ acceptances rates plus, in each case, an applicable margin to those rates. The Revolving Facility matures on November 13, 2023 and the Term Facility matures on November 13, 2025. The Credit Facilities are payable in full at maturity, with no scheduled repayment of principal required prior to maturity.

The Revolving Facility is available for general corporate purposes and to fund approved projects or investments. The Revolving Facility is available to be drawn down by way of prime rate loans, U.S. base rate loans, LIBOR loans, banker’s acceptances or letters of credit and bears interest at a floating rate based on the Canadian dollar prime rate, U.S. dollar base rate, LIBOR, bankers’ acceptances rates or letter of credit commissions, as applicable, plus, in each case, an applicable margin to those rates based on Cineplex’s ratio of total debt to Adjusted EBITDA from time to time. There are provisions to increase the Revolving Facility commitment amount by an additional \$150 million with the consent of the lenders.

The Term Facility is available to be drawn down by way of prime rate loans, U.S. base rate loans, LIBOR loans or bankers’ acceptances, and bears interest at a floating rate based on the Canadian dollar prime rate, U.S. base rate, LIBOR or on the bankers’ acceptance rates, as applicable, plus, in each case, an applicable margin to those rates based on Cineplex’s ratio of total debt to Adjusted EBITDA from time to time.

The Credit Facilities contain restrictive covenants that limit the discretion of Cineplex’s management with respect to certain business matters. These covenants place restrictions on, among other things, the ability of Cineplex to create liens or other encumbrances, to pay dividends or make certain other payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. The Credit Facilities are secured by all of Cineplex’s assets.

The Credit Facilities also contain customary affirmative, reporting and negative covenants. Pursuant to the terms of the Credit Facilities, Cineplex is required to maintain, on a rolling four quarter basis: (i) a prescribed ratio of total debt (excluding the amount of any outstanding convertible debentures) to Adjusted EBITDA; and (ii) a prescribed ratio of EBITDAR (Adjusted EBITDA plus rent expense for such quarter) to fixed charges (the sum of taxes, maintenance capital expenditures, debt service (including capital lease payments) and rent expense for such quarter).

Security and Guarantees

The obligations under the Credit Facilities are secured by a first ranking charge over all of the personal and real property owned by the Corporation and its subsidiaries other than certain excluded immaterial subsidiaries. The obligations of the Corporation and the Partnership under the Credit Facilities are guaranteed by such subsidiaries.

Events of Default

The Credit Facilities contain customary events of default, including an event of default upon certain circumstances constituting a change of control, as more specifically set out in the “Events of Default” section of the Credit Agreement.

Failure to comply with the terms of the Credit Facilities would entitle the lenders to accelerate all amounts outstanding under such facilities, and upon such acceleration, the lenders would be entitled to begin enforcement of security granted to the lenders by the Partnership or the Corporation to recover assets of the Partnership or the Corporation, including accounts

receivable, inventory, equipment and material contracts. The lenders would then be repaid from the proceeds of such security, using all available assets. Only after such repayment and the payment of any other secured and unsecured creditors would the holders of Common Shares receive any proceeds from the liquidation of Cineplex's assets.

The Credit Facilities, in certain circumstances, restrict the Corporation's, the Partnership's and their subsidiaries' ability to make payments in respect of their securities, including the Common Shares, unless sufficient funds are available for the repayment of indebtedness and the payment of interest, expenses and taxes.

CAPITAL STRUCTURE

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares of which 63,333,238 were issued and outstanding as at December 31, 2019. Holders of Common Shares are entitled to one vote per share at meetings of Shareholders of the Corporation, to receive dividends if and when declared by the Board and to receive the remaining property and assets of the Corporation upon its dissolution or winding-up, subject to the rights of shares having priority over the Common Shares. Holders of Common Shares may make use of the various shareholder remedies available pursuant to the OBCA. Additional information relevant to the Common Shares, the rights of holders thereof and the operation and conduct of the Corporation can be found in the Corporation's articles and by-laws, which have been filed under the Corporation's profile on SEDAR.

Preferred Shares

The Corporation is authorized to issue 10,000,000 Preferred Shares, issuable in series, none of which are outstanding. If issued, each series of Preferred Shares shall consist of such number of shares and having such rights, privileges, restrictions and conditions as may be determined by the Board prior to the issuance thereof. Holders of Preferred Shares, except as required by law, will not be entitled to vote at meetings of Shareholders of the Corporation. With respect to the payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the Preferred Shares are entitled to preference over the Common Shares and any other shares ranking junior to the Preferred Shares from time to time and may also be given such other preferences over the Common Shares and any other shares ranking junior to the Preferred Shares as may be determined at the time of creation of such series. The Preferred Shares are not, and may not be, created as an anti-takeover mechanism. Additional information relevant to the Preferred Shares, the rights of holders thereof and the operation and conduct of the Corporation can be found in the Corporation's articles and by-laws, which have been filed under the Corporation's profile on SEDAR.

DIRECTORS AND OFFICERS

The below table identifies all individuals who are currently serving as Directors and executive officers of the Corporation as of the date hereof. The table sets out the person's name, province or state of residence, positions with the Corporation (i.e., director and/or officer) and principal occupation. The term of office for each of the current Directors expires at the time of the next annual meeting of Shareholders.

Name and Residence	Position	Dates	Principal Occupation
Jordan Banks Ontario, Canada ⁽⁴⁾	Director	2013 - present	President Rogers Media
Robert Bruce Ontario, Canada ⁽²⁾	Director	2010 - present	Executive Chairman Mobile Klinik
Joan Dea California, USA ⁽⁴⁾	Director	2006 - present	Corporate Director
Janice Fukakusa Ontario, Canada ⁽¹⁾⁽²⁾	Director	2017 - present	Corporate Director
Ian Greenberg Quebec, Canada ⁽⁴⁾	Director (Chair)	2010 - present	Corporate Director
Donna Hayes Ontario, Canada ⁽²⁾	Director	2016 - present	Corporate Director
Ellis Jacob Ontario, Canada	Director/Officer	2003 - present	President and Chief Executive Officer Cineplex Inc.

Name and Residence	Position	Dates	Principal Occupation
Sarabjit Marwah Ontario, Canada ⁽⁴⁾	Director	2009 - present	Senator and Corporate Director
Nadir Mohamed Ontario, Canada ⁽³⁾⁽⁴⁾	Director	2017 - present	Corporate Director
Edward Sonshine Ontario, Canada ⁽²⁾	Director	2010 - present ⁽⁵⁾	Chief Executive Officer RioCan Real Estate Investment Trust
Cindy Bush Ontario, Canada	Officer	2018 - present	Chief Human Resources Officer Cineplex Inc.
Anne Fitzgerald Ontario, Canada	Officer	2005 - present	Chief Legal Officer and Executive Vice President Real Estate Cineplex Inc.
Shawn Mandel Ontario, Canada	Officer	2019 - present	Chief Digital & Technology Officer Cineplex Inc.
Michael Kennedy Ontario, Canada	Officer	2005 - present	Executive Vice President Filmed Entertainment Cineplex Inc.
Dan McGrath Ontario, Canada	Officer	2003 - present	Chief Operating Officer Cineplex Inc.
Gord Nelson Ontario, Canada	Officer	2003 - present	Chief Financial Officer Cineplex Inc.

Notes:

- (1) Chair of the Audit Committee of the Corporation.
- (2) Member of the Audit Committee of the Corporation.
- (3) Chair of the Compensation, Nominating and Corporate Governance Committee.
- (4) Member of the Compensation, Nomination and Corporate Governance Committee.
- (5) Mr. Sonshine also previously served as a Trustee of Cineplex Galaxy Income Fund from 2003 through 2005.

As of December 31, 2019, the current Directors and executive officers of the Corporation identified above collectively beneficially own, directly or indirectly, or exercise control and direction over 418,715 Common Shares, representing, in the aggregate less than 1% of the issued and outstanding Common Shares. As at that same date, the current Directors and executive officers of the Corporation identified above, collectively beneficially own, directly or indirectly, or exercise control and direction over a total of 714,479 Common Shares plus share equivalents, representing, in the aggregate approximately 1.13% of the issued and outstanding Common Shares.

Penalties or Sanctions

To the Corporation's knowledge, no director or executive officer: (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the Corporation's knowledge, no director or executive officer has an existing or potential material conflict of interest with the Corporation or any of its subsidiaries.

Biographies

The following are brief profiles of the Directors of the Corporation, as at December 31, 2019.

- **Jordan Banks.** Mr. Banks is President of Rogers Sports & Media. A highly respected business leader, Mr. Banks was named one of Canada's 50 Most Powerful Business People by Canadian Business magazine,

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

- **Robert Bruce.** Mr. Bruce is the Executive Chairman and Founding Partner of Mobile Klinik, a Canada wide chain of professional smartphone repair stores. He served as Mobile Klinik CEO from 2015 through 2018. Prior to founding Mobile Klinik, Mr. Bruce served as President, Communications running the Wireless and Cable Divisions for Rogers Communications Inc. He served in that capacity from 2009 through 2014, having previously served from 2005 through 2009 as President, Rogers Wireless. Mr. Bruce joined Rogers Wireless in 2001 as Executive Vice President and Chief Marketing Officer of Rogers Wireless and President, Wireless Data Services. Prior to joining Rogers Wireless, Mr. Bruce was Senior Vice President, Marketing at BCE Mobile Communications. Previously, he held senior operating and marketing roles with Pepsi-Cola Canada, Oshawa Foods Limited and Warner Lambert. In addition to his role as a Director of the Corporation, Mr. Bruce sits on the Board of Directors of Grant Thornton Partnership. He holds a Master of Science from University of Waterloo and a Master of Business Administration from Queen's University.
- **Joan Dea.** Ms. Dea is the Founder and Managing Director of Beckwith Investments which invests in, and provides advice to, innovative, leading companies. Previously, Ms. Dea served as Executive Vice President, Head of Strategic Management and Corporate Marketing with BMO Financial Group. As a member of the Executive Committee she developed and managed BMO's strategic and change agendas. Ms. Dea was also a partner at the Boston Consulting Group where she was a leader in the Global Financial Services and Consumer Goods, Retail and Media Practices and held several internal leadership positions. In addition to her role as a Director of the Corporation, she serves as a Director of Charles Schwab Corporation (serving on the Nominating and Governance and the Compensation Committees) and Charles Schwab Bank (serving on the Audit Committee). Her past board experience includes Torstar Corporation (from 2009 to 2015) and Performance Sports Group (from 2015 to 2017). In October 2016, Performance Sports Group instituted proceedings under the Canadian Companies' Creditors Arrangement Act and the U.S. Bankruptcy Code (Chapter 11). Ms. Dea also serves as Chair of the Board of Directors of LEAP: The Pecaut Centre for Social Impact, as a member of Broadway Angels and the Yale University Development Council, and as an Advisory Board Member of GlobalGirlMedia. She is past Chair of Women's Initiative, Vice Chair of the National Ballet of Canada, Trustee of Marin Academy and member of a number of advisory boards. Ms. Dea holds a Bachelor of Arts degree from Yale University and Master of Science degree in Economics with Distinction from the London School of Economics. She was previously named one of Canada's Most Powerful Women.
- **Janice Fukakusa.** Ms. Fukakusa is The Chancellor of Ryerson University, and a corporate director. She was formerly the Chief Administrative Officer and Chief Financial Officer of Royal Bank of Canada, from which she retired in January 2017 following a distinguished 31-year career. Ms. Fukakusa currently serves on the boards of a number of corporate and not-for-profit organizations, including serving as the Chair of The Princess Margaret Cancer Foundation. She was inducted into Canada's Most Powerful Women Hall of Fame and previously selected as Canada's CFO of the Year by Financial Executives Canada, PwC and Robert Half. In 2016, she was named one of the 25 Most Powerful Women in Banking by American Banker magazine for the fourth consecutive year. Ms. Fukakusa holds the professional designation of Fellow Chartered Professional Accountant (FCPA and CPA). She obtained a Bachelor of Arts from University of Toronto and a Master of Business Administration from Schulich School of Business, and in 2016 was awarded an Honorary Doctorate of Laws from York University.
- **Ian Greenberg (Chair).** Mr. Greenberg founded Astral Media Inc. with his three brothers over 50 years ago. He was the President and Chief Executive Officer of Astral Media Inc. from 1995 until 2013, when

the company was sold. In addition to serving as a Director of the Corporation, he currently serves on the Board of Directors of Bell Canada Enterprises Inc., where he sits on both the Audit Committee and the Management Resources and Compensation Committee. He is a Governor of Montreal's Jewish General Hospital and has been actively involved in a number of charitable associations, including the MS Society of Canada, the Canadian Cancer Society, Centraide and the Montreal Museum of Fine Arts. As an influential member of the community, Mr. Greenberg has received the following awards and honours: Eleanor Roosevelt Humanities Award (1993), Ted Rogers and Velma Rogers Graham Award (2007), inducted into the Canadian Association of Broadcasters' Hall of Fame (2008), inducted into the Canadian Business Hall of Fame (2013), a special award from the Academy of Canadian Cinema and Television for exceptional achievement in Canadian film and television (2013) and inducted into the Canadian Broadcast Industry Hall of Fame (2014). He is a graduate of Harvard Business School's Advanced Management Program.

- **Donna Hayes.** Ms. Hayes is the retired Publisher and Chief Executive Officer of Harlequin, one of the world's leading publishers of books for women, and now part of Harper Collins Publishing. She spearheaded Harlequin's industry leading level of innovation by incorporating forward looking technology (eBooks, downloadable audio, mobile applications) into their business model. Recognition of Harlequin under Hayes' leadership included a Levy Home Entertainment Award for best mass market publisher, the Canadian Public Relations Society's Gold Award of Excellence for communications management, a YWCA "W" Award for promoting the empowerment of women and Book Business Magazine's Publishing Innovator of the Year. Ms. Hayes has served on the Board of Directors of the American Association of Publishers, the Toronto Public Library Foundation and the Board of Directors of the TD Financial Group (Toronto-Dominion Bank), where she served on both the Audit and Corporate Governance Committees. She is currently the Co-Chair of the Toronto Wildlife Centre Board, the largest wild animal rescue center in Canada and also serves on the Board of the Pelee Island Bird Observatory (PIBO), founded by Graeme Gibson and Margaret Atwood and dedicated to the study and preservation of Canada's migratory birds. Ms. Hayes holds an Honours Degree in English Literature and Communications from McGill University and has completed the Professional Publishing Course at Stanford University as well as the Executive Management Program at the Richard Ivey School at The University of Western Ontario.
- **Ellis Jacob, C.M.** Mr. Jacob has been working in the motion picture exhibition industry since 1987. Prior to assuming his current position as President and Chief Executive Officer of the Corporation in 2003, Mr. Jacob was Chief Executive Officer and co-founder of Galaxy. Prior to founding Galaxy, Mr. Jacob represented Alliance Atlantis Communications Inc. as Head of Integration during 1998 and 1999. From 1987 to 1998, Mr. Jacob held various positions with Cineplex Odeon Corporation as Vice President, Finance, Chief Financial Officer, Executive Vice President and, ultimately, Chief Operating Officer. In addition to his role as a Director of the Corporation, Mr. Jacob is the Chairman of the National Association of Theatre Owners (NATO), an executive committee member of the Global Cinema Federation (GCF) as well as a member of the Board of Directors of the Movie Theatre Association of Canada. Mr. Jacob is a director and member of the audit committee of the Toronto International Film Festival. Mr. Jacob is an active community member, currently serving as a member of the Board of Directors at Toronto's Baycrest Centre for Geriatrics, where he also sits on the Executive Committee, the Commercialization Committee and is a member of Baycrest's Finance and Audit Committee. Along with his position at Baycrest, Mr. Jacob is a founding director of the Canadian Children's Literacy Foundation as well as a member of the Board of Governors for Mount Sinai Hospital. He holds an MBA from the Schulich School of Business as well as the accounting designations of Fellow Chartered Professional Accountant (FCPA), Fellow Chartered Accountant (FCA) and Fellow Certified Management Accountant (FCMA). He also holds the ICD.D designation from the Institute of Corporate Directors. In 2010, Mr. Jacob was appointed a Member of the Order of Canada, in 2013 he was recognized as Canada's Most Innovative CEO by Canadian Business Magazine, in 2014, he was recognized as Canada's Most Admired CEO, Enterprise, by Waterstone Human Capital and in 2019 he received the ICTA Global Cinema Innovation Award.
- **Sarajit S. Marwah.** Mr. Marwah retired in 2014 as the Vice-Chairman and Chief Operating Officer of Scotiabank. In that capacity, he had been responsible for many of Scotiabank's corporate financial and administrative functions, and was actively involved in developing Scotiabank's strategic plans and priorities. He joined Scotiabank's Finance Division in 1979, and over the years held successively more senior positions, including Deputy Comptroller, Senior Vice-President and Comptroller, and Executive Vice-President Finance. He was appointed Chief Financial Officer in 1998, Senior Executive Vice-

President & Chief Financial Officer in 2002 and Vice-Chairman and Chief Operating Officer in 2008. In addition to his role as a Director of Cineplex, Mr. Marwah is a member of the Board of Directors of George Weston Ltd, serving on the Audit and Governance Committees. In addition, he was previously on the Board of Directors of TELUS Corporation and Torstar Corporation. He also served as Chair of the Hospital for Sick Children, the Chair of the Humber River Regional Hospital, member of the Board of Directors of the C.D. Howe Institute, the Toronto International Film Festival, and the 2008 and 2009 United Way Cabinets. In 2016, he was appointed as a Senator to the Senate of Canada by the Governor General of Canada.

- ***Nadir Mohamed.*** Mr. Mohamed began his communications career more than 30 years ago. He joined Rogers Communications in August 2000 and was President and CEO of Rogers Wireless from 2001 through 2005 when he was appointed President and COO of Rogers Communications Group. He was appointed the President and CEO of Rogers Communications Inc. in March 2009 and retired in December 2013. Mr. Mohamed has been engaged in a spectrum of community organizations and over the past few years has focused on Canada's innovation and entrepreneurship agenda. He is the Co-Founder and Chair of Scale Up Ventures and Chair of Ryerson Futures Inc. Mr. Mohamed serves on the Board of TD Bank Financial Group and Trilogy International Partners and is the Chair of Alignvest Management Corporation. Mr. Mohamed was named by Bloomberg as one of the world's most successful immigrants and in October 2013 was honoured by the UN Association in Canada at their 2013 Global Citizens Dinner.
- ***Edward Sonshine, O.Ont., Q.C.*** Mr. Sonshine is the Chief Executive Officer, as well as a member of the Board of Trustees of RioCan Real Estate Investment Trust, having held those positions since the company's founding in 1993. In addition to his Director role with the Corporation, Mr. Sonshine is active in the community and currently is a director of Mount Sinai Health System. He previously served on the board of The Royal Bank of Canada, as Chair of the Israel Bonds Organization of Canada, as Chair of the board of Chesswood Group Limited and as Chair of the Mount Sinai Hospital Foundation. Mr. Sonshine was appointed Queen's Counsel in 1983 and a Member of the Order of Ontario in 2011. In 2013, he was honoured as Canada's Outstanding CEO of the year.

In addition to Ellis Jacob who serves as the President and Chief Executive Officer of the Corporation, the following are brief profiles of additional executive officers of the Corporation.

- ***Cindy Bush, Chief Human Resources Officer.*** Ms. Bush joined Cineplex in 2018, and has over 20 years of experience in strategy development, total rewards, talent and culture transformation. She is responsible for all aspects of the Human Resources function, encompassing talent development and succession, organization design and effectiveness, total and executive compensation, and human resources governance and reporting. Ms. Bush has worked in the UK, France, US and Canada in companies ranging from 30 to over 100,000 employees, at organizations such as Foresters Financial, OMERS, CIBC, Capgemini and the BBC. Cindy holds a Bachelor of Journalism from Carleton University, a Masters of Education from the University of Toronto and is the author of 'Project Managing Change', a global best-seller in the Financial Times series.
- ***Anne Fitzgerald, Chief Legal Officer and Executive Vice President, Real Estate.*** Ms. Fitzgerald oversees all legal, corporate affairs, real estate, lease administration and insurance matters relating to Cineplex and its subsidiaries; she also serves as Corporate Secretary. She has practiced law in both Canada and the United States, primarily in litigation roles in areas of corporate-commercial, securities, criminal, tax and entertainment. Ms. Fitzgerald is currently a member of the Board of Directors for each of the Academy of Canadian Cinema and Television and the National Association of Theater Owners and the Movie Theatre Association of Canada (where she serves as Vice-Chair). She is a member of the Executive Committee of the Global Cinema Federation. Ms. Fitzgerald volunteers her time and expertise as a member of the Board of Directors of Outward Bound Canada (serving as Chair of its Cabinet and on the HR Committee) and serves on the Duke University Divinity School Board of Visitors. She was inducted as a Fellow of the Royal Canadian Geographic Society in 2012 and was honoured in 2014 as a National Post/ZSA General Counsel of the Year. In 2019, she was named one of Canada's Most Powerful Women. She holds a BA in Public Policy as well as a Juris Doctorate in Law, both from Duke University and holds the ICD.D designation from the Institute of Corporate Directors of the Rotman School of Management.
- ***Michael Kennedy, Executive Vice President, Filmed Entertainment.*** Mr. Kennedy returned to Cineplex as Executive Vice President in July 2005 after having held senior management positions at Famous Players,

COC, Norstar Releasing and Astral Films. He oversees all aspects of film programming and event cinema for the Corporation. He is an industry veteran and his career has included roles in film programming, film and video distribution, advertising and theatre operations. Mr. Kennedy currently sits on the Boards of Directors of the Movie Theatre Association of Canada, Canadian Film Centre, First Weekend Club, Reel World Film Festival and Canadian Motion Picture Pioneers Association.

- **Dan McGrath, Chief Operating Officer.** Mr. McGrath joined COC in 1987 and held various financial and operational roles from 1987 to 2000. Upon joining Galaxy in 2000, he held the position of Executive Vice President and held that position with the Corporation until 2011 when he was named Chief Operating Officer. In his current role, Mr. McGrath oversees theatre operations and food service, digital commerce (*Cineplex Store*), amusement solutions (*PIAG*), location-based entertainment (*The Rec Room, Playdium, Topgolf*), design and construction, marketing, as well as the company's media businesses (*Cineplex Media and CDM*). He is a member of the Board of Directors for SCENE GP (where he is also the President), the Movie Theatre Association of Canada (where he also is Treasurer) and Canada's Walk of Fame. He also serves on the Fundraising Committee for Covenant House. Mr. McGrath holds the accounting designation of Chartered Professional Accountant (CPA) and Chartered Accountant (CA).
- **Gord Nelson, Chief Financial Officer.** Mr. Nelson joined COC in 1988 and has held various successive financial roles since that time. He was appointed Chief Financial Officer of Cineplex Galaxy Income Fund in 2004 and has continued in this role following the company's conversion to the Corporation in 2011. Mr. Nelson oversees the finance, purchasing, communications, risk management and corporate development areas of the Corporation. He is a member of the Finance and Audit Committee of the Baycrest Centre for Geriatric Care. He graduated from the University of Toronto with an MBA and holds the accounting designations of Chartered Professional Accountant (CPA) and Chartered Accountant (CA). Mr. Nelson was named Canada's CFO of the Year for 2016.
- **Shawn Mandel, Chief Digital and Technology Officer.** Mr. Mandel joined Cineplex in 2019, leading the company-wide digital, product and IT strategies, driving innovation across its entire ecosystem of businesses to ensure Cineplex guests enjoy unparalleled entertainment experiences, supported through the use of the latest in technology. Mr. Mandel has nearly 20 years of industry-leading experience driving digital transformation and growth and enhancing corporate culture and guest experiences. He was most recently the Chief Digital Officer at TELUS. Mr. Mandel currently serves on the Digital Transformation Committee for TO Live. He holds a Bachelor of Commerce from York University and volunteers his time as a mentor with the Techstars Toronto Accelerator, where he helps support the next generation of Canadian innovation leaders.

Committees of the Board of Directors of the Corporation

The Board has two committees, an Audit Committee as well as a Compensation, Nominating and Corporate Governance Committee.

Audit Committee

Terms of Reference of the Audit Committee of the Corporation

The Terms of Reference of the Audit Committee of the Board, as confirmed on March 4, 2019, are set out in Schedule A to this Annual Information Form. The members of the Audit Committee are listed below. Each member of the Audit Committee is independent and financially literate as defined by Canadian securities laws.

Education and Experience

This section describes the education and experience of Cineplex's Audit Committee members that is relevant to the performance of their responsibilities. Each member of the Audit Committee currently is, or has previously been, in charge of, or an advisor or a consultant to, a significant business operation, often as president, chief executive officer, chief financial officer or chief operating officer of a public company. Given the breadth and complexity of a financial institution's accounting issues, the Audit Committee members participate from time to time in internal or external sessions related to accounting matters or developments. Further detail on the education and experience of each Audit Committee member is set out below.

Composition of the Audit Committee of the Corporation

The Audit Committee of the Corporation is currently composed of four Directors, namely Janice Fukakusa (Chair), Robert Bruce, Donna Hayes and Edward Sonshine. Each member of the Audit Committee is independent and financially literate within the meaning of applicable securities laws.

Relevant Education and Experience of Audit Committee Members

In addition to each member's general business experience, the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee are set forth below:

- ***Janice Fukakusa (Chair).*** Ms. Fukakusa retired as Chief Administrative Officer and Chief Financial Officer of Royal Bank of Canada in January 2017. As a member of RBC's Group Executive, she was one of eight executives responsible for setting the overall strategic direction of RBC. In addition, she chaired Group Operating Committee. Having joined RBC in 1985, she held positions in retail and business banking, corporate banking, account management, corporate finance, treasury, strategic development and corporate functions. Ms. Fukakusa currently serves on the boards of a number of corporate and not-for-profit organizations, including serving as Chair of The Princess Margaret Cancer Foundation. Prior to joining the bank, Ms. Fukakusa worked at PricewaterhouseCoopers LLP and she holds the professional designation of Fellow Chartered Professional Accountant (FCPA and CPA). Ms. Fukakusa obtained her Bachelor of Arts from University of Toronto and holds a Master of Business Administration from Schulich School of Business and an Honorary Doctorate of Laws from York.
- ***Robert Bruce.*** Mr. Bruce is currently the Executive Chairman and Founding Partner of Mobile Klinik. He served as CEO of Mobile Klinik from 2015 through late 2018 where he was responsible for overseeing all financial and operating aspects of the company. Prior to that he served as President, Communications for Rogers Communications Inc., having responsibility for marketing, sales, distribution, retail stores, customer care and all aspects of operations for both cable and wireless, with substantial financial management obligations. His role at Rogers, as well as past roles at BCE Mobile Communications, Pepsi-Cola Canada and Oshawa Foods Limited, have provided him significant experience with operational and financial aspects of each of these businesses. Mr. Bruce graduated from Queen's University with a Masters of Business Administration and University of Waterloo with a Master of Science.
- ***Donna Hayes.*** Ms. Hayes is the retired Publisher and Chief Executive Officer of Harlequin, one of the world's leading publishers of books for women, and now part of Harper Collins Publishing. As Publisher and CEO, Hayes widened the scope of Harlequin's focus from romance fiction to publisher of books (fiction and nonfiction) for women. Many of the company's most successful lines were developed under her leadership. She also spearheaded Harlequin's industry-leading level of innovation by incorporating forward-looking technology (eBooks, downloadable audio, mobile applications) into their business model. Ms. Hayes graduated in 1978 with an honors degree in English literature and communications from McGill University. She has served on the Board of Directors of the American Association of Publishers, the Toronto Public Library Foundation and the Board of Directors of the TD Financial Group (Toronto-Dominion Bank), where she served on both the Audit and Corporate Governance Committees. She is currently Co-Chair of the Toronto Wildlife Centre Board, the largest wild animal rescue center in Canada.
- ***Edward Sonshine.*** Mr. Sonshine is the Chief Executive Officer, as well as a member of the Board of Trustees of RioCan Real Estate Investment Trust, having held those positions since the company's founding in 1993. In that capacity, Mr. Sonshine is responsible for overseeing all financial functions and reporting of the company. In addition to his Director role with the Corporation, Mr. Sonshine was formerly a member of the Board of Directors as well as the Audit Committee of the Royal Bank of Canada as well as numerous other boards.

Audit Fees

The aggregate amounts paid or accrued by the Corporation or Cineplex Entertainment LP with respect to fees, excluding expenses, payable to PricewaterhouseCoopers LLP, the auditors of the Corporation and Cineplex Entertainment LP, for audit, audit-related, tax and other services in the fiscal years ended December 31, 2019 and December 31, 2018 were as follows:

<u>Type of Service</u>	<u>Year Ended December 31, 2019</u>	<u>Year Ended December 31, 2018</u>
Audit	\$902,000	\$957,000
Tax	\$321,000	\$474,000
Other	\$10,797	\$16,600

The nature of each category of 2019 fees is described below.

Tax. Tax fees were paid for tax compliance services (\$225,300) and tax consulting and planning (\$95,700). Tax consulting fees include fees incurred (\$65,000) as a result of the Cineworld Transaction.

Other. Other fees were paid for expenses related to compliance review matters with the Canadian Public Accountability Board.

Pre-Approval Policies and Procedures

The Audit Committee has adopted guidelines identifying *Procedures for Approval of Audit and Non-Audit Services by the External Auditors* to govern when management may engage the auditors for non-audit and non-compliance tax services. PricewaterhouseCoopers LLP provides audit services to Cineplex and is also authorized to provide specific audit-related services as well as prescribed tax services. PricewaterhouseCoopers LLP may also provide other services provided that its engagement for such services is pre-approved by the Audit Committee. This policy is available on the Cineplex Investor Relations website at <http://ir.cineplex.com/>.

RISK FACTORS

Cineplex is exposed to a number of risks in the normal course of business that have the potential to affect operating performance. Cineplex has operating and risk management strategies and insurance programs to help minimize these operating risks. In addition, Cineplex has entity level controls and governance procedures including a corporate code of business conduct and ethics, whistle-blowing procedures, clearly articulated corporate values and detailed policies outlining the delegation of authority within Cineplex.

Under the Arrangement Agreement, closing of the Cineworld Transaction remains subject to the satisfaction or waiver of certain conditions to closing that have not yet been satisfied, including the receipt of *Investment Canada Act* approvals, the representations and warranties of the parties remaining true and correct (subject to certain materiality qualifiers), the parties having fulfilled or complied in all material respects with each of their covenants contained in the Arrangement Agreement, and as at the date of closing of the Cineworld Transaction, Cineplex shall have no more than \$725 million outstanding under its credit agreement, subject to certain exclusions (the “**Debt Condition**”). The impact of the COVID-19 outbreak in Canada and the rapidly evolving reaction of governments and the public to the outbreak have made business planning uncertain for the exhibition and location-based entertainment industries. In response to declining attendance and certain government directed shutdowns of places of public gatherings including theatres, Cineplex is managing its business to reduce expenses in an amount necessary to offset declining revenues so that Cineplex is supporting its business and would be in a position to satisfy the Debt Condition. The possibility of prolonged closures could impact the ability of Cineplex to mitigate the related revenue decline and satisfy the Debt Condition or other of the remaining conditions on or prior to June 30, 2020. It is also a condition to closing that there not have occurred a “Company Material Adverse Effect” (as defined in the Arrangement Agreement). The definition of Company Material Adverse Effect excludes the impact of certain events and changes, including any change affecting the motion picture theatre industry generally and any outbreaks of illness, provided that such events do not have a materially disproportionate effect on Cineplex relative to other comparable companies operating in the motion picture theatre industry.

Cineplex conducts an annual enterprise risk management assessment which is overseen by Cineplex’s executive management team and the Audit Committee, and is reported to the Board. The enterprise risk management framework sets out principles

and tools for identifying, evaluating, prioritizing and managing risk effectively and consistently across Cineplex. On an annual basis, all members of senior management participate in a detailed review of enterprise risk in four major categories: environmental risks, process risks, information risks and business unit risks. The results of such analysis are presented to the Audit Committee for their review and then reviewed with the whole of the Board. In addition, Cineplex monitors risks and changing economic conditions on an ongoing basis and adapts its operating strategies as required.

For a discussion of other risks to which Cineplex is exposed, reference is made to the Corporation's Annual MD&A.

DIVIDENDS

Cineplex has historically had a dividend practice of paying monthly dividends, subject to the discretion of the Board, noting that such practice may vary depending on, among other things, Cineplex's results of operations, cash requirements, financial condition, contractual restrictions, business opportunities, provisions of applicable law and other factors that the Board may deem relevant. Pursuant to the terms of the Arrangement Agreement, Cineplex paid its previously declared monthly dividend of \$0.150 per Common Share up to and including the cash dividend on the Common Shares declared in January 2020 and paid on February 28, 2020 to shareholders of record on January 31, 2020. The Company does not expect to pay any further dividends after the dividend paid on February 28, 2020, assuming the Arrangement Agreement is still in force or the Cineworld Transaction has closed. Cineplex currently designates all dividends paid or deemed to be paid as "eligible dividends" for purposes of subsection 89(14) of the *Income Tax Act* (Canada), and similar provincial and territorial legislation, unless indicated otherwise.

Corporation dividends were made on a monthly basis to Shareholders of record on the last business day of each month. Effective for the May 2019 dividend, which was paid in June 2019, the Board approved a dividend increase to \$0.150 per month per Share (\$1.80 on an annual basis). Pursuant to the factors noted above, there can be no guarantee that the Corporation will maintain its current dividend policy.

The following table sets forth total amount of the dividends paid by the Corporation on the Common Shares during each of the last three financial years.

<u>Year</u>	<u>Total Amount of Dividends Paid (per Common Share)</u>
2019	\$1.775
2018	\$1.715
2017	\$1.655

MARKET FOR SECURITIES

The outstanding Common Shares of the Corporation are listed for trading on the TSX under the symbol "CGX".

TRADING PRICE AND VOLUME

The following table shows the monthly range of high and low prices per Common Share and total monthly volumes traded on the TSX during the year ended December 31, 2019.

<u>Month</u>	<u>Price per Common Share Monthly High</u>	<u>Price per Common Share Monthly Low</u>	<u>Total Monthly Volume</u>
January 2019	\$28.91	\$25.36	5,194,037
February 2019	\$28.40	\$24.62	5,715,497
March 2019	\$26.32	\$23.68	4,773,661
April 2019	\$25.85	\$23.88	4,299,951
May 2019	\$26.41	\$23.30	5,738,050
June 2019	\$24.28	\$22.34	3,531,477
July 2019	\$24.91	\$22.66	5,829,714
August 2019	\$25.91	\$22.92	5,207,695
September 2019	\$26.19	\$23.83	4,759,220
October 2019	\$24.39	\$22.45	3,156,181
November 2019	\$26.26	\$22.25	6,636,712
December 2019	\$34.39	\$23.85	13,305,022

ACCOUNTING MATTERS

Some measures included in this Annual Information Form do not have a standardized meaning under generally accepted accounting principles (“GAAP”) and may not be comparable to similar measures provided by other issuers. In its 2019 reporting, the Corporation included the following non-GAAP measures because its management believes that they assist investors in assessing financial performance.

Management defines EBITDA as earnings before interest income and expense, income taxes and depreciation and amortization expense from continuing operations. Adjusted EBITDA excludes the change in fair value of financial instrument, loss on disposal of assets, foreign exchange gain, the equity income of CDCP, the non-controlling interests’ share of adjusted EBITDA of Topgolf, and depreciation, amortization, interest and taxes of Cineplex’s other joint ventures and associates. Adjusted EBITDAaL modifies adjusted EBITDA to deduct current period cash rent related to lease obligations. Prior year adjusted EBITDAaL deducts rent previously recognized as a reduction in finance lease obligations, and non-cash rent previously presented as amortization of tenant inducements, rent averaging liabilities, density rights and fair-value lease contract liabilities. EBITDA, adjusted EBITDA and adjusted EBITDAaL measure Cineplex’s operational performance from continuing operations, and prior year measurements have been restated to exclude discontinued operations accordingly.

Cineplex’s management believes that adjusted EBITDAaL is an important supplemental measure of Cineplex’s profitability at an operational level and provides analysts and investors with comparability in evaluating and valuing Cineplex’s performance period over period. EBITDA, adjusted for various unusual items, is also used to define certain financial covenants in Cineplex’s Credit Facilities. Management calculates adjusted EBITDAaL margin by dividing adjusted EBITDAaL by total revenues.

EBITDA, adjusted EBITDA and adjusted EBITDAaL are non-GAAP measures generally used as an indicator of financial performance and they should not be seen as a measure of liquidity or a substitute for comparable metrics prepared in accordance with GAAP. Cineplex’s EBITDA, adjusted EBITDA and adjusted EBITDAaL may differ from similar calculations as reported by other entities and accordingly may not be comparable to EBITDA, adjusted EBITDA or adjusted EBITDAaL as reported by other entities.

For a complete discussion and reconciliation of the Corporation’s results in accordance with GAAP measures, reference is made to the Corporation’s Annual MD&A.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Neither the Corporation nor its subsidiaries are involved in any legal proceeding or regulatory action which would have a material adverse effect on the Corporation. The Corporation, or a subsidiary of the Corporation, is a defendant in various lawsuits arising in the ordinary course of business. From time to time, Cineplex is involved in disputes with landlords, suppliers, contractors, past employees and other third parties. It is the opinion of management that any liability to Cineplex, which may arise as a result of these matters, will not have a material adverse effect on Cineplex’s operating results, financial position or cash flows.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Directors, no “informed person” has had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any material transaction (or any proposed transaction) with Cineplex Entertainment LP, Cineplex Entertainment Corporation and the Corporation, in the past five years, except with respect to the Cineworld Transaction as described in the Arrangement Information Circular. “Informed person” means: (a) a Director or executive officer of the Corporation; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Corporation; (c) any person or company who beneficially owns or controls or directs, directly or indirectly, 10% or more of the outstanding voting securities of the Corporation.

TRANSFER AGENT AND REGISTRAR

AST Trust Company (Canada) acts as transfer agent and registrar of Cineplex. The register of transfers of the securities of the Corporation is located at AST Trust Company (Canada)’s principal transfer office in Toronto.

MATERIAL CONTRACTS

Except for those contracts entered into in the ordinary course of business of the Partnership and the Corporation, the Partnership and/or the Corporation have entered into the following material contracts: (1) the Credit Agreement entered into in connection with the Credit Facilities (see “Business of Cineplex – Credit Facility”); and (2) the Arrangement Agreement.

INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, Toronto, Ontario, is the external auditor who prepared the independent auditors’ reports of registered public accounting firm to shareholders in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States) (PCAOB) – which includes the reports on the Corporation’s consolidated financial statements and internal control over financial reporting. PricewaterhouseCoopers LLP is independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario, and is an independent registered public accounting firm with respect to Cineplex within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario. PricewaterhouseCoopers LLP has prepared an independent auditors’ report dated February 11, 2020 in respect of the Corporation’s consolidated balance sheets as at December 31, 2019 and December 31, 2018 and the consolidated statements of operations, comprehensive income, changes in equity and cash flows and the notes therein for the years then ended.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR. Additional information, including remuneration and indebtedness of Directors and officers of the Corporation and the principal holders of Common Shares, is contained in the Corporation’s information circular dated April 2, 2019 for its May 29, 2019 annual meeting of Shareholders, as filed by the Corporation on SEDAR. Additional financial information is provided in the Corporation’s financial statements and the Annual MD&A. For a copy of this Annual Information Form and the materials listed in the preceding paragraph, each is available for download on Cineplex’s investor relations website <http://ir.cineplex.com> or, to request a hardcopy, please contact:

Cineplex Inc.
1303 Yonge Street
Toronto, Ontario M4T 2Y9
Attention: Investor Relations

Telephone: (416) 323-6600
Fax: (416) 323-7245
Email: Melissa.Pressacco@cinplex.com

GLOSSARY OF TERMS

“**Adjusted EBITDA**” means EBITDA adjusted to exclude the change in fair value of financial instrument, loss (gain) on disposal of assets, foreign exchange loss (gain), the equity income of CDCP, the non-controlling interests’ share of adjusted EBITDA of WGN and TGLP, and depreciation, amortization, interest and taxes of Cineplex’s other joint ventures;

“**Adjusted EBITDaL**” means adjusted EBITDA to deduct current period cash rent related to lease obligations.

“**Annual MD&A**” means the Corporation’s year-end Management’s Discussion and Analysis dated February 11, 2020 for the fiscal year ended December 31, 2019;

“**Arrangement Agreement**” means the arrangement agreement made as of December 15, 2019, among the Corporation, Cineworld Group plc, and 1232743 B.C. Ltd (including the schedules thereto) as it may be amended, modified or supplemented from time to time in accordance with its terms;

“**Arrangement Information Circular**” means the management information circular of the Corporation dated January 3, 2020 prepared in connection with a special meeting of Shareholders held on February 11, 2020 to consider the Arrangement, together with all appendices thereto;

“**Board**” means the board of directors of the Corporation;

“**BPP**” means average box office revenue per patron;

“**CDCP**” means Canadian Digital Cinema Partnership;

“**CDM**” means Cineplex Digital Media Inc.;

“**Chair**” means the committee-appointed member to act as Chair of the committee;

“**Cineplex**” means Cineplex Inc. and its subsidiaries;

“**Cineplex Entertainment LP**” means Cineplex Entertainment Limited Partnership;

“**Cineplex Store**” means www.CineplexStore.com;

“**Cineworld**” has the meaning ascribed to it under “Explanatory Notes”;

“**Cineworld Transaction**” has the meaning ascribed to it under “Explanatory Notes”;

“**COC**” means Cineplex Odeon Corporation;

“**Common Shares**” means common shares of the Corporation;

“**Corporation**” means Cineplex Inc.;

“**CPP**” means concession revenue per patron;

“**Credit Agreement**” means the seventh amended and restated credit agreement between Cineplex, the Partnership and a syndicate of lenders dated November 13, 2018;

“**Credit Facilities**” means the Revolving Facility and the Term Facility;

“**Dandy**” means Dandy Amusements International Inc.;

“**Director**” or “**Directors**” means the directors of the Corporation or any one of them;

“**EBITDA**” means earnings before interest income and expense, income taxes and amortization expense;

“**GAAP**” means generally accepted accounting principles;

“**Galaxy**” means Galaxy Entertainment Inc.;

“**LIBOR**” means a benchmark rate banks charge each other for short term loans;

“**LP Units**” means the limited partnership units of Cineplex Entertainment LP;

“**NCIB**” means the normal course issuer bid through the TSX which allowed the Corporation to purchase up to 6,308,955 Common Shares through September 2018;

“**OBCA**” means the *Business Corporations Act* (Ontario);

“**PIAG**” means Player One Amusement Group Inc. (formerly Cineplex Starburst Inc.);

“**Partnership**” means Cineplex Entertainment Limited Partnership;

“**Preferred Shares**” means preferred shares of the Corporation;

“**Revolving Facility**” means a five-year, \$650 million, senior, secured, revolving credit facility;

“**SAW**” means SAW, LLC, the assets of which were acquired by Premier Amusements Inc.;

“**Scotiabank**” means the Bank of Nova Scotia;

“**SCENE**” means the SCENE General Partnership loyalty program;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval at www.sedar.com;

“**Shareholders**” means the holders of Common Shares;

“**SVoD**” means subscription video-on-demand;

“**Term Facility**” means a seven-year, \$150 million, senior, secured, non-revolving term facility;

“**TGLP**” means Top Golf Limited Partnership, 99% owned by CELP;

“**Tricorp**” means Tricorp Amusements, Inc., a wholly owned subsidiary of PIAG;

“**TSX**” means the Toronto Stock Exchange;

“**TVoD**” means transactional video-on-demand; and

“**WGN**” means World Gaming Network Limited Partnership.

SCHEDULE A
CINEPLEX INC.
AUDIT COMMITTEE - TERMS OF REFERENCE

The following Audit Committee (“**Committee**”) terms of reference (the “**Terms of Reference**”) have been adopted by the Board of Directors (the “**Board**”) of Cineplex Inc. (collectively, with its subsidiaries and affiliates, the “**Corporation**”).

The Committee consists of members of the Corporation’s Board to assist the Board in its oversight activities. The purpose of the Committee is to assist the Board in fulfilling its responsibilities, which include the oversight and supervision of:

- the integrity of the Corporation’s accounting and financial reporting practices and procedures;
- the adequacy of the Corporation’s internal accounting controls and procedures;
- the quality and integrity of the Corporation’s financial statements; and
- the independence and performance of the Corporation’s external auditors (the “**Auditors**”).

1. COMPOSITION

The Board shall elect the Committee annually from among its members. The Committee shall be composed of at least three members of the Board, who are each: (i) “independent directors” (as defined below) and (ii) “financially literate” (as defined below), or will become so within a reasonable period of time following his or her appointment to the Committee.

If a member of the Committee ceases to be an independent director for reasons outside that member’s reasonable control, that member is exempt from the requirement to be an independent director until the later of: (a) the next annual meeting of the Board; or (b) the date that is six months from the occurrence of the event which caused the member to not be an independent director, provided that the Board has determined that appointing such member to the Committee will not materially adversely affect the ability of the Committee to act independently.

Where the death, disability or resignation of a member of the Committee has resulted in a vacancy on the Committee that the Board is required to fill, a member appointed to fill such vacancy is exempt from the requirements to be independent and financially literate for a period ending the later of: (a) the next annual meeting of the Corporation; and (b) the date that is six months from the day the vacancy was created, provided that the Board has determined that appointing such member to the Committee will not have a material, adverse effect on the ability of the Committee to act independently.

2. REPORTS

The Committee shall report to the Board on a regular basis and, in any event, before the public disclosure by the Corporation of its quarterly and annual financial results. The reports of the Committee shall include any issues of which the Committee is aware with respect to the quality or integrity of the Corporation’s financial statements, its compliance with legal or regulatory requirements, and the performance and independence of the Auditors.

3. RESPONSIBILITIES

Subject to the powers and duties of the Board, the Board hereby delegates to the Committee the following powers and duties to be performed by the Committee on behalf of and for the Board:

A. Financial Statements and Other Financial Information

The Committee shall:

- (i) review the Corporation's annual audited financial statements and related documents prior to any public disclosure of such information;
- (ii) review the Corporation's interim unaudited financial results and related documents prior to any public disclosure;
- (iii) following a review, with management of the Corporation and the Auditors, of the annual and interim financial statements and related documents, recommend to the Board the approval of such financial statements and related documents;
- (iv) review, with management of the Corporation and/or the Auditors, all critical policies and practices used, as well as significant management estimates and judgments and any changes in accounting policies or financial reporting requirements, that may affect the Corporation's financial statements;
- (v) review, with management of the Corporation and/or the Auditors, the treatment in the financial statements of any significant transactions, and other potentially difficult matters;
- (vi) review a summary provided by the Corporation's legal counsel of the status of any material pending or threatened litigation, claims and assessments;
- (vii) discuss the annual financial statements and the Auditors' report thereon with officers of the Corporation and the Auditors; and
- (viii) review the other annual financial reporting documents, as well as management's discussion and analysis and earnings press releases, of the Corporation prior to any disclosure to the public.

B. Financial Reporting Control Systems

The Committee shall:

- (i) require management of the Corporation to implement and maintain appropriate internal controls, and use reasonable efforts to satisfy itself as to the adequacy of the Corporation's policies for the management of risk, the preservation of assets and the fulfillment of legislative and regulatory requirements;
- (ii) annually review and report to the Board the development and adequacy of the Corporation enterprise risk management processes;
- (iii) annually, in consultation with management, the Auditors and, if applicable, the officer or employee responsible for the internal audit function, review, evaluate and assess the adequacy and integrity of the Corporation's financial reporting processes and internal controls;
- (iv) discuss significant financial risk, exposures and the steps management of the Corporation has taken to monitor, control and report such exposures;
- (v) if applicable, meet separately with the officer or employee of the Corporation (or a subsidiary of the Corporation) responsible for the internal audit function to discuss any matters that the Committee or Auditors believe should be discussed in private;
- (vi) annually review and report to the Board on organizational structure and succession planning and management development matters for the finance department of the Corporation;
- (vii) submit to the Board any recommendations the Committee may have from time to time with respect to financial reporting, accounting procedures, policies and internal controls;
- (viii) review reports from senior officers of the Corporation outlining any significant changes in financial risks facing the Corporation;
- (ix) review the management letter of the Auditors and the responses to suggestions made;

- (x) review any new appointments to senior positions of the Corporation (or a subsidiary of the Corporation) with financial reporting responsibilities;
- (xi) satisfy itself that adequate procedures are in place for the review of the Corporation's disclosure of the Corporation's financial information extracted or derived from the Corporation's financial statements (other than the financial statements, management's discussion and analysis and earnings press releases) and periodically assess the adequacy of those procedures;
- (xii) establish procedures for: (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Corporation (or a subsidiary of the Corporation) of concerns regarding questionable accounting or auditing matters;
- (xiii) review and approve the Corporation's hiring policies regarding employees and former employees of the present and former Auditors of the issuer; and
- (xiv) obtain assurance from Auditors regarding the overall control environment and the adequacy of accounting system controls.

C. External Auditor

The Committee shall:

- (i) review the audit plan with the Auditors;
- (ii) discuss in private with the Auditors matters affecting the conduct of their audit and other corporate matters;
- (iii) review the performance and the remuneration of the Corporation's Auditors;
- (iv) recommend to the Board, each year, the retention or replacement of the Auditors to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation;
- (v) if there is a plan to change Auditors, review all issues related to the change and the steps planned for an orderly transition;
- (vi) annually review and recommend for approval by the Board, the terms of engagement and the remuneration of the Auditors;
- (vii) oversee the work of the Auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the Auditors regarding financial reporting;
- (viii) discuss, with the Corporation's Auditors, the quality of the Corporation's accounting principles;
- (ix) meet with the Corporation's Auditors on a regular basis in the absence of management;
- (x) relay its expectations to the Corporation's Auditors from time to time including its expectations that: (i) any disagreements of a material nature with management be brought to the attention of the Committee; (ii) the Auditors are accountable to the Committee and the Board, as representatives of the shareholders and must report directly to the Committee; (iii) any irregularities in the financial information must be reported to the Committee; (iv) the Auditors explain the process undertaken by them in auditing or reviewing the Corporation's financial disclosure; (v) the Auditors disclose to the Committee any significant changes to accounting policies or treatment of the Corporation; (vi) the Auditors disclose to the Committee any reservations they may have about the financial statements or their access to materials and/or persons in reviewing or auditing such statements; and (vii) the Auditors disclose any conflict of interest that may arise in their engagement;

- (xi) review, at least annually, the non-audit services provided by the Auditors for the purposes of getting assurance that the performance of such services will not compromise the independence of the Auditors; and
- (xii) pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by its Auditors¹ provided that the Committee may delegate to one or more of its independent members the authority to pre-approve non-audit services in satisfaction of this requirement. The pre-approval of non-audit services by any member of the Committee to whom authority has been delegated must be presented to the full Committee at its first scheduled meeting following such pre-approval.

4. STRUCTURE

- a) The Committee shall appoint one of its members to act as Chair of the Committee (the “**Chair**”). The Chair will appoint a secretary who will keep minutes of all meetings (the “**Secretary**”). The Secretary does not have to be a member of the Committee or a member of the Board and can be changed by simple notice from the Chair;
- b) The Committee will meet as many times as is necessary to carry out its responsibilities but in no event will the Committee meet less than four times per year. Meetings will be at the call of the Chair. Notwithstanding the foregoing, the Auditors of the Corporation or any member of the Committee may call a meeting of the Committee on not less than 48 hours’ notice;
- c) No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by a resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum provided that if the number of members of the Committee is an even number one half of the number of members plus one shall constitute a quorum;
- d) Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a member of the Board. Subject to the foregoing, each member of the Committee shall hold such office until the next annual meeting of the Corporation’s shareholders after his or her election as a member of the Committee;
- e) The Auditors shall be entitled to receive notice of every meeting of the Committee and, at the expense of the Corporation, to attend and be heard thereat;
- f) The Committee shall keep regular minutes of proceedings and shall cause them to be recorded in books kept for that purpose, and shall report the same to the Board at such times as the Board may, from time to time, require;
- g) The time at which and the place where the meetings of the Committee shall be held, the calling of meetings and the procedure in all respects of such meeting shall be determined by the Committee, unless otherwise provided for in the bylaws of the Corporation, or otherwise determined by resolution of the Board; and
- h) The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

5. INDEPENDENT ADVICE

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

¹ The Committee may satisfy the pre-approval requirement if: (a) the aggregate amount of all the non-audit services that were not pre-approved constitutes no more than five per cent (5%) of the total amount of revenues paid by the Corporation to its Auditors during the fiscal year in which the services are provided; (b) the services were not recognized by the Corporation at the time of the engagement to be non-audit services; and (c) the services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

6. ANNUAL EVALUATION

At least annually, the Committee shall, in a manner it determines to be appropriate:

- a) perform a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with these Terms of Reference; and
- b) review and assess the adequacy of these Terms of Reference and recommend to the Board any improvements to the Terms of Reference that the Committee determines to be appropriate.

7. DEFINITIONS

- a) “**financially literate**” means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.
- b) “**independent director**” means a Director who has no direct or indirect “material relationship” (as defined below) with the Corporation.
- c) “**material relationship**” means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director’s independent judgment. Without limiting the generality of the foregoing, the following persons are considered to have a material relationship with the Corporation:
 - (i) a person who is, or has been within the last three years, an employee or executive officer of the Corporation, or any of its predecessor, subsidiary or affiliated entities;
 - (ii) a person whose immediate family member is, or has been within the last three years, an executive officer of the Corporation, or any of its predecessor, subsidiary or affiliated entities;
 - (iii) a person who is: (x) a partner² of the Corporation’s internal or external auditor; (y) is employed by the firm that is the Corporation’s internal or external auditor; or (z) was within the last three years a partner or employee of that firm and personally worked on the Corporation’s audit (or that of its predecessor entity) within that time;
 - (iv) a person whose spouse, minor child or stepchild, or child or stepchild who shares a home with a person who: (i) is a partner of the firm that is the Corporation’s internal or external auditor; (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice; or (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation’s audit(or that of its predecessor entity) within that time;
 - (v) a person who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Corporation’s current executive officers serves or served at that same time on the entity’s compensation committee;
 - (vi) a person who has a relationship with the Corporation or its affiliated entities pursuant to which such person may accept, directly or indirectly³, any consulting, advisory or other

² “partner” does not include a fixed income partner whose interest in the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with an internal or external auditor if the compensation is not contingent in any way on continued services.

³ The indirect acceptance by a person of a consulting, advisory or other compensatory fee includes acceptance of a fee by: (a) a person’s spouse, minor child or stepchild or a child or stepchild who shares the person’s home; or (b) an entity in which such person is a partner, member, an officer such as a managing director occupying a comparable position or executive officer or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in such case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the Corporation or any subsidiary or affiliated entity of the Corporation.

compensatory fee from the Corporation or any subsidiary entity of the Corporation, other than as remuneration for acting in his or her capacity as a member of the Board or any other Board committee, or as part-time chair or vice chair of the Board or any Board committee;

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

Confirmed March 4, 2019