



**MANAGEMENT INFORMATION CIRCULAR**

**Annual and Special Meeting of Shareholders of**

**CINEPLEX INC.**

**To be held on May 14, 2014**

**March 31, 2014**

## TABLE OF CONTENTS

	Page
MANAGEMENT INFORMATION CIRCULAR .....	1
THE CORPORATION .....	1
PROXY SOLICITATION AND VOTING .....	2
Solicitation of Proxies .....	2
Notice-and-Access .....	2
Appointment of Proxies.....	2
Revocation of Proxies .....	3
Voting of Proxies .....	3
Non-Registered Shareholders.....	3
QUORUM .....	4
COMMON SHARES AND PRINCIPAL HOLDERS THEREOF .....	4
MATTERS TO BE CONSIDERED AT THE MEETING .....	4
Financial Statements .....	4
Election of Directors .....	4
Majority Voting .....	4
Proposed Directors.....	5
Appointment of Auditors.....	9
Amendments to By-Laws Regarding Quorum Requirement and Advance Notice of Election of Directors...	9
EXECUTIVE AND OTHER COMPENSATION.....	10
Compensation of Executive Officers.....	10
Compensation Discussion and Analysis.....	11
Objectives .....	11
Competitive Benchmarking .....	12
Compensation Risk Assessment .....	13
Elements of Compensation .....	14
Defined Contribution Pension Plan.....	17
Defined Benefit Plan.....	17
Executive Deferred Share Unit Plans.....	19
Performance Share Unit Plan .....	21
Option Dilution .....	25
Common Share Ownership Requirements .....	26
CEO Succession Planning.....	27
Performance Graph .....	28
Summary Compensation Table .....	29
Employment Agreements .....	30
Incentive Plan Awards.....	30
Pension Arrangements.....	32
Termination and Change of Control Benefits.....	32
Compensation Changes.....	35
Compensation of Directors of the Corporation .....	35
Share Ownership Guidelines for Directors .....	35
DSU Plan for Directors .....	36
DIRECTORS' AND OFFICERS' INSURANCE .....	37
INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS .....	37
CORPORATE GOVERNANCE.....	37
Board Composition and Independence.....	38
Committees .....	39
Attendance.....	39
Position Descriptions.....	40

Selection, Orientation and Continuing Education .....	40
Composition of the CNCG Committee of the Corporation .....	41
Relevant Education and Experience of CNCG Committee Members.....	41
Ethical Business Conduct.....	42
Nomination of Directors.....	42
Compensation.....	42
Assessments .....	43
Retirement .....	43
OTHER BUSINESS .....	43
ADDITIONAL INFORMATION.....	43
APPROVAL OF DIRECTORS .....	44
SCHEDULE A BY-LAW AMENDMENTS.....	A-1
SCHEDULE B SPECIAL RESOLUTION OF THE SHAREHOLDERS OF CINEPLEX INC. APPROVAL OF BY-LAW AMENDMENTS .....	B-1
SCHEDULE C MANDATE OF THE BOARD OF DIRECTORS .....	C-1
SCHEDULE D COMPENSATION, NOMINATING AND CORPORATE GOVERNANCE COMMITTEE - TERMS OF REFERENCE .....	D-1



## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the “**Meeting**”) of the holders of common shares (the “**Shareholders**”) of Cineplex Inc. (the “**Corporation**”) will be held at 10:30 a.m. Eastern Daylight Time on Wednesday, May 14, 2014 at the Scotiabank Theatre, 259 Richmond Street West, Toronto, Ontario, for the following purposes:

- (a) to receive the consolidated financial statements of the Corporation for the period ended December 31, 2013 and the report of the auditors thereon;
- (b) to elect directors for the coming year;
- (c) to appoint PricewaterhouseCoopers LLP as auditors of the Corporation for the coming year and to authorize the directors to fix the remuneration to be paid to the auditors;
- (d) to consider, and if deemed advisable, pass a resolution ratifying the adoption of By-Law No. 2, amending the Corporation’s By-Law No. 1, which increases the quorum requirement for meetings of Shareholders and introduces advance notice provisions for the election of directors; and
- (e) to transact such other business as may properly come before the Meeting and any and all adjournments thereof.

The Corporation’s Management Information Circular provides additional information relating to matters to be dealt with at the Meeting and forms part of this Notice of Annual and Special Meeting of Shareholders.

The Corporation is utilizing the “notice-and-access” process that came into effect on February 11, 2013, under National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 - *Continuous Disclosure Obligations*, for distribution of the Meeting materials to Shareholders.

Notice-and-access is a new set of rules that allows issuers to post electronic versions of meeting materials, including circulars and annual financial statements, online via SEDAR at [www.sedar.com](http://www.sedar.com) and one other website, rather than mailing paper copies of such meeting materials to shareholders. Notice-and-access may be used by issuers in respect of meetings that occur on or after March 1, 2013. Electronic copies of the Management Information Circular and the Corporation’s consolidated financial statements and management’s discussion and analysis for the year ended December 31, 2013 may be found on SEDAR at [www.sedar.com](http://www.sedar.com) and also on the Corporation’s corporate website at [www.cineplex.com](http://www.cineplex.com), under “Investor Relations”.

The Corporation anticipates that utilizing the notice-and-access process will directly benefit the Corporation through a substantial reduction in both postage and printing costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials. It also provides Shareholders with faster access to information about the Corporation.

Shareholders with questions about notice-and-access may contact the Corporation’s Chief Legal Officer by telephone at 416-323-7274 or by e-mail to [anne.fitzgerald@cineplex.com](mailto:anne.fitzgerald@cineplex.com). Shareholders may obtain paper copies of the Management Information Circular and the Corporation’s 2013 financial statements free of charge by contacting the Corporation’s Chief Legal Officer at the contact details noted above.

A request for paper copies before the Meeting should be sent well in advance, so that it is received by the Corporation by May 1, 2014, in order to allow sufficient time for the Shareholders to receive the paper copies and to

return the proxy form or voting instruction form by its due date. The Corporation will mail the paper copies within three business days of any request, provided the request is made prior to the Meeting. Shareholders will receive a “notice package”, by prepaid mail, which includes a proxy form or voting instruction form together with this Notice of Annual and Special Meeting of Shareholders. Shareholders should follow the instructions for completion and delivery contained in the voting instruction form. **Shareholders are reminded to review the Management Information Circular before voting.**

DATED at Toronto, Ontario this 31st day of March, 2014.

By Order of the Directors  
*“Ellis Jacob”*  
President and Chief Executive Officer

Note: If you are a Shareholder and you are not able to be present at the Meeting, please exercise your right to vote by signing and returning the enclosed form of proxy to CST Trust Company so as to arrive not less than 48 hours before the time set for the holding of the Meeting or any reconvened meeting after an adjournment or postponement thereof (excluding Saturdays, Sundays and holidays). The enclosed form of proxy may be returned by facsimile to (416) 368-2502 or toll-free at (866) 781-3111, or by mail: (a) in the enclosed envelope; or (b) in an envelope addressed to Cineplex Inc., c/o Proxy Department, CST Trust Company, P.O. Box 721, Agincourt, Ontario, M1S 0A1. The Directors of the Corporation have fixed the record date for the Meeting as March 31, 2014 (the “**Record Date**”). Only Shareholders of record at the close of business on the Record Date will be entitled to notice of the Meeting.



## CINEPLEX INC.

### MANAGEMENT INFORMATION CIRCULAR

Cineplex Inc. is utilizing the “notice-and-access” process (“Notice-and-Access”) that came into effect on February 11, 2013, under National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”) and National Instrument 51-102 – *Continuous Disclosure Obligations* (“NI 51-102”), for distribution of this information circular to Shareholders. Further information on Notice-and-Access, including how Shareholders may obtain a paper copy of this information circular, is contained below under the heading “Notice-and-Access”.

This information circular is furnished in connection with the solicitation by the directors (the “**Directors**”) of Cineplex Inc. (the “**Corporation**”) of proxies to be used at the annual and special meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of the Corporation to be held on Wednesday, May 14, 2014 at the Scotiabank Theatre, 259 Richmond Street West, Toronto, Ontario, commencing at 10:30 a.m. Eastern Daylight Time, and at any reconvened meeting after any postponement or adjournment thereof, for the purposes set forth in the accompanying Notice of Annual and Special Meeting of Shareholders. All dollar amounts in this information circular are expressed in Canadian dollars. The information contained herein is given as at March 31, 2014, except where otherwise noted.

### THE CORPORATION

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 the Common Shares are traded on the Toronto Stock Exchange (“**TSX**”) under the stock symbol “CGX”. The principal and head office of the Corporation is located at 1303 Yonge Street, Toronto, Ontario, M4T 2Y9.

The Corporation is the successor of Cineplex Galaxy Income Fund (the “**Fund**”), which was an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario. On January 1, 2011, the Fund completed a conversion pursuant to a plan of arrangement (the “**Arrangement**”) under the OBCA, involving, among others, the Corporation and the Fund. As a result of the completion of the Arrangement and related transactions, the Corporation now owns, directly and indirectly, subsidiaries which operate the businesses which were owned by the Fund and its subsidiaries prior to the completion of the Arrangement. Following completion of the Arrangement, on January 1, 2011, each of the Fund and Cineplex Galaxy Trust were wound up and dissolved.

Cineplex Entertainment Limited Partnership (“**Cineplex Entertainment LP**”) is a limited partnership formed under the laws of the Province of Manitoba. Cineplex Entertainment LP was created to acquire and hold substantially all of the theatre business assets previously owned by Cineplex Odeon Corporation and its subsidiary Cineplex Odeon (Quebec) Inc. and all the shares of Galaxy Entertainment Inc. (“**Galaxy**”). The general partner of Cineplex Entertainment LP is Cineplex Entertainment Corporation (the “**GP**”).

All references to “**Cineplex**” in this information circular refer to the Corporation and its subsidiaries, including Cineplex Entertainment LP, the GP, Famous Players LP, Famous Players Co., Galaxy, EK3 Technologies Inc. and Cineplex Digital Media Inc.

## PROXY SOLICITATION AND VOTING

### Solicitation of Proxies

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

### Notice-and-Access

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

Notice-and-Access is a new set of rules that allows issuers to post electronic versions of meeting materials, including circulars and annual financial statements online, via SEDAR at [www.sedar.com](http://www.sedar.com) and one other website, rather than mailing paper copies of such meeting materials to shareholders. Notice-and-Access may be used by issuers in respect of meetings that occur on or after March 1, 2013. Electronic copies of the information circular and the Corporation's consolidated financial statements and management's discussion and analysis for the year ended December 31, 2013, may be found on SEDAR at [www.sedar.com](http://www.sedar.com) and also on the Corporation's corporate website at [www.cineplex.com](http://www.cineplex.com), under "Investor Relations".

The Corporation anticipates that utilizing Notice-and-Access will directly benefit the Corporation through a substantial reduction in both postage and printing costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials. It also provides Shareholders with faster access to information about the Corporation.

Shareholders with questions about Notice-and-Access may contact the Corporation's Chief Legal Officer by telephone at 416-323-7274 or by e-mail at [anne.fitzgerald@cinplex.com](mailto:anne.fitzgerald@cinplex.com). Shareholders may obtain paper copies of the information circular and the Corporation's 2013 financial statements free of charge by contacting the Corporation's Chief Legal Officer at the e-mail address noted above or by calling (416)-323-7274.

A request for paper copies before the Meeting should be sent well in advance, so that it is received by the Corporation by May 1, 2014, in order to allow sufficient time for the Shareholders to receive the paper copies and to return the proxy form or voting instruction form by its due date. The Corporation will mail the paper copies within three business days of any request, provided the request is made prior to the Meeting.

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

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

### Appointment of Proxies

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

To be valid, proxies must be deposited at the offices of CST Trust Company, Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1, or sent by facsimile to (416) 368-2502 (or toll free facsimile within North America to (866) 781-3111) so as not to arrive later than 10:30 a.m. Eastern Daylight Time on Monday, May 12, 2014. If the Meeting is adjourned, proxies must be deposited 48 hours (excluding Saturdays, Sundays and holidays) before the

time set for any reconvened meeting at which the proxy is to be used, or be deposited with the chair prior to the commencement of the Meeting or any reconvened meeting.

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

### **Revocation of Proxies**

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

### **Voting of Proxies**

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

- (a) **FOR the election of each of the nominees to the Board of Directors listed under the heading *Matters to be Considered at the Meeting – Election of Directors*;**
- (b) **FOR the appointment of PricewaterhouseCoopers LLP as auditors of the Corporation; and**
- (c) **FOR the ratification of the adoption of By-Law No. 2 amending By-Law No. 1.**

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

### **Non-Registered Shareholders**

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

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

Applicable regulatory policy in Canada requires brokers and other intermediaries to seek voting instructions from Beneficial Holders in advance of Shareholders’ meetings. Every broker or other intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Holders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Holder by its broker is identical to that provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Holder. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications (“**Broadridge**”). Broadridge typically prepares a voting instruction form (a “**Voting Form**”) that it mails to the Beneficial Holders



and asks Beneficial Holders to return the Voting Form directly to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions representing the voting of Common Shares to be represented at the Meeting. A Beneficial Holder receiving a Voting Form cannot use that Voting Form to vote Common Shares directly at the Meeting. The Voting Form must be returned to Broadridge well in advance of the Meeting to have the Common Shares voted.

Although Beneficial Holders may not be recognized directly at the Meeting for purposes of voting Common Shares registered in the name of their broker or other intermediary, a Beneficial Holder may attend at the Meeting as proxyholder for the registered holder and vote their Common Shares in that capacity. Beneficial Holders who wish to attend the Meeting and indirectly vote their own Common Shares as proxyholder for the registered holder must instruct the Corporation to do so by either: (i) filing and submitting the Form 54-101F6 – *Request for Voting Instructions Made by Reporting Issuer* previously sent to such non-registered Shareholder by the Corporation; or (ii) submitting any other document in writing to the Corporation that requests that the non-registered Shareholder or a nominee thereof should be appointed as proxyholder. **In either case, non-registered Shareholders should carefully follow the instructions of their intermediaries and their service companies.**

## QUORUM

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

## COMMON SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares. As at March 31, 2014, there were 62,963,905 Common Shares outstanding. Pursuant to the articles and by-laws of the Corporation, Shareholders of record at the record date are entitled to notice of and to attend the Meeting in person or by proxy, and to one vote per Common Share on any vote at the Meeting. The Board has established the record date for the notice of the Meeting (the “**Record Date**”) as March 31, 2014. As such, each Shareholder of record at the close of business on such date will be entitled to one vote for each Common Share held on all matters proposed to come before the Meeting.

As at the date hereof, to the knowledge of the Directors, there are no Shareholders that beneficially own or exercise control or direction over more than 10% of the outstanding Common Shares.

## MATTERS TO BE CONSIDERED AT THE MEETING

### Financial Statements

The annual report, the financial statements of the Corporation for the period ended December 31, 2013 and the Auditors’ Report thereon accompanying this information circular will be placed before the Shareholders at the Meeting. No formal action will be taken at the Meeting to approve the financial statements. If any Shareholder has questions regarding such financial statements, such questions may be brought forward at the Meeting.

### Election of Directors

The Corporation is required to have a minimum of one Director and a maximum of 20 Directors. The number of Directors was previously fixed by the board of Directors (the “**Board**”) at nine; during a March 2013 meeting of the Directors, the members increased the number of Directors to be fixed at 10 individuals to sit for appointment as at the date of the Meeting. Directors are appointed at each annual meeting of Shareholders to hold office for a term expiring at the close of the next annual meeting.

### Majority Voting

The Board has adopted a majority voting policy in Director elections that will apply at any meeting of Shareholders where an uncontested election of Directors is held; for purposes of this policy, an “uncontested election” of directors of the Corporation means an election where the number of nominees for directors is equal to the number of directors to be elected. Pursuant to this policy, if the number of proxy votes withheld for a particular Director nominee is

greater than the votes in favour of such Director, the Director nominee will be required to submit his or her resignation to the Chair of the Board promptly following the Corporation's annual meeting. The majority voting policy applies regardless of whether any appointment is being contested. Following receipt of resignation, the Compensation, Nominating and Corporate Governance Committee (the "**CNCG Committee**") will consider whether or not to accept the offer of resignation. With the exception of special circumstances, the CNCG Committee will be expected to recommend that the Board accept the resignation. Within 90 days following the Corporation's annual meeting, the Board will make its decision and disclose such decision by a press release, such press release to include the reasons for rejecting the resignation, if applicable. A Director who tenders his or her resignation pursuant to this majority voting policy will not be permitted to participate in any meeting of the Board or the CNCG Committee at which the resignation is considered. A copy of the majority voting policy of the Corporation may be found on the Corporation's website at [www.cineplex.com](http://www.cineplex.com).

### *Proposed Directors*

Set out below is a brief profile for each of the persons nominated for election as Director, listed in alphabetical order.

- **Jordan Banks.** Mr. Banks is currently an executive at Facebook Inc. where he serves as Global Head of Vertical Strategy and Managing Director of Facebook Canada. In his role, Mr. Banks leads the team responsible for identifying and developing business strategies and initiatives in Facebook's key industry categories around the world. He is also responsible for leading and managing all of Facebook's commercial operations in Canada. Prior to Facebook, Mr. Banks was the founder and managing partner at Thunder Road Capital, Chief Executive Officer of the publicly traded JumpTV as well as the Managing Director of eBay Canada. In addition to his role as a Director of the Corporation, Mr. Banks sits on the Board of Directors of the Hospital for Sick Children Foundation, the Board of Governors of the University of Waterloo and the Board of Advisors of the Art Gallery of Ontario. As part of his commitment to raise money and awareness for Alzheimer's research and care, Mr. Banks sits on the Boards of Directors of The Tanz Centre for Research in Neurodegenerative Diseases and the Baycrest Centre for Geriatric Care. Additionally, as a strong believer in the value of mentoring, Mr. Banks is a Charter Member of the C100, a business mentor at Extreme Startups, a special advisor to the Next 36 and a member of the Young Presidents' Organization. He was recently named by the Financial Post Magazine as one of Canada's 25 Most Influential People, previously chosen as one of Canada's "Top 40 Under 40" honorees as well as the Hugo Boss "Leave A Mark" award celebrating men of excellence.
- **Robert Bruce.** Mr. Bruce currently serves as President, Communications for Rogers Communications Inc., having previously served as President, Rogers Wireless from 2005 to 2009. In his current role, he is responsible for marketing, sales, distribution, retail stores, customer care and operations for both cable and 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 the Canadian Wireless Telecommunications Association and the United Way Campaign Cabinet.
- **Joan Dea.** Ms. Dea is currently a corporate director and investor. From 2003 to 2008, Ms. Dea worked with BMO Financial Group, most recently as Executive Vice President, Head of Strategic Management and Corporate Marketing. In that capacity, she was responsible for strategy development, performance management, branding, customer experience, culture and major change initiatives. From 1989 to 2003, Ms. Dea worked at the Boston Consulting Group and its predecessor firm, Canada Consulting Group, where she held several leadership positions and consulted to Fortune 500 firms on strategy, transformative change and global competitiveness. She became partner in 1994. She began her career in Corporate Finance with Chemical Bank. In addition to her role as a Director of the Corporation, Ms. Dea is a member of the Boards of Directors of Torstar Corporation (serving on its Nominating and Corporate Governance Committee as well as Salary and Organization Committee) and Charles Schwab Bank (serving on the Audit and Risk Committee). She is actively involved in several charitable organizations, currently serving as the Chair of the Woman's Initiative, Trustee of Marin Academy, member of the Yale University Development Council, member of the Federal Advisory Council for the Promotion of Women on Boards and member of

the Advisory Board for the Pecaut Centre for Social Impact. Ms. Dea was named one of the 100 most powerful women in Canada in 2007.

- **Ian Greenberg.** Mr. Greenberg founded Astral Media with his three brothers over 50 years ago. He was the President and Chief Executive Officer of Astral Media Inc. from 1996 until 2013. In addition to serving as a director of the Corporation, he currently serves on the Board of Directors of each of BCE and Bell Canada Inc. He also sits on the Audit Committee of Bell Canada. He is a Governor of Montreal's Jewish General Hospital and is actively involved in a number of charitable associations, including the MS Society of Canada, the Canadian Cancer Society, United Way, Centraide and the Montreal Museum of Fine Arts. A graduate of Harvard Business School's Advanced Management Program, Mr. Greenberg was named one of Québec's most influential business personalities by *Revue Commerce* in 2001. In 2007, Mr. Greenberg received the prestigious Ted Rogers and Velma Rogers Graham Award for his unique contribution to the Canadian broadcasting system and in 2008, he was inducted into the Canadian Association of Broadcasters' Hall of Fame. In 2013, he received a special award from the Academy of Canadian Cinema and Television for exceptional achievement in Canadian film and television. With his brothers, Mr. Greenberg received the Eleanor Roosevelt Humanities Award for their active support of numerous industry and charitable organizations. In 2014, he was inducted into the Canadian Broadcast Industry Hall of Fame.
- **Ellis Jacob, C.M.** Mr. Jacob has been working in the motion picture exhibition industry since 1987. Prior to assuming his current positions 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 COC as Vice President, Finance, Chief Financial Officer, Executive Vice President and, ultimately, Chief Operating Officer. Mr. Jacob is a director and member of the audit committee of the Toronto International Film Festival Group. He is a member of the Boards of Directors of each of the Movie Theatre Association of Canada and the National Association of Theater Owners, where he also sits as a member of its Executive Committee. In addition to his role as a Director of the Corporation, Mr. Jacob also is a member of the Board of Directors of Husky Injection Molding Systems Ltd., where he chairs the Audit Committee. He is also a member of the Board of Directors, Audit Committee and the Corporate Governance and Nominating Committee for Dundee Corporation. 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 chairs the Commercialization Committee and is a member of Baycrest's Finance and Audit Committee and 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 and was appointed a Member of the Order of Canada in 2010.
- **Sarabjit S. Marwah.** Mr. Marwah is currently the Vice-Chairman and Chief Operating Officer of Scotiabank. He is responsible for many of Scotiabank's corporate financial and administrative functions, and is 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 his current role in 2008. In addition to his role as a Director of the Corporation, Mr. Marwah is a member of the Boards of Directors of George Weston Ltd., several Scotiabank subsidiaries and The Hospital for Sick Children. He was past chair of the Humber River Regional Hospital, a past member of the Board of Directors of each of the C.D. Howe Institute, Torstar Corporation, and the 2008 and 2009 United Way Cabinets, and is active in several community organizations.
- **Anthony Munk.** Mr. Munk is currently a Senior Managing Director of Onex Corporation, a leading North American private equity firm. In addition to his Director role with the Corporation, Mr. Munk also currently serves as a member of the Boards of Directors of each of Barrick Gold Corporation and JELD-WEN Holding, Inc. In his capacity with Onex Corporation, Mr. Munk has worked on numerous private equity transactions including the acquisition and realization of RSI Home Products, Tomkins Air Distribution, Husky Injection Molding Systems Ltd., Vencap Equities, Imperial Parking, ProSource and Loews Cineplex. During those acquisition processes, Mr. Munk served on the respective boards of directors of each of those companies. More recently, he was involved in the acquisition of JELD-WEN

Holding, Inc. Prior to joining Onex Corporation in 1988, Mr. Munk was a vice-president with First Boston Corporation in London, England Mr. Munk holds a B.A. (Honours) from Queen's University.

- **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 a member of the Board of Directors of the Royal Bank of Canada, where he serves as a member of the Audit Committee. Mr. Sonshine is also active in the community and currently serves as vice-chair of Mount Sinai Hospital and as Chair of the Israel Bonds Organization of Canada. He 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.
- **Robert J. Steacy.** Mr. Steacy retired as Executive Vice President and Chief Financial Officer of Torstar Corporation in 2005, where he served as the senior financial officer for 16 years. Mr. Steacy has been a Chartered Professional Accountant since 1976 (Institute of Chartered Professional Accountants of Ontario). In addition to sitting on the Board of the Corporation, he currently serves on the Boards of Directors of Postmedia Network Canada Corp, Domtar Corporation and OCP Holdings Corporation, a private investment company. He currently serves as Chair of the Audit Committee for each of Domtar Corporation and Postmedia Network Canada Corp. He also serves on the Compensation and Pension Committee for Postmedia Network Canada Corp as well as the Domtar Corporation Finance Committee and its Nominating and Corporate Governance Committee. He previously served as a member of the Audit Committees of Alliance Atlantis Communication Inc. and Canadian Imperial Bank of Commerce and served as Chair of the Audit Committees for each of Domtar Inc. and Somerset Entertainment Income Fund.
- **Phyllis Yaffe (Chair).** In 2007, Ms. Yaffe retired from the role of Chief Executive Officer of Alliance Atlantis Communications Inc., a position that she held from 2005. She has held a number of strategic positions in film and television in Canada since the 1980s including Chief Operating Officer of Alliance Atlantis Communications Inc. and Chief Executive Officer of Alliance Atlantis Broadcasting Inc. In addition to being Chair of the Board of the Corporation, she is the lead director on the Board of Directors of Torstar Corporation, serves on its Salary and Organization Committee and is chair of its Nominating and Corporate Governance Committee. Ms. Yaffe is also member of the Boards of Directors of Lions Gate Entertainment Corporation and Blue Ant Media, a privately held Canadian media company, and until its acquisition, sat on the Board of Directors of Astral Media Inc. She is also chair of the Board of Governors for Ryerson University and chair of Women Against Multiple Sclerosis. In 1999, Ms. Yaffe was selected as the Canadian Women in Communications Woman of the Year, and received the Lifetime Achievement Award from Women in Film and Television in 2000. In 2006, Ms. Yaffe was included in the Women's Executive Network's list of Canada's 100 Most Powerful Women and in 2007; she was inducted into the Canadian Association of Broadcasters' Broadcast Hall of Fame.

The table set forth on the following page identifies the names of, and certain information for, the persons proposed to be nominated for election by Shareholders as Directors. Other than Mr. Jacob, each of the nominees is independent in that neither he nor she has any direct or indirect relationship with Cineplex which could, in the view of the Board, be reasonably expected to interfere with the exercise of that individual's independent judgment.

Name, Principal Occupation and Residence	Age	Date Appointed as Director or predecessor controlling entity	Common Shares Beneficially Owned or Over Which Control or Direction is Exercised (#) <sup>(1)</sup>	Value of Common Shares Beneficially Owned or Controlled (\$) <sup>(2)</sup>
Jordan Banks Global Head of Vertical Strategy Facebook Inc. Ontario, Canada	45	May 2013	1,877	\$78,985
Robert Bruce <sup>(3)</sup> President, Communications Rogers Communications Inc. Ontario, Canada	57	May 2010	7,985	\$335,915
Joan Dea <sup>(4)</sup> Corporate Director California, USA	50	November 2006	7,121	\$299,587
Ian Greenberg <sup>(4)</sup> Corporate Director Quebec, Canada	71	February 2010	7,985	\$335,915
Ellis Jacob <sup>(5)</sup> President and CEO Cineplex Inc. Ontario, Canada	60	November 2003	284,347	\$11,962,495
Sarabjit Marwah <sup>(4)</sup> Vice Chairman and Chief Operating Officer The Bank of Nova Scotia Ontario, Canada	62	November 2009	13,386	\$563,154
Anthony Munk <sup>(3)</sup> Senior Managing Director Onex Corporation Ontario, Canada	53	November 2003	38,612	\$1,624,423
Edward Sonshine <sup>(3)(6)</sup> President and CEO RioCan Real Estate Investment Trust Ontario, Canada	67	February 2010	19,404	\$816,308
Robert Steacy <sup>(3)</sup> Corporate Director Ontario, Canada	64	May 2005	10,135	\$426,366
Phyllis Yaffe <sup>(4)</sup> Corporate Director Ontario, Canada	65	February 2008	10,275	\$432,265

**Notes:**

- (1) The information as to Common Shares beneficially owned, directly or indirectly, including by associates or affiliates, not being within the knowledge of the Corporation, has been furnished by the respective nominees, and includes share equivalents of Deferred Share Units (“DSUs”). With respect to the Chief Executive Officer of the Corporation (“CEO”), this amount includes also DSUs and one-third of the Performance Share Units (“PSUs”) which are guaranteed; DSUs and PSUs will be paid in cash.
- (2) Represents the total value of the Common Shares beneficially owned by the noted nominee based on the price of the Common Shares on the TSX as at the close of trading on March 31, 2014 (closing price of \$42.07).
- (3) Current member of the audit committee of the Board (“Audit Committee”).
- (4) Current member of the CNGC Committee of the Board.
- (5) Mr. Jacob has been the President and CEO, as well as a Director, of the Corporation since December 2010. Prior to this, he had been the President and Chief Executive Officer of the GP since October 2003. He is not an independent Director by virtue of his position with the Corporation.
- (6) Mr. Sonshine previously served as a trustee of the Fund (a “Trustee”) and a director of the GP from October 2003 through August 2005.

At the annual general meeting of the Corporation held on May 14, 2013, the 10 individuals who currently sit as Directors of the Corporation received the following votes regarding their appointment from voting Shareholders.

<b>Director Election Results – 2013 Annual General Meeting</b>										
<b>Director:</b>	<b>Banks</b>	<b>Bruce</b>	<b>Dea</b>	<b>Greenberg</b>	<b>Jacob</b>	<b>Marwah</b>	<b>Munk</b>	<b>Sonshine</b>	<b>Steacy</b>	<b>Yaffe</b>
<b>For:</b>	45,298,562	45,089,981	44,956,425	44,025,854	45,018,864	41,617,036	45,177,851	40,937,191	44,896,358	44,954,926
<b>Withheld:</b>	8,896	217,477	351,033	1,281,604	288,594	3,690,422	129,607	4,370,267	411,100	352,532
<b>Total:</b>	45,307,458	45,307,458	45,307,458	45,307,458	45,307,458	45,307,458	45,307,458	45,307,458	45,307,458	45,307,458
<b>% in Favour:</b>	99.98%	99.52%	99.23%	97.17%	99.36%	91.85%	99.71%	90.35%	99.09%	99.22%

**The persons named in the form of proxy, if not expressly directed to the contrary in such form of proxy, will vote such proxies in favour of appointment of each of the proposed directors as a director of the Corporation.**

#### **Appointment of Auditors**

It is proposed that the firm of PricewaterhouseCoopers LLP, Chartered Accountants, be re-appointed as auditors of the Corporation, to hold office until the next annual meeting of the Shareholders or until its successor is appointed, and that the Directors be authorized to fix the remuneration of the auditors.

PricewaterhouseCoopers LLP have been the auditors of the Corporation, as successor to the Fund, since the Fund's inception in 2003. At the annual general meeting of the Corporation held May 14, 2013, PricewaterhouseCoopers received 99.35% votes in favour of their re-appointment from voting Shareholders, calculated as below.

<b>Auditor Election Results 2013 Annual General Meeting</b>	
<b>For:</b>	45,122,017
<b>Withheld:</b>	342,630
<b>Total:</b>	45,464,647
<b>% in favour:</b>	<b>99.35%</b>

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

#### **Amendments to By-Laws Regarding Quorum Requirement and Advance Notice of Election of Directors**

On March 12, 2014, the Board approved the adoption of By-Law No. 2 (the "**By-Law Amendments**"), amending the Corporation's By-Law No. 1. The By-Law Amendments increase the quorum requirement for meetings of Shareholders and introduce a requirement to provide advance notice to the Corporation in circumstances where nominations of persons for election to the Board are made by Shareholders other than pursuant to: (a) a requisition of a meeting made pursuant to the provisions of the OBCA; or (b) a Shareholder proposal made pursuant to the provisions of the OBCA.

#### *Quorum Requirement*

By-Law No. 1 previously provided that at least two persons be present in person or represented by proxy and representing in total at least 10% of the votes attached to all outstanding Common Shares would constitute a quorum for the transaction of business. The By-Law Amendments require that at least two persons be present in person or

represented by proxy and that such persons represent in total at least 25% of the votes attached to all outstanding Common Shares in order to constitute a quorum for the transaction of business. The Board believes that it is appropriate to increase the quorum requirement in this manner as it is consistent with prevailing recommended governance practices and ensures a material number of Common Shares is represented at any Shareholder meeting.

#### *Advance Notice Provisions*

The By-Law Amendments also fix a deadline by which Shareholders of record must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders and set forth the information that a Shareholder must include in the notice to the Corporation. In the case of an annual meeting of Shareholders, notice to the Corporation must be provided not less than 30 days and not more than 65 days prior to the date of the annual meeting. In the case of a special meeting of Shareholders (which is not also an annual meeting), notice to the Corporation must be provided no later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

The Board believes that the By-Law Amendments are consistent with Shareholder rights and democracy, and benefit the Shareholders for the following reasons:

- the By-Law Amendments do not prevent Shareholders from making director nominations;
- the By-Law Amendments ensure an orderly, fair and open nomination process and that Shareholders are properly informed, in a timely way, in advance of a proxy contest and have the relevant information to knowledgeably vote on contested director elections; and
- because the Corporation's current articles and by-laws do not require prior notice of director nominations from the floor of a meeting, the By-Law Amendments prevent the possibility of a small group of Shareholders taking advantage of a poorly attended meeting to nominate their slate of directors from the floor, thereby imposing their slate on what could be a majority of Shareholders who are unaware that this could happen.

#### *Resolution to Ratify By-Law Amendments*

Pursuant to the provisions of the OBCA, the By-Law Amendments will cease to be effective unless ratified and confirmed by a resolution passed by a simple majority of the votes cast by Shareholders at the Meeting. At the Meeting, Shareholders will be asked to consider, and if deemed advisable, approve a resolution adopting By-Law No. 2, amending By-Law No. 1, which increases the quorum requirement for meetings of Shareholders and introduces advance notice provisions for the election of directors of the Corporation by Shareholders in certain circumstances, the full text of which is attached as Schedule "B" to this information circular.

A copy of the By-Law Amendments is attached as Schedule "A" to this information circular and is also available on SEDAR at [www.sedar.com](http://www.sedar.com).

**The persons named in the form of proxy, if not expressly directed to the contrary in such form of proxy, will vote such proxies in favour of the ratification of the adoption of By-Law No. 2 amending By-Law No. 1.**

## **EXECUTIVE AND OTHER COMPENSATION**

### **Compensation of Executive Officers**

Under applicable securities legislation, the Corporation is required to disclose certain financial and other information relating to the compensation of its CEO, Chief Financial Officer ("CFO") and the Corporation's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, whose total compensation exceeded \$150,000 (the Named Executive Officers ("NEOs")). For the year ended December 31, 2013, the NEOs are: Ellis Jacob, President and CEO; Gord Nelson, CFO; Dan McGrath, Chief Operating Officer; Michael Kennedy, Executive Vice-President, Filmed Entertainment; and Jeff Kent, Chief Technology Officer.

On March 1, 2014, Mr. Jacob's contract was renewed for a further three years from January 1, 2016 to December 31, 2018. This renewal confirms the board's strong confidence in Mr. Jacob's leadership and allows the board to

focus on long-term strategic planning and CEO succession with more certainty during the next five years. The adjustments to Mr. Jacob's compensation as a result of this renewal and other details regarding his employment are noted throughout this document and will be reflected in the March, 2015 information circular on those charts which are reported as at December 31 each year.

### **Compensation Discussion and Analysis**

The CNCG Committee has the responsibility to review and make recommendations to the Directors concerning the compensation of the executive officers of Cineplex, including the NEOs, within the constraints of the agreements described below under "Employment Contracts". The CNCG Committee is currently comprised of four members: Mr. Marwah (Chair), Ms. Dea, Mr. Greenberg and Ms. Yaffe, and their qualifications are set out under "Relevant Education and Experience of CNCG Committee Members" later in this document. No member of the CNCG Committee is an officer, employee or former officer or employee of the Corporation or any of its subsidiaries. No executive officer of the Corporation also serves as a director or member of the compensation committee of another issuer, one of whose executive officers is a member of the Board or the CNCG Committee. Each member of the CNCG Committee is independent.

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

#### *Objectives*

The Corporation's executive compensation program is guided by the tenet that a meaningful portion of an executive's pay should be at risk and be subject to business results. Pay-for-performance encourages management to make decisions and take actions that are aligned with the Corporation's business objectives and Shareholders' interests. In order for the Corporation to achieve its strategic goals, it needs to attract, motivate and retain experienced talent and leadership. Compensation opportunities are to be competitive with both similarly sized Canadian organizations and the US organizations in the film exhibition industry. There must be a strong link between incentive compensation and long-term Shareholder value creation. Management's compensation opportunity must be tied to the achievement of objectives that create sustainable growth and long-term Shareholder value.

The CNCG Committee's executive compensation philosophy is guided by its objective to attract, motivate and retain executives critical to the success of the Corporation and the enhancement of Shareholder value. To achieve these objectives, the CNCG Committee seeks to align the financial interests of the NEOs with those of Shareholders, in both the short and long-term, provide incentives to meet and exceed performance-based goals, and differentiate the level of compensation paid to NEOs based on market benchmarks, individual performance and contribution to overall business performance, development and achievement of business strategy, leadership qualities and scope of responsibilities. The CNCG Committee believes that compensation decisions should be highly correlated to long-term performance and should align the interests between Shareholders and executives, while attracting, motivating and retaining top talent.

The CNCG Committee's general philosophy is that bonus and equity or equity-referenced compensation should fluctuate with the Corporation's success in achieving financial and other goals. In structuring executive compensation packages, the CNCG Committee considers how each component of compensation promotes retention and/or motivates performance by the executive. Base salaries, perquisites and personal benefits, and severance and other termination benefits are primarily intended to attract and retain highly qualified executives. These are the elements of Cineplex's executive compensation program where the value of the benefit in any given year is not dependent on performance (although base salary amounts and benefits determined by reference to base salary may increase from year to year depending on performance, among other things). The Corporation believes that in order to attract and retain top executives, it needs to provide executives with certain predictable compensation levels that reward their continued service.

Annual incentive bonuses are primarily intended to motivate the NEOs to achieve specific strategies and operating objectives. The Corporation's mid-term and long-term equity or equity-referenced incentives are primarily intended to align the NEOs' long-term interests with Shareholders' interests. Annual bonuses, mid-term and long-term equity



awards are the elements of the executive compensation program that are designed to reward performance and thus, the creation of Shareholder value.

From time to time and as necessary, the CNCG Committee retains independent compensation consultants to help identify appropriate peer companies and to obtain and evaluate current executive compensation data for those companies. The CNCG Committee has retained Towers Watson to consult on executive compensation matters since 2010. In 2013 Towers Watsons conducted a review of executive compensation pay levels and a report highlighting updates on executive compensation governance and summary of key trends.

During 2012, Towers Watson was paid \$22,903, none of which related to proxy and general industry benchmarking as this work was completed and billed in late 2011. During 2013, Towers Watson was paid \$69,371, of which approximately \$30,000 related to proxy and general industry benchmarking. Apart from services to the CNCG Committee, no other services have been provided by Towers Watson directly to the Corporation.

### *Competitive Benchmarking*

To attract and retain the talent the Corporation needs to perform, the executive compensation program has to be market competitive. Notably it is difficult to determine one specific comparator group for assessing executive compensation levels given Cineplex is the only publicly-traded, autonomous cinema company in Canada. In preparation for 2013 compensation decisions, Towers Watson conducted a competitive market assessment of salary, target total cash (salary plus target bonus), and total direct compensation (salary plus target bonus plus the expected value of long-term incentives). With input from the CNCG Committee, two reference groups were established to benchmark compensation levels, including:

- Select proxy sample of North American industry-related companies – This sample includes 9 Canadian predominantly media focused companies and 5 US companies in the entertainment and cinema industry with revenue approximately half to double Cineplex. Institutional Shareholder Services Inc. (“ISS”) Canada’s 2012 pay for performance peer group was also referenced in determining this sample; however, companies with concentrated ownership and subsidiaries were excluded.
- Broader sample of similarly-sized Canadian companies – This sample represents the sample from Towers Watson’s 2013 Executive Compensation database of companies which are publicly-traded, autonomous companies with revenue greater than \$500 million and less than \$2.5 billion.

The select proxy sample is used to assess the roles of CEO, CFO, Chief Operating Officer and Executive Vice President, Filmed Entertainment. There was no suitable proxy match for the Chief Technology Officer. The broader sample of similarly-sized Canadian companies is used to validate the select proxy sample data as well as, to benchmark the other executive positions reviewed by the CNCG, outside the NEOs. These samples are representative, as the Corporation’s executive team is well qualified to manage US theatre exhibition businesses, Canadian media companies and in many cases could transition to other industries within Canada.

As part of the 2013 compensation review purposes, the select proxy sample included nine Canadian comparators as follows:

Aimia Inc.	IMAX Corporation
Cogeco Inc.	Mood Media Corporation
Corus Entertainment Inc.	RioCan REIT
Glentel Inc.	Torstar Corporation
	Yellow Media Inc.

The select proxy sample also included five US comparators as follows:

AMC Entertainment Inc.  
Carmike Cinemas Inc.  
Cinemark Holdings Inc.  
Lions Gate Entertainment Corp.  
Regal Entertainment Group

The broader sample of similarly-sized Canadian companies included the following in the 2013 assessment:

Percentile distribution for this sample was \$673 million at the 25<sup>th</sup> percentile, \$1.194 billion at the 50<sup>th</sup> percentile and \$1.665 billion at the 75<sup>th</sup> percentile.

Aimia Inc.	MEG Energy Corp.
ARC Resources Ltd.	New Gold, Inc.
Canadian Western Bank	Precision Drilling Corporation
Canexus Corporation	Progressive Waste Solutions Ltd.
Capital Power Corporation	ShawCor Ltd.
Cogeco Cable Inc.	Tembec Inc.
GLV, Inc.	TMX Group Limited
IAMGOLD Corp.	TransAlta Corp.
Lassonde Industries Inc.	Uranium One Inc.
Yellow Media Limited	

### *Compensation Risk Assessment*

As part of its oversight of compensation practices, the CNCG Committee annually considers the implications of the risks associated with the Corporation's compensation policies and practices by completing a thorough assessment of the programs and practices and how pay-for-performance aligns with the time horizons of risk, essentially mitigating the risk of unintended outcomes or the creation of inappropriate incentives. Examples of policies and practices that help to mitigate risk are as follows and many are described in more detail throughout this "Executive and Other Compensation" section:

- Common Share ownership guidelines for executives and directors
- Clawbacks in the mid-term and long-term equity (or equity referenced) plans
- Non-Hedging Policy
- Code of Business Conduct and Ethics
- No single measure plans; no measures repeated across plans
- High percentage of variable pay for NEOs and other executives
- Plans span from one year to 10 years, providing strong link to time horizon on risk
- Plans are capped with thresholds and steps (CNCG Committee or Board discretion may be applied)
- Mid-term plan balances absolute and relative performance over 3 years
- Options are limited to 25% of the mid and long-term incentives
- Plan measures tie to the Corporation's strategic objectives
- CEO post-employment hold provision
- Strong focus on open communication and disclosure

Based on the review of compensation plans in 2013, the CNCG Committee believes that there are strong practices in place to minimize the likelihood of material risk-taking by key individuals in principal business units or any member of the executive team. The CNCG Committee has not identified any risks that are reasonably likely to have a

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

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

The CNCG Committee has reviewed the adoption by some corporations of a formal policy around “say-on-pay”. The Committee will continue to monitor legislative activities and governance recommendations relating to say-on-pay.

On a general basis, the CNCG Committee and the Board retain the ability to exercise discretion to increase or decrease performance-based compensation to accommodate any highly unusual circumstances that would otherwise improperly reward or penalize NEOs separate and apart from general market, industry or company performance. Any discretion applied is reported for the relevant year and in the section relating to that element of compensation. For 2013, no discretion was applied.

#### *Elements of Compensation*

The components of the executive compensation program are described in the table on the following page:

Compensation element	How it is paid	What it is designed to reward
Base Salary	Cash	Rewards skills, capabilities, knowledge and experience, reflecting the level of responsibility, as well as the contribution expected from each executive.
Annual Cash Incentive	Cash	Rewards executives for their contribution to the achievement of annual financial and non-financial goals. Payouts, made after the end of a fiscal year, are based on how the executive and the Corporation performed against established measures and objectives.
	DSUs	Executives may elect to defer a portion of their annual cash incentive for a three-year period or until employment is terminated. Provides another vehicle through which executives can achieve Common Share ownership requirements.
Mid and Long-Term Incentives	Long Term Incentive Plan Units (old long-term incentive plan relating to 2010 performance) (“ <b>LTIP Units</b> ”)	Encouraged Fund unit (“ <b>Unit</b> ”) ownership while rewarding significant performance that resulted in the Fund exceeding its per Unit distributable cash targets. Provided alignment between the interests of executives and holders of Units (“ <b>Unitholders</b> ”). A final award was made under the Long Term Incentive Plan in March 2011 relating to 2010 performance. For 2011, the Board adopted replacement long term incentive plans (performance share units and Common Share Options) summarized below.
	PSUs	Provides a strong link between pay and performance by measuring and rewarding three years of forward looking performance on a variety of corporate financial, operating and market measures, including relative performance assessment. This cash plan is aligned to Common Share price performance, further linking executives and Shareholders. See section entitled “Deferred Compensation Plans - Performance Share Unit Plan”.
	Options	Rewards contribution to the long-term performance of the Corporation and demonstrated potential for future contribution. Links the interests of executives and Shareholders for Common Share price appreciation over a ten-year period. See section entitled “Performance-based Incentives -Mid and Long-Term Incentive Compensation -Option Plan”.

Other elements of compensation	Program Objectives
Pension and benefits	Provide pension and benefits that are generally competitive and that minimize financial risk for the Corporation.
Perquisites	Part of the overall competitively-positioned executive compensation package.
Common Share ownership	Aligns executive interests with Shareholder interests by requiring executives to meet minimum Common Share ownership requirements.

During 2013, the compensation of the NEOs consisted of two principal elements: (i) fixed compensation; and (ii) performance-based compensation. Fixed compensation included salary, benefits and retirement contributions. Performance-based compensation included an annual cash incentive bonus, awards made pursuant to the Option Plan of the Corporation and awards made pursuant to the performance share unit plan (the “**PSU Plan**”) of the Corporation.

*(i) Fixed Compensation Elements*

*(a) Base Salaries*

Base salaries are paid as a secure and predictable component of cash compensation, which the CNCG Committee views as an essential component of attracting and retaining talented individuals.

Base salaries are paid to the NEOs in accordance with each of their employment agreements described below under “*Employment Agreements*”. Base salaries are reviewed annually to reflect the NEO’s and the Corporation’s performance during the prior year, to maintain competitive rates in relation to market changes and to reflect changes to the NEO’s scope of responsibilities. The CNCG Committee review and approves, as appropriate, the CEO’s base salary recommendations for the other NEOs.

NEOs have annual performance objectives that include individual goals that relate to the business performance of the Corporation and/or the NEO’s business unit function. The extent to which an NEO has achieved these goals in one year will influence his total compensation package. Salaries for NEOs are reviewed at the same time as salaries for all full-time employees, and in the absence of any compelling market data specific to a role, adjustments are generally in line with the overall salary budget of the organization. In light of market conditions and the incentive awards made during the three years prior to 2011, base salaries for NEOs were not increased during the prior three years. In 2012, based on a review of the compensation benchmarking, two of the NEOs received a salary increase. In 2013, based on a review of the compensation benchmarking, salary increases were implemented at an average rate of 2.8%.

Effective March 1, 2014 and commensurate with the renewal of Mr. Jacob’s contract and a review of benchmarking data, his base salary has been adjusted to \$1,000,000. This amount will be reported in next year’s Summary Compensation Table.

For the year ended December 31, 2013, base salaries represented the following percentage of each NEO’s total compensation:

Ellis Jacob	20.8%
Gord Nelson	35.7%
Dan McGrath	30.1%
Michael Kennedy	43.8%
Jeff Kent	42.2%

This percentage will vary from year to year primarily due to variations in the annual bonus earned and mid-term and long-term awards.

*(b) Benefits and Perquisites*

All NEOs participate in the group benefits plan for all employees which provides health, dental and out-of-country benefits coverage on a cost-sharing basis. In addition to this group coverage, Mr. Jacob receives an annual allowance of up to \$20,000 to cover his personal and immediate family's medical costs not reimbursed under the group benefits plan. The remaining NEOs receive an annual allowance of up to \$10,000 for the same purpose. This coverage provides additional support to these individuals during times of illness and is intended to aid in their preventative health care and quick recovery in times of illness. Only the amounts actually paid under this allowance in 2013 are included in the Summary Compensation Table.

An additional fee of approximately \$2,750 is paid on behalf of each NEO to an external provider to access medical consultations on an expedited basis.

A whole life insurance policy valued at \$1,000,000 is provided to Mr. Jacob in lieu of life coverage available under the group benefits plan. A whole life policy valued at \$500,000 is provided to Mr. McGrath in lieu of life coverage available under the group benefits plan. These two policies are convertible upon retirement and, in the case of Mr. Jacob, provide a more appropriate level of coverage than is available under the group benefits plan. Each of the remaining NEOs pay personally for term life insurance under the group benefits plan.

Disability coverage is available under the group benefits plan based on the lesser of: (i) 66.67% of the first \$3,000 of pre-tax monthly earnings plus 50% of any portion of pre-tax monthly earnings in excess of \$3,000, less 100% of direct deductible sources of income; (ii) 85% of post-tax monthly earnings, less 100% of direct or indirect deductible sources of income; and (iii) \$10,000, the maximum monthly benefit. This benefit is paid for by the NEOs directly.

As at December 31, 2013, additional disability coverage in the following amounts of monthly benefit was provided by Cineplex to each NEO as follows:

Ellis Jacob	\$29,600
Gord Nelson	\$ 5,000
Dan McGrath	\$10,850
Michael Kennedy	\$ 5,000
Jeff Kent	\$ 5,000

The additional level of disability coverage is deemed appropriate and necessary as the formula for disability coverage in the group benefits plan does not provide sufficient replacement income for individuals with a base salary in excess of \$185,000 per annum.

Each of the NEOs is required to travel in his normal course of business and an annual car allowance treated as taxable income is paid to each NEO as follows. The amounts have been set and are benchmarked against widely-available data in compensation surveys.

Ellis Jacob	\$24,000
Gord Nelson	\$14,000
Dan McGrath	\$14,000
Michael Kennedy	\$14,000
Jeff Kent	\$14,000

(c) *Retirement Contributions*

*Defined Contribution Pension Plan*

NEOs participate in a defined contribution pension plan sponsored by Cineplex Entertainment LP (the “**DC Plan**”). Employer contributions are made to the DC Plan based on contributions by the NEO to a Group Registered Retirement Savings Plan (the “**GRRSP**”) based on the following schedule:

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

This schedule of contributions is regularly reviewed against market data and is deemed to provide a competitive retirement incentive for employees. The above benefit is available to all full-time Cineplex employees at the same employer contribution levels. Taking the schedule and maximums into account as set out above, the NEOs received DC Plan contributions in 2013 as a percentage of 2013 base salary as follows:

Ellis Jacob	3.0% (limited by contribution maximum)
Gord Nelson	5.0%
Dan McGrath	5.0%
Michael Kennedy	5.0%
Jeff Kent	4.0%

As adjustments to pension contributions occur on service anniversaries throughout the year, the weighted averages for the year are reported here.

Under defined contribution pension plan legislation, all amounts are fully vested for the participants after two years of service and amounts will be locked in after departure until age 55. After age 55, an annuity may be purchased or the plan value may be transferred to a locked-in retirement account, a life income fund or another pension plan.

Details of specific contributions made by the Corporation to each NEO’s DC Plan account are set out in the Summary Compensation Table and in the “Pension Arrangements” section below.

If a NEO’s annual registered retirement savings plan contribution maximum would be exceeded by a combination of GRRSP and prior year DC Plan contributions, DC Plan contributions are made in full and GRRSP contributions are reduced to ensure that the maximum is not exceeded. DC Plan contributions are calculated as a percentage of the previous year’s base salary. DC Plan contributions are calculated for all plan members based on current base salary at the time of contribution.

Effective December 31, 2013, the DC Plan has been wound up and employer contributions from January 1, 2014 onward will be made directly to each NEO’s GRRSP account on the same schedule as set out above.

*Defined Benefit Plan*

Pursuant to the terms of his employment agreement, a supplemental executive retirement plan (“**SERP**”) was established by Cineplex Entertainment LP for Mr. Jacob effective as at January 1, 2006 and amended and restated as at October 1, 2010 and as at March 1, 2014.

Effective November 4, 2013, the board determined that for 2013 and in each subsequent year during the term of Mr. Jacob’s employment agreement, Cineplex Entertainment LP is required to secure its obligations under the SERP by posting a letter of credit with a face amount equal to the accrued pension benefit obligation in respect of the SERP as recorded in the consolidated financial statements of Cineplex Entertainment LP. Furthermore, it was determined that the Registered Pension Plan Offset was no longer appropriate and was therefore eliminated from the calculation of his pension entitlement.

In conjunction with a renewal of Mr. Jacob’s employment agreement to December 31, 2018, the SERP will provide for annual maximum payments as follows depending on the actual date of retirement:

Retirement at Age 60	\$350,000
Retirement at Age 61	\$375,000
Retirement at Age 62	\$400,000
Retirement at Age 63	\$450,000
Retirement at Age 64 and thereafter	\$500,000

Provided Mr. Jacob’s employment is not terminated as described below, he is entitled (at his option) to elect to receive a lump sum payment equal to the commuted value of the applicable benefit described above. If Mr. Jacob’s employment is terminated: (i) by Cineplex Entertainment LP without cause; (ii) by Mr. Jacob based on constructive dismissal or similar circumstances or within 12 months following a change of control; or (iii) by Mr. Jacob or Cineplex Entertainment LP as a result of Mr. Jacob becoming disabled, Mr. Jacob will be entitled (at his option) to either receive a lump sum payment of the present value of an annuity that would provide for annual payments determined as if he had attained age 65 but with such payments to commence as of the termination of his employment, or to receive such annual payments commencing as of the termination of his employment.

The total amount accrued under the SERP as at December 31, 2013 related to Mr. Jacob is approximately \$5,012,400. The total cost of the SERP attributable to Mr. Jacob’s 2013 service is approximately \$612,200 as reflected in the Defined Benefit Plan table following the Summary Compensation Table. It should be noted that, in no event shall Mr. Jacob’s overall retirement benefit exceed 2% of his Final Average Earnings for each year of Pensionable Service he earns under the plan.

**(ii) Performance-based Incentives**

*(a) Annual cash incentive*

Each NEO is entitled to receive an annual cash incentive bonus of up to a specified percentage of his or her base salary based upon the achievement of financial or operating metrics as described below (as well as meeting individual performance objectives) (collectively, the “**Bonus Measures**”). The Bonus Measures are established annually by the CNCG Committee as part of the annual budgeting and business planning process.

An annual cash incentive is a standard element of compensation packages at the executive level and provides a pay-for-performance reward for performance in a one-year period. The measures in each plan correlate to each NEO’s responsibilities which are cross functional with the exception of the Executive Vice President, Filmed Entertainment role.

The bonus design for each of the NEOs in 2013 was as follows (% of salary):

	Ellis Jacob	Gord Nelson	Dan McGrath	Michael Kennedy	Jeff Kent
<b>Bonus Target</b>	100%	55%	75%	40%	40%
<b>Bonus Maximum</b>	200%	110%	150%	80%	80%

Bonus Measures	Ellis Jacob	Gord Nelson	Dan McGrath	Michael Kennedy	Jeff Kent	2013 Targets
<b>Performance &amp; Adjusted Performance EBITDA (equal weighting)</b>	50%	50%	50%	50%	50%	\$204,188
<b>Individual Performance</b>	25%	25%	25%	20%	25%	Board or CEO Assessment
<b>Net Concession Retention per Patron</b>	5%	5%	5%	-	5%	\$3.74
<b>Guest Service</b>	5%	5%	5%	-	5%	92.5%

Bonus Measures						2013 Targets
	Ellis Jacob	Gord Nelson	Dan McGrath	Michael Kennedy	Jeff Kent	
Other Operating Expenses per Patron	5%	5%	5%	-	5%	\$3.86
Total Other Income	5%	5%	5%	-	5%	\$144,250
Film Measures	5%	5%	5%	30%	5%	Confidential
<b>Bonus Measures Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	

	Ellis Jacob	Gord Nelson	Dan McGrath	Michael Kennedy	Jeff Kent
Actual 2013 Achieved	126.4%	126.4%	126.4%	118.45%	126.4%
Payout as % of Salary	126.4%	69.52%	94.80%	47.38%	50.56%
% of Actual Bonus relating to Undisclosed Targets as a % of Total Compensation of the NEO	1.87%	1.77%	2.03%	6.23%	1.52%

Management defines EBITDA as earnings before interest income and expense, income taxes and amortization expense. Adjusted EBITDA excludes the loss (gain) on disposal of assets, the gain on the acquisition of businesses and the equity (income) loss of Canadian Digital Cinema Partnership (“CDCP”) and depreciation, amortization, interest and taxes of Cineplex’s other joint ventures.

“Performance EBITDA” is calculated by excluding the impact of stock-based compensation expenses including LTIP and option plan expenses from Adjusted EBITDA. Performance EBITDA is highly dependent on the quality of studio film product which is largely uncontrollable and therefore an Adjusted Performance EBITDA calculation that adjusts for actual Canadian industry growth will be equally weighted against Performance EBITDA for bonus purposes. The result of using a weighted Performance EBITDA is to provide both an absolute and a relative measure, and attendance-adjusted EBITDA is commonly used within the US industry.

“Net Concession Retention per Patron” is arrived at by dividing total Concession Revenues, less Cost of Concessions, as set out in the financial statements, by annual attendance. “Guest Service” is arrived at by mystery shopping scores at Corporation theatres. “Other Operating Expenses per Patron” is arrived at by dividing Other Operating Expenses as set out in the financial statements by annual attendance. “Total Other Income” is as set out in the financial statements. A description of “Film Measures” and the performance targets are not disclosed because they represent information based on individual negotiations with studios that disclosure thereof would be seriously prejudicial to the Corporation’s competitive position if such information were to become public. The level of difficulty in reaching this undisclosed target is the same as for other measures in the bonus plans.

Each NEO has an individual performance measure. This is a qualitative and discretionary assessment by the Board or CEO based on each NEO’s performance during the past year against overall strategic objectives, individual performance objectives, leadership skills and other competencies required at the executive level. The CNGC Committee and the Board retain the ability to exercise discretion to increase or decrease performance-based compensation based on the assessment of this component.

Actual bonus amounts paid to the NEOs are identified in the Summary Compensation Table. These bonuses were calculated based on the achievement of each bonus measure between the threshold and maximum set for each measure as described above. Under the contract renewal for Mr. Jacob effective March 1, 2014, the target bonus remains unchanged.

#### *Executive Deferred Share Unit Plans*

Under the two executive deferred share unit plans (collectively, the “**Executive DSU Plans**”), NEOs and certain other senior officers are entitled to elect to receive all or a portion of the annual cash incentive bonus to which they are entitled, if any, during such calendar year in the form of a deferred share unit (“**DSU**”) rather than a cash



payment. The Executive DSU Plans are in place to facilitate equity ownership for those employees who are subject to Common Share ownership guidelines. The Executive DSU Plans do not provide any additional compensation to the NEOs and are not considered additional elements of compensation.

There are two separate, yet very similar, Executive DSU Plans. In January, 2011, the Corporation adopted a deferred share unit plan (the “**Three Year DSU Plan**”) that was intended to facilitate equity ownership for those employees who were subject to Common Share ownership guidelines; the Three Year DSU Plan had previously been adopted by the Fund in 2008. In January, 2011, the Corporation also adopted a second DSU plan providing for a longer deferral period (the “**Payment on Termination DSU Plan**”). The difference between the Three Year DSU Plan and the Payment on Termination DSU Plan relates only to the vesting of DSUs, with DSUs granted under the Three Year DSU Plan vesting three years from the date of grant and DSUs granted under the Payment on Termination DSU Plan vesting upon the cessation of employment of the holder of such DSUs. For purposes of this management information circular, the Three Year DSU Plan and the Payment on Termination DSU Plan are collectively referred to as the Executive DSU Plans.

Under the terms of the Executive DSU Plans, the DSU participant will be credited on the date that his or her annual incentive plan payment would otherwise be payable with a number of DSUs equal to the amount of annual incentive plan payment designated to be received in the form of DSUs divided by the “fair market value” of the Common Shares on such date. The “fair market value” is defined as, if the Common Shares are listed on the TSX, the value of a Common Share determined by reference to the five-day average closing price of a Common Share on the immediately preceding five trading days, or, if the Common Shares are not so listed or traded, the “fair market value” will be the value established by the Board in its sole discretion. In addition, additional partial DSUs will be credited to such DSU participant equal to cash dividends paid on the same number of Common Shares, based on the “fair market value” of a Common Share at the time cash dividends are made on the Common Shares.

Under the Three Year DSU Plan, DSUs granted in lieu of the annual incentive plan payment will vest on December 15 of the third calendar year following the year in respect of which the annual incentive plan payment is payable (the “**Vesting Date**”). On or after the Vesting Date (but in no event later than December 31 of the calendar year in which the Vesting Date falls), the vested DSUs will be settled for cash consideration determined by multiplying the number of vested DSUs by the “fair market value” of a Common Share on such date. If the services of a participant in the Three Year DSU Plan are terminated prior to the Vesting Date, the participant is entitled, by given written notice to the Corporation, to redeem such participant’s DSUs on a date which shall not be prior to the sixth trading day following the release of the Corporation’s quarterly or annual results and shall be no later than: (i) the end of the calendar year following the year in which the participant’s employment was terminated; and (ii) the Vesting Date for an amount equal to the “fair market value” of all DSUs held by such participant under the DSU Plan. If the participant fails to provide notice to the Corporation, the participant will be deemed to have elected to redeem all DSUs as of the earliest to occur of: (i) the end of the calendar year following the year in which the participant’s employment was terminated; and (ii) the Vesting Date.

Under the Payment on Termination DSU Plan, a participant will be entitled to receive, after the effective date the participant ceases to be an employee of the Corporation (the “**Termination Date**”): (i) on the day, designated by the participant in writing to the Board, during the period commencing on the business day immediately following the Termination Date and ending on the 90<sup>th</sup> day following such date, which date shall be no later than the end of the calendar year following the year in which the Termination Date occurs; and (ii) if no notice is given, then on the 90<sup>th</sup> day following the Termination Date, a lump sum cash payment equal to the number of vested DSUs credited to such participant’s DSU account multiplied by the value of a Common Share on the Termination Date.

Upon a “change of control”, at the discretion of the CNCG Committee, all DSUs will vest and be redeemable at their “fair market value”. Alternatively, to the extent that the change of control would also result in a capital reorganization, arrangement, amalgamation or reclassification of the capital of the Corporation and the CNCG Committee does not accelerate the vesting of DSUs, the CNCG Committee may make adequate provisions to ensure that, upon completion of the proposed change of control, the number of DSUs outstanding under each Executive DSU Plan and/or determination of the “fair market value” shall be appropriately adjusted in such manner as it considers equitable, in its discretion, to prevent substantial dilution or enlargement of the rights granted to holders of the DSUs. For purposes of the Executive DSU Plans, a “change of control” is defined as any sale, disposition, assignment, reorganization, amalgamation, merger or other transaction, or series of related transactions, as a result of which an entity or group of entities unrelated to the Corporation or any of its subsidiaries acting jointly or in

concert, or entities associated or affiliated with any such entity or group within the meaning of the *Securities Act* (Ontario), becomes the owner, legal or beneficial, directly or indirectly, of more than 50% of the Common Shares or exercises control or direction over more than 50% of the Common Shares (on a fully diluted basis) and holders of Common Shares prior to such acquisition hold less than 50% of the Common Shares (on a fully diluted basis ) following such acquisition.

The Executive DSU Plans are unfunded. The terms and conditions of DSUs granted under the Executive DSU Plans are subject to adjustments in certain circumstances, as set forth in the Executive DSU Plans, in the discretion of the Board. The Board may discontinue either or both of the Executive DSU Plans at any time or, except as set forth below, may amend the Executive DSU Plans at any time (including amendments to change the vesting provisions of any DSU), provided, however, that no such amendment may adversely alter or impair any DSU previously granted without the consent of the applicable participant.

In March 2011, the Payment on Termination DSU Plan was amended to clarify: (i) that no amount will be paid to or in respect of a participant and no DSUs would be granted to a participant, to compensate such participant for a downward fluctuation in the price of Common Shares; and (ii) the provisions relating to payments made upon the occurrence of a change of control.

Mr. Jacob elected to take 50% of his 2013 annual incentive plan payment in DSUs pursuant to the Payment on Termination DSU Plan and Messrs. Nelson and McGrath elected to each take 50% of their 2013 annual incentive plan payment in DSUs pursuant to the Three Year DSU Plan; the other NEOs did not elect to receive DSUs under the DSU Plans in 2013.

*(b) Mid and Long-Term Incentive Compensation*

Each year the CNCG Committee considers the amount of mid and long-term incentive compensation (“**MLTIC**”) to be awarded to NEOs and other Participants as part of its annual compensation review. Prior to its formal determination, the CNCG Committee will meet with the CEO to solicit his views as to the MLTIC that ought to be awarded to other senior officers. It is intended that consideration will be given to the individual’s present and potential contribution to the success of the Corporation, other compensation elements awarded or available to the Participant, the number of Common Shares reserved for issuance under the Option Plan that remain available for issuance and the limitations on grants to insiders provided for under the terms of the Option Plan.

With the exception of any special grants, the practice is to limit the value of options grants to 25% of MLTIC combined grant values.

(A) Performance Share Unit Plan (replaced LTIP plan in 2011)

*Performance Share Unit Plan*

In January 2011, the Corporation adopted the PSU Plan to replace the LTIP. Certain employees of Cineplex, as selected by the CEO of the Corporation and approved by the CNCG Committee, are eligible to participate in the PSU Plan. The PSU Plan is intended to: (a) focus participants on, and reward participants for achieving, the mid-term business and financial goals of the Corporation; (b) to assist the Corporation in attracting, retaining and rewarding employees; and (c) match the three-year time horizon of the plan to performance measures with the same time horizon.

Each PSU notionally represents the value of one Common Share on the date of the grant. Additional partial PSUs will be credited to each PSU participant equal to cash dividends paid on the same number of Common Shares, based on the “fair market value” of a Common Share at the time cash dividends are made on the Common Shares.

The CNCG Committee will determine the term of each grant of PSUs (the “**Performance Period**”) and will annually determine, based on the recommendation of the CEO, performance measures for the PSU Plan (the “**Performance Measures**”), which shall consist of a defined metric or set of metrics and performance objectives and an adjustment factor (the “**Multiplier**”) that is linked to the achievement of thresholds set out in the Performance Measures, both of which shall apply during the relevant Performance Period. Each participant will be notified in

writing of their participation in the PSU Plan, which notification shall set out the particular Performance Measures and Multipliers, if any, with respect to the particular grant of PSUs that they have been awarded.

For the 2013 PSU grant, the following performance conditions and targets were established based on input from CNCG Committee members, management and Towers Watson, as well as including a review of projections by investment analysts. The performance conditions and targets reflect a mix of absolute and relative measures, and unlike the annual incentive plan, which measures EBITDA as a specific target, the PSU Plan measures growth in EBITDA over a three-year period. The Multipliers for each metric are added together for a final Multiplier that is used at the end of the Performance Period to determine payout.

## 2013 PSU Performance Conditions

*Payouts will be prorated between each hurdle*

<b>Growth in Total Revenues/ Screen (over 3 years) 33% weight</b>		<b>Absolute EBITDA<sup>1</sup> Growth (3 Year Average) 33% weight</b>		<b>Absolute and Relative Total Shareholder Return (TSR) (over 3 years) 33% weight (1/2 each)</b>																																						
				<table border="1"> <thead> <tr> <th></th> <th>Absolute Performance</th> <th>Multiplier</th> </tr> </thead> <tbody> <tr> <td>Max</td> <td>40%</td> <td>2.0 x</td> </tr> <tr> <td>Target</td> <td>30%</td> <td>1.0 x</td> </tr> <tr> <td>Threshold</td> <td>20%</td> <td>0.33 x</td> </tr> </tbody> </table>				Absolute Performance	Multiplier	Max	40%	2.0 x	Target	30%	1.0 x	Threshold	20%	0.33 x																								
	Absolute Performance	Multiplier																																								
Max	40%	2.0 x																																								
Target	30%	1.0 x																																								
Threshold	20%	0.33 x																																								
<table border="1"> <thead> <tr> <th>Exhibitor Rank</th> <th>Multiplier</th> </tr> </thead> <tbody> <tr> <td>1<sup>st</sup></td> <td>2.0 x</td> </tr> <tr> <td>2<sup>nd</sup></td> <td>1.5 x</td> </tr> <tr> <td>3<sup>rd</sup></td> <td>1.0 x</td> </tr> <tr> <td>4<sup>th</sup></td> <td>0.5 x</td> </tr> <tr> <td>5<sup>th</sup></td> <td>0.33 x</td> </tr> </tbody> </table>		Exhibitor Rank	Multiplier	1 <sup>st</sup>	2.0 x	2 <sup>nd</sup>	1.5 x	3 <sup>rd</sup>	1.0 x	4 <sup>th</sup>	0.5 x	5 <sup>th</sup>	0.33 x	<table border="1"> <thead> <tr> <th></th> <th colspan="2">Performance Multiplier</th> </tr> </thead> <tbody> <tr> <td>Max</td> <td>7.5%</td> <td>2.0 x</td> </tr> <tr> <td>Target</td> <td>5.0%</td> <td>1.0 x</td> </tr> <tr> <td>Threshold<sup>2</sup></td> <td>2.5%</td> <td>0.33 x</td> </tr> </tbody> </table>			Performance Multiplier		Max	7.5%	2.0 x	Target	5.0%	1.0 x	Threshold <sup>2</sup>	2.5%	0.33 x	<table border="1"> <thead> <tr> <th></th> <th>Relative Performance</th> <th>Multiplier</th> </tr> </thead> <tbody> <tr> <td>Max</td> <td>50% higher</td> <td>2.0x</td> </tr> <tr> <td>Target</td> <td>Average Peer Return</td> <td>1.0x</td> </tr> <tr> <td>Threshold</td> <td>50% lower</td> <td>0.33x</td> </tr> </tbody> </table>				Relative Performance	Multiplier	Max	50% higher	2.0x	Target	Average Peer Return	1.0x	Threshold	50% lower	0.33x
Exhibitor Rank	Multiplier																																									
1 <sup>st</sup>	2.0 x																																									
2 <sup>nd</sup>	1.5 x																																									
3 <sup>rd</sup>	1.0 x																																									
4 <sup>th</sup>	0.5 x																																									
5 <sup>th</sup>	0.33 x																																									
	Performance Multiplier																																									
Max	7.5%	2.0 x																																								
Target	5.0%	1.0 x																																								
Threshold <sup>2</sup>	2.5%	0.33 x																																								
	Relative Performance	Multiplier																																								
Max	50% higher	2.0x																																								
Target	Average Peer Return	1.0x																																								
Threshold	50% lower	0.33x																																								

<sup>1</sup> Adjusted EBITDA is used to exclude one time and extraordinary items

<sup>2</sup> In all cases the Threshold represents a Guaranteed Floor to participants of 0.33x

The performance conditions, or measures, for the 2013 PSU plan are set out above. The peer companies used in the relative measure “Growth in Total Revenues per Screen” include theatre exhibitors AMC Entertainment Inc., Carmike Cinemas Inc., Cinemark Holdings Inc. and Regal Entertainment Group, who are all part of the benchmark comparator group for compensation benchmarking purposes. As AMC was not publicly traded at the beginning of 2013, National CineMedia is used as an additional comparator for the total shareholder return measure.

On the date that the Board approves the audited financial statements of the Corporation, in the year immediately following a Performance Period, (the “**Financial Statement Approval Date**”) and prior to the vesting of PSUs for such Performance Period, an adjusted award of PSUs (the “**Adjusted Award**”) shall be calculated by multiplying the number of PSUs held by an individual by the final Multiplier for the Performance Period. Following such a calculation, the PSUs held by such individual will be adjusted accordingly to correspond to the Adjusted Award.

Under the terms of the PSU Plan, a participant’s Adjusted Award will vest on the Financial Statement Approval Date for the applicable Performance Period. On a date selected by the CNCG Committee, which shall be within 30 days after the vesting date, and subject to any withholding obligations, a participant will be entitled to redeem their vested PSUs and the Corporation will make a lump sum cash payment in an amount equal to the number of

vested PSUs held by such participant multiplied by the average closing price of the Common Shares for the ninety days immediately prior to the end of the relevant Performance Period.

If a participant resigns or is terminated for cause, such participant will, unless otherwise determined by the CNCG Committee in writing, forfeit all rights to the PSUs held by such participant. If the employment of a participant is terminated: (i) due to the death, qualified retirement (defined as age 60 or earlier at the discretion of the Plan Administrators), or permanent disability; (ii) without cause; or (iii) if the participant is transferred to a non-eligible position within Cineplex, then a pro rata portion of the PSUs held by such participant will vest on the date immediately prior to the occurrence of such termination event. The value and payment timing will be calculated based on the participant's departure date in relation to the plan period. When termination occurs within the second or third year of a plan period, the PSU Plan does not accelerate payment, creating an automatic post-retirement hold, or tail, on equity-referenced compensation.

If the employment of a participant is terminated upon or within twelve months following a "change of control" or if there is termination for good reason (if applicable to a participant) upon or within twelve months of a "change of control", all PSUs will immediately vest and all amounts payable under the PSU Plan will be paid to such participant within 30 days of the termination date. Under such circumstances, the CNCG Committee will determine the Adjustment Factor to be applied for each participant, based on the achievement of each Performance Measure up to the date of the change of control and on any other factors that the CNCG Committee deem to be appropriate.

Following the occurrence of a "change of control" in which: (i) the resulting entity remains a publicly traded entity with equity securities traded on the TSX or a similar exchange; (ii) the business of the Corporation is to be a significant part of the business of the resulting entity going forward; and (iii) where the mechanics of the PSU Plan can reasonably be continued, the PSU Plan will continue in force, as determined at the sole discretion of the CNCG Committee.

Following the occurrence of a "change of control" in which the resulting entity is to be a private entity (with no equity securities listed for trading on an exchange), all PSUs will immediately vest upon (or immediately prior to) the change of control transaction. Under such circumstances, the CNCG Committee will determine the Adjustment Factor to be applied for each participant, based on the achievement of each Performance Measure up to the date of the change of control and on any other factors that the CNCG Committee deem to be appropriate. Additionally, the CNCG Committee and/or the owner of the resulting entity will have the right to make the payment of up to one-half of the amount payable on such a "change of control" to any participant subject to the ongoing employment of such participant through to the end of the applicable Performance Period.

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

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

The PSUs granted to the NEOs in 2013 are set out in the "Non-Equity Incentive Plan Compensation – Long Term Incentive Plans" column of the Summary Compensation Table.

#### (B) Option Plan

In 2008, the Fund adopted the Option Plan to focus and reward senior executives for enhancing long-term Shareholder value through: (a) aligning the interests of Participants with those of Shareholders; (b) providing

compensation opportunities to attract, retain and motivate Participants; and (c) providing Participants with an incentive for excellence in individual performance as part of their total LTIP opportunity.

Under the Option Plan, Options to purchase Common Shares of the Corporation may be granted to Participants in respect of unissued Common Shares. In determining the number of Options to be granted to a Participant, consideration is given to the individual's present and potential contribution to the success of the Corporation, based on the assessment of the CEO. The CNCG Committee considers the recommendation of the CEO and annually decides the number and allocation of Options per Participant to be granted by the Board. Options are granted to selected individuals at the Executive Director level and above.

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

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

The terms, conditions and limitations of each Option granted under the Option Plan will be determined by the CNCG Committee, subject to the rules of the TSX and any other applicable regulatory authority. All Options will have a fixed exercise price (the "**Exercise Price**"), which Exercise Price shall not be less than the closing price of the Common Shares on the TSX on the trading day immediately preceding the date of grant (except that if no Common Shares traded in the five preceding trading days, the Exercise Price will be not less than the average of the closing bid and ask prices over the preceding five trading days). The Options will generally be non-transferable. Except as determined otherwise, Options will vest as to one-third of the total Options grant in each of the first three anniversaries of the grant thereof. Options will have a maximum term of ten years, subject to extension of up to ten business days in the event that termination of an Option would otherwise occur during a blackout period. This maximum term was extended from five years, with required Unitholder approval, at the special meeting of Unitholders of the Fund held in December 2010.

Pursuant to the Option Plan, a Participant, rather than exercising an Option, may elect at any time to surrender his or her vested Options for cancellation and receive an amount (the "**Growth Amount**") equal to the difference between the market price of the Common Share underlying the Option and the Exercise Price of the Option, which Growth Amount, less any amounts required to be withheld, will be payable through the issuance by the Corporation to the Participant of a number of Common Shares calculated by dividing the Growth Amount by the market price of the underlying Common Shares. On February 8, 2012, the Board approved an immaterial amendment to the Option Plan to provide for flexibility for the automated exercise of Options by optionholders. On March 14, 2014, pursuant to section 23(c)(i) of the Option Plan, the Board approved certain housekeeping amendments to the Option Plan to (i) remove references to "Cineplex Galaxy Income Fund" and related terms from the Option Plan and (ii) clarify the treatment of options exercised pursuant to the net cashless exercise option under the Option Plan.

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

Subject to the overriding discretion of the CNCG Committee with respect to an Option, an Option and all rights to purchase Common Shares pursuant thereto shall expire and terminate immediately upon the Participant who holds such Option ceasing to be an officer or employee, except that: (i) other than in the case of termination for cause, all vested and exercisable Options held at the time a Participant ceases to be an eligible person may be exercised by the Participant for a period of 30 days following the time that such Participant ceases to be an eligible person and after such 30 day period shall expire and terminate; (ii) in the case of retirement, all Options held at the time a Participant ceases to be an eligible person will continue to vest and may be exercised by the Participant for a period of three years following the time that such Participant ceases to be an eligible person and after such three year period shall expire and terminate; (iii) in the case of death or disability, all vested and exercisable Options held at the time a

Participant ceases to be an eligible person may be exercised by the Participant for a period of one year following the time that such Participant ceases to be an eligible person and after such one year period shall expire and terminate; and (iv) where an employment agreement provides otherwise.

Upon a “change of control”, all Options will become exercisable. A “change of control” is defined in the Option Plan as any sale, disposition, assignment, reorganization, amalgamation, merger or other transaction, or series of related transactions, as a result of which an entity or group of entities acting jointly or in concert, or entities associated or affiliated with any such entity or group within the meaning of the *Securities Act* (Ontario), becomes the owner, legal or beneficial, directly or indirectly, of more than 50% of the Common Shares or exercises control or direction over more than 50% of the Common Shares.

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

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

Following completion of the Arrangement, all Options exercisable for Units under the Option Plan became Options exercisable for Common Shares.

#### *Option Dilution*

The following dilution calculation includes the total Options available to grant and Options granted but not yet exercised (collectively, the “**Option Pool**”). As at December 31, 2013, there were 4,797,637 Options in the Option Pool (from the 5,250,000 Common Shares reserved for issuance under the Option Plan), representing a dilution level of 7.62% on the 62,934,028 outstanding Common Shares.

In prior years, Cineplex’s disclosure regarding the Option Pool did not include certain options exercised pursuant to the net cashless exercise option under the Option Plan, for which no Common Shares were issued. Such exercised Options, that do not result in the issuance of Common Shares, are returned to the Option Pool and are included in the calculations of the Option Pool and dilution level contained herein.

In 2013, a total of 405,834 Options were granted, representing 0.64% of all Common Shares outstanding as at December 31, 2013.

Plan Category	Number of Securities to be issued upon exercise of outstanding Options (#)	Weighted-average exercise price of outstanding Options (\$)	Number of securities remaining available for future issuance under Option Plan (#)
Equity Compensation plans approved by security holders	1,459,772	\$27.23	3,337,865
Equity compensation plans not approved by security holders	n/a	n/a	n/a
<b>Total</b>	<b>1,459,772</b>	<b>\$27.23</b>	<b>3,337,865</b>

### *Common Share Ownership Requirements*

All NEOs and other key members of the senior management team are subject to Common Share ownership guidelines. Mr. Jacob is required to reach and maintain the Common Share ownership level noted below as at the present time; other than Mr. Jacob, the NEOs had a three-year period from January 1, 2011 in which they were encouraged to reach and maintain the Common Share ownership levels noted in the below chart. Unexercised Options do not count towards this ownership requirement. However, DSUs and the threshold level of PSUs held on behalf of a NEO will count towards such NEO's Common Share ownership requirement. To deal with fluctuations in the Common Share price, the ownership value will reference the higher of market value, acquisition value or \$22.41 per Common Share (the price per Common Share as at January 1, 2011 when the Corporation was converted from an income fund structure).

Name	Ownership Expectation as a multiple of Base Salary	Ownership Expectation in Value (\$) <sup>(1) (2)</sup>	Current Ownership Value (\$) <sup>(3)</sup>
<b>Ellis Jacob</b>	3 x Base Salary	\$2,477,742	\$11,962,495
<b>Gord Nelson</b>	2 x Base Salary	\$740,160	\$3,739,683
<b>Dan McGrath</b>	2 x Base Salary	\$873,800	\$2,854,611
<b>Michael Kennedy</b>	1 x Base Salary	\$352,390	\$768,874
<b>Jeff Kent</b>	1 x Base Salary	\$313,540	\$1,261,357

#### **Notes:**

- (1) Ownership expectation calculation is based upon base salaries as at December 31, 2013.
- (2) Ownership expectation as to the CEO and other NEOs are currently in place. All NEOs currently exceed the ownership expectations.
- (3) As at March 31, 2014, the ownership values noted above are based on a Common Share price of \$42.07.

Effective March 1, 2014, the CEO will be subject to a one-year post-retirement Common Share ownership requirement on the same schedule as noted above. In addition, the structure of the PSU Plan ensures that NEOs and other executives will hold unvested PSUs until up to two years after departure unless the PSUs are forfeited under certain conditions. PSUs are the primary mid-term incentive vehicle and represent a significant portion of variable pay across the NEO group.

#### (C) LTIP (plan was retired in 2011)

This plan is described in detail in the 2011 and prior information circulars and was retired in 2011. LTIP Units purchased by the plan's trustee (prior to 2011) or Common Shares (commencing in 2011) on the open market were held until such time as ownership vested to each participant.

On January 1, 2011, all Units held pursuant to the LTIP were converted to Common Shares, all entitlements to Units became entitlements to Common Shares and all entitlements to receive distributions on Units became entitlements to dividends on Common Shares, each on a one-to-one basis. One-third of the Common Shares vested 30 days after the consolidated financial statements for the corresponding year were approved by the Board, with an additional one-

third vesting on each of the first and second anniversaries of that date. LTIP participants were entitled to receive dividends on all Common Shares held for their accounts prior to the applicable vesting date. Unvested Common Shares held by the trustee for LTIP participants were forfeited if the participant resigned or was terminated for cause prior to the applicable vesting date and those Common Shares were sold and the proceeds returned to Cineplex and excluded from future LTIP calculations.

A final award was made under the LTIP in March, 2011 relating to the year ended December 31, 2010 which is reported in the Summary Compensation Table; such awards vested on a one-third basis in each of March, 2011, 2012 and 2013. No further grants will be made under the LTIP.

#### *CEO Succession Planning*

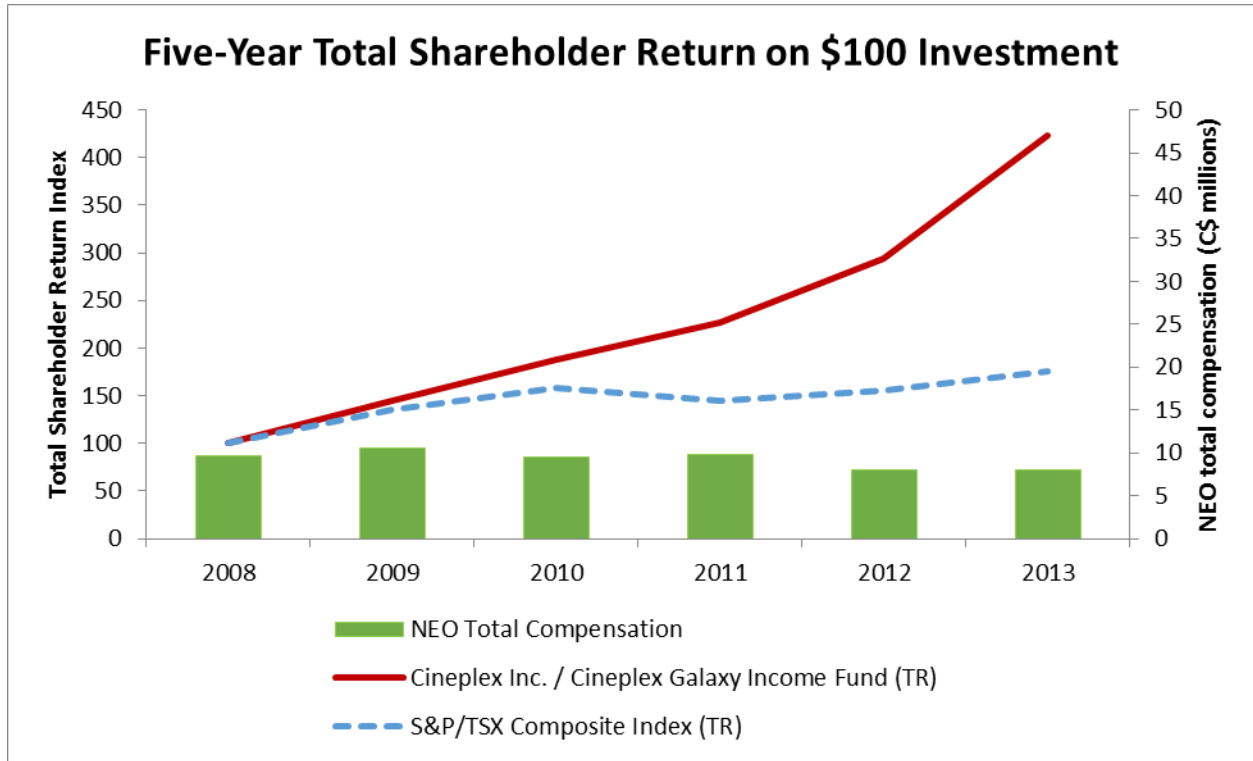
A key responsibility of the Board, acting on the recommendations of the CNCG Committee, is to ensure there is both an emergency and long-term plan in place to replace the CEO when necessary, either due to retirement, resignation, termination, disability or death. In addition to reviewing the existing CEO's performance annually on a formal basis, regular discussions are held with the CEO about his retirement plans and term of his contract to facilitate long-term succession planning for this role. Based on the talent review process noted below and with the input of the CEO, as well as separate consideration of any external candidates who are considered qualified for the CEO role, the CNCG Committee reviews its assessment with the Board and ensures that there is a short-term and a long-term plan to manage CEO succession in an orderly manner and also to ensure the very best talent is selected.

The CNCG Committee is also responsible to ensure that there are plans and programs in place to evaluate the current and potential bench strength for key executives. Each year the CNCG Committee conducts a talent review with the CEO to assess the actual performance against objectives, key strengths, development opportunities and the promotion potential of key executives, including an in-depth review of the contingency and long-term succession plans for the CEO and the members of the executive team. To support this process, throughout the year key executives present business information at Board or committee meetings to demonstrate their business knowledge and potential for taking on more responsibility. Social and other events beyond meetings are held to allow Directors to interact more informally with key executives and other employees.



## Performance Graph

The following graph compares the return for \$100 invested in Units on December 31, 2008 with the total return of the S&P/TSX Composite Index (the “**Index**”), assuming the reinvestment of distributions in additional Units (prior to 2011) and the reinvestment of dividends in additional Common Shares (commencing in 2011). The following graph also demonstrates an alignment between Shareholder return and the level of NEO compensation.



Since the inception of the Fund, the Fund, and the Corporation following completion of the Arrangement, has consistently performed higher than the Index.

For purposes of the discussion regarding the relationship between NEO compensation and Shareholder value (or Unitholder value prior to 2011), NEO compensation is based on the amounts disclosed in the Summary Compensation Table in the information circulars relating to fiscal periods from 2008 to 2013 for the five most highly compensated executive officers in each year.

During that period, the total return delivered to Unitholders/Shareholders through capital appreciation and receipt of distributions/dividends was approximately 322.6% whereas the total increase in compensation to NEOs decreased 16.8%. For the latest fiscal year (2013), the total return delivered to Shareholders was 43.7% compared to an increase in NEO compensation of 0.2%.

## Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Unit-Based Awards (\$) <sup>(1)</sup>	Option-Based Awards (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation <sup>(3)</sup>		Pension Value (\$) <sup>(4)</sup>	All Other Compensation (\$) <sup>(5)</sup>	Total Compensation (\$)
					Annual Incentive Plans (\$) <sup>(3)</sup>	Long-term Incentive Plans (\$) <sup>(3)</sup>			
Ellis Jacob <sup>(6)</sup> CEO	2013	825,914	1,022,055	340,689	1,043,920	0	636,470	110,175	3,979,223
	2012	803,419	994,238	331,410	1,316,571	0	346,120	150,631	3,942,389
	2011	803,419	2,494,230	1,331,410	806,104	0	317,370	204,947	6,011,480
Gord Nelson CFO	2013	370,080	277,551	92,521	257,271	0	18,000	22,304	1,037,727
	2012	360,000	269,998	90,000	262,853	0	17,407	40,782	1,041,040
	2011	348,148	261,111	87,037	192,100	0	17,408	60,721	966,525
Dan McGrath Chief Operating Officer	2013	436,900	409,490	136,532	414,167	0	21,250	33,797	1,452,136
	2012	425,000	398,450	132,812	423,154	0	21,250	51,806	1,452,472
	2011	425,000	398,438	132,813	319,779	0	20,659	72,404	1,369,093
Michael Kennedy EVP, Filmed Entertainment	2013	352,390	185,014	61,668	166,966	0	17,140	21,863	805,041
	2012	342,792	179,956	59,989	186,479	0	17,140	35,508	821,864
	2011	342,792	179,966	59,989	145,403	0	17,140	46,100	791,390
Jeff Kent Chief Technology Officer	2013	313,540	176,357	58,789	158,520	0	12,200	23,825	743,231
	2012	305,000	171,560	57,188	161,960	0	12,136	36,168	744,012
	2011	294,586	165,705	55,235	118,215	0	11,787	56,590	702,118

### Notes:

- (1) The “Unit-Based Awards” column show the value of the PSU awards made in 2011 at a grant value of \$21.69, 2012 at a grant value of \$25.68 and 2013 at a grant value of \$30.48.
- (2) Amounts in this column reflect the fair value of options granted that will be recognized as share-based compensation expense by Cineplex for financial reporting purposes, as determined in accordance with IFRS 2, “Share-based payments” of the CPA Canada Handbook - Accounting. The Black-Scholes option pricing model was used to calculate an option valuation of \$3.29 applied to the 2013 option grant (2012 option grant - \$2.48 and 2011 option grant - \$2.16). Cineplex uses Black-Scholes methodology to arrive at an accounting fair value for stock option grants based on estimates at the actual time of the grant, as this methodology is considered to provide a meaningful and reasonable estimate of fair value. The key assumptions and estimates used for purposes of calculating the value of the 2013 option grant were an expected option life based on Cineplex’s historical actual experience, volatility rate of 23%, dividend yield of 4.03%, and an annual risk-free interest rate of 1.22%. Cineplex used the foregoing methodology for purposes of calculating fair value as it is consistent with required accounting practice. There were no options for the NEOs that were adjusted, amended, cancelled, replaced or significantly modified.
- (3) All amounts reflected in the “Non-Equity Incentive Plan Compensation, Annual Incentive Plans” relate to the annual cash incentive program and are based on the Bonus Measures. While the full value of their annual incentive plan payments for 2011, 2012 and 2013 are reflected above, in 2011, Messrs. Jacob and Nelson elected to receive 100% and 50%, respectively, of their annual incentive plan payment for 2011 as DSUs and in 2012, Messrs. Jacob, Nelson and McGrath elected to receive 50%, 50% and 33%, respectively, of their annual incentive plan payment as DSUs. In 2013, Messrs. Jacob, Nelson and McGrath each elected to receive 50% of their annual incentive plan payment as DSUs. No amounts are noted in the long-term incentive plan column as the Corporation does not have any non-equity incentive plans that are not otherwise represented in other columns.
- (4) The “Pension Value” amounts for Mr. Jacob are the total of the amounts shown in both of the “Compensatory Change” columns of the Defined Benefit Plans and Defined Contribution Plans tables set forth under “Pension Arrangements”. The pension amounts for the remaining NEOs are the amounts shown in the “Compensatory Change” column of the Defined Contribution Plans table set forth under “Pension Arrangements”.
- (5) The “All Other Compensation” column includes annual car allowances, medical insurance premiums and fees, and monthly dividends on unvested LTIP Common Shares. These amounts were successively lower in 2012 and 2013 due to decreased dividends on declining balances of unvested LTIP Common Shares due to expiration of the plan.
- (6) While Mr. Jacob was also a Director of the Corporation and a director of the GP, he received no compensation for those services.

## **Employment Agreements**

Each of the NEOs is subject to an employment agreement. Each employment agreement contains provisions setting out: (i) the base salary; (ii) the manner for increasing the base salary; (iii) scope of responsibilities; (iv) entitlements to benefits; (v) entitlement to participation in compensation plans; and (vi) severance benefits that may be provided on termination of services. Mr. Jacob's employment contract has been renewed effective March 1, 2014 and expires on December 31, 2018.

Each employment agreement provides that the executive will be provided with a compensation package (salary, incentives and benefits). The base salaries paid to each of the NEOs as at December 31, 2013 are set out in the Summary Compensation Table. All of the NEOs are entitled to receive an annual cash incentive bonus based upon the achievement of EBITDA targets and other targets set by the CNCG Committee. The annual bonus design and targets are approved by the CNCG Committee and are set out in the "Annual Cash Incentive" section herein. All performance targets on financial measures are the same for any NEOs who have the measure within their bonus plan.

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

All of the NEOs are eligible to participate in any long-term incentive plans that may exist from time to time. The Board determines the amount of any annual awards under these plans and the amount of each individual award based on the relative contribution of the individual as assessed by the CEO and the CNCG Committee. In the case of Mr. Jacob, in recognition of outstanding business performance and in consideration of the renewal of his employment agreement for a further three years, a special grant of 23,770 PSUs and 100,000 Options was made on February 14, 2014. These special grants will be reflected in the summary compensation table in next year's information circular along with the annual grants as they reflect compensation awarded in 2014.

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

In the case of Mr. Jacob, his employment agreement stipulates that he shall be a member of the Board, subject to election by the Shareholders. No compensation is paid for this board role. Mr. Jacob will also receive post-retirement health and dental benefits for the remainder of his life and administrative services with an annual cost to the Corporation of up to \$50,000 for the lesser of the first five years of his retirement or age 71 under all conditions of departure other than termination for cause.

With respect to the PSU Plan and Option Plan, any grants made to the CEO before retirement will vest fully on a post-retirement basis.

## **Incentive Plan Awards**

The table on the following page sets out all outstanding incentive-based awards for each NEO as at December 31, 2013. The value of unvested "Unit-Based Awards" noted in the chart is included in the values noted in the "Unit-Based Awards" column of the Summary Compensation Table. Annual incentive award amounts to be paid in DSUs are included in the values noted in the "Annual Incentive Plans" column of the Summary Compensation Table.

Name	Option-Based Awards					Unit-Based Awards	
	Year of Option Grant	Number of Common Shares Underlying Unexercised Options (#) <sup>(1)</sup>	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised “In-The-Money” Options (\$)	Number of Common Shares in Unit-Based Awards That Have Not Vested (#) <sup>(2)</sup>	Market or Payout Value Of Unit-Based Awards That Have Not Vested (\$) <sup>(3)</sup>
Ellis Jacob	2011	503,218	23.12	02/15/2021	10,537,385	283,120	12,214,898
	2012	133,687	27.33	02/14/2022	2,236,584		
	2013	103,553	33.49	02/12/2023	1,094,555		
Gord Nelson	2011	13,413	23.12	02/15/2021	280,868	42,301	1,836,589
	2012	24,203	27.33	02/14/2022	404,916		
	2013	28,122	33.49	02/12/2023	297,250		
Dan McGrath	2011	20,467	23.12	02/15/2021	428,579	55,776	2,416,060
	2012	35,716	27.33	02/14/2022	597,529		
	2013	41,499	33.49	02/12/2023	438,644		
Michael Kennedy	2011	9,244	23.12	02/15/2021	193,569	23,220	1,004,372
	2012	24,199	27.33	02/14/2022	404,849		
	2013	18,744	33.49	02/12/2023	198,124		
Jeff Kent	2011	8,512	23.12	02/15/2021	178,241	21, 830	944,606
	2012	23,069	27.33	02/14/2022	385,944		
	2013	17,869	33.49	02/12/2023	188,875		

**Notes:**

- (1) Includes both unvested and vested Options valued as at December 31, 2013.
- (2) The number of Common Shares that have not vested is the number of PSUs and DSUs granted during 2011, 2012 and 2013, including dividend equivalents, which will pay out in cash, not shares. All amounts are included in the Summary Compensation Table as earlier noted. In the case of the DSUs, they represent that portion of “Annual Incentive Plans” amounts as shown in the Summary Compensation Table taken by NEOs as deferred compensation.
- (3) The market value of the unvested awards was \$44.06 per Common Share as at December 31, 2013. The 2011 PSUs are included in these totals as they vested in 2014 but they are reflected at their closing price of \$42.07 which is the 90 day closing average to year end.

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

Name	Option-Based Awards – Value Vested During the Year (\$) <sup>(1)</sup>	Unit-Based Awards – Value Vested During the Year (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$) <sup>(3)</sup>
Ellis Jacob	2,060,692	871,560	1,043,920
Gord Nelson	209,398	602,927	257,271
Dan McGrath	315,865	366,985	414,167
Michael Kennedy	142,677	229,361	166,966
Jeff Kent	132,946	275,247	158,520

**Notes:**

- (1) One-third of the 2011 Option grant vested on February 15, 2013 with a value of \$20.94 per Option on December 31, 2013 and one-third of the 2012 Option grant vested on February 14, 2013 with a value of \$16.73 per Option on December 31, 2013.
- (2) The amounts reflected in the “Unit-Based Awards – Value Vested During the Year” column represent one-third of the LTIP Common Shares awarded in 2011 that vested in 2013 on their scheduled anniversary, as set out in the “Unit-Based Awards” column in the Summary Compensation Table. In the case of Mr. Nelson, it also includes the DSUs granted in 2011 which vested in 2013.

- (3) The amounts reflected in the final column, “Non-Equity Incentive Plan Compensation – Value Earned During the Year”, represent the “Annual Incentive Plans” cash payments or amounts deferred into DSUs for 2013 as reflected in the “Annual Incentive Plans” column in the Summary Compensation Table. All DSU amounts are also included in the prior table as “Market or Payout Value Of Unit-Based Awards That Have Not Vested”.

### Pension Arrangements

Cineplex’s pension plans are described above under “*Compensation Discussion & Analysis*” and the tables below outline the details for 2013 relating to each NEO.

*Defined Benefit Plan Table – SERP - Ellis Jacob*

Name	Number of Years Credited Service (#)	Annual Benefits Payable (\$)		Accrued Obligation at Start of Year (\$)	Compensatory Change (\$)	Non-Compensatory Change (\$)	Accrued Obligation at Year End (\$)
		At Year End	At Age 65				
Ellis Jacob	14.5	350,000	400,000	4,576,500	612,200	(176,300)	5,012,400

The “Compensatory Change” value noted above is included as part of the “Pension Value” noted in the Summary Compensation Table as it relates to Mr. Jacob for 2013. The Annual Benefits Payable At Age 65 has been adjusted effective March 1, 2014 to \$500,000 as referenced in the Defined Benefit Plan section above.

*Defined Contribution Plan Table –Pension Plan for Employees of Cineplex Entertainment LP*

Name	Accumulated Value at Start of Year (\$)	Compensatory Change (\$)	Non-Compensatory Change (\$)	Accumulated Value at Year End (\$)
Ellis Jacob	214,600	24,270	53,710	292,580
Gord Nelson	251,065	18,000	43,913	312,978
Dan McGrath	133,645	21,250	35,953	190,848
Michael Kennedy	115,422	17,140	20,908	153,469
Jeff Kent	87,818	12,200	14,503	114,521

As to each NEO other than Mr. Jacob, the amount reflected above as the “Compensatory Change” is noted as the 2013 “Pension Value” in the Summary Compensation. As to Mr. Jacob, the amount noted in Summary Compensation Table combines the “Compensatory Change” values noted in the Defined Benefit Plan Table as well as the Defined Contribution Benefit Plan Table.

### Termination and Change of Control Benefits

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

For purposes of the employment agreements, a “change of control” is defined as any sale, disposition, assignment, reorganization, amalgamation, merger or other transaction, or series of related transactions, as a result of which an entity or group of entities unrelated to Cineplex acting jointly or in concert, or entities associated or affiliated with any such entity or group within the meaning of the *Securities Act* (Ontario), becomes the owner, legal or beneficial, directly or indirectly, of more than 50% (one-third in the case of Mr. Jacob during 2013) of the Common Shares (on a fully diluted basis) or exercises control or direction over more than 50% of the Common Shares (on a fully diluted basis) following such acquisition. Each of the employment agreements for the NEOs includes non-competition and non-solicitation covenants in effect for 12 months following the date on which the executive ceases to be employed

by Cineplex Entertainment LP. (Effective March 1, 2014, Mr. Jacob is also subject to the same 50% threshold of new ownership as the other NEOs).

The following charts outline payments that would be made under various termination scenarios, all with an effective departure date of December 31, 2013. In all cases any outstanding salary, bonus and unused vacation relating to the period of employment up to the date of departure would be due and payable but are not included in the chart. The Option Plan, and PSU Plan provide that the vesting terms under each such plan may be accelerated upon a change of control (as described above). Termination and change of control provisions for these plans are set out under the “Compensation Analysis and Discussion”. The amounts reflected in the below charts are not reflected in the Summary Compensation Table as no NEO terminations occurred during 2013.

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

Name	Period of Notice	Salary & Bonus Notice (\$) <sup>(1)</sup>	Unit-Based Awards (\$) <sup>(2)</sup>	Option-Based Awards (\$) <sup>(3)</sup>	Pension Value (\$) <sup>(5)</sup>	All Other Compensation (\$) <sup>(6)</sup>
<b>Ellis Jacob</b>	36 months	4,955,484	3,362,939	8,890,046	50,000 + 72,810	232,421
<b>Gord Nelson</b>	24 months	1,147,248	471,169	0	36,000	0
<b>Dan McGrath</b>	24 months	1,529,150	695,320	0	42,500	0
<b>Michael Kennedy</b>	18 months	740,019	314,044	0	25,710	0
<b>Jeff Kent</b>	15 months	548,695	299,422	0	15,250	0

**Notes:**

- (1) Salary and Bonus Notice payments to Mr. Jacob will be made within 10 business days; all other NEOs can select lump sum or salary continuance.
- (2) Value of Unvested Unit Based Awards is calculated at closing price on December 31, 2013 of \$44.06 per Common Share. This chart includes unvested PSUs with performance periods ending after December 31, 2013. In the case of the CEO, PSUs are fully valued and pay out at the end of the three-year Performance Period, thus creating a performance tail. For all other NEOs, PSUs are prorated for the period of active employment within the Performance Period. PSUs in their second or third of their three-year Performance Period pay out at the end of the Period, thus creating a performance tail.
- (3) In the case of Mr. Jacob, this includes all vested Options. In the case of the remaining NEOs, any vested options can be exercised but do not represent additional value upon departure. Unvested options expire upon departure under this scenario.
- (4) In the case of Mr. Jacob, \$50,000 of the Pension Value represents the incremental annual SERP pension payable for his lifetime with 60% continuing to his spouse upon his death. A lump sum commuted value may be selected in lieu of the annual pension. \$72,810 represents three years of GRRSP employer contributions during the notice period. In the event of resignation with six months’ notice, there is no incremental annual SERP pension and no further GRRSP contributions. For the remaining NEOs, the Pension Value is equivalent to GRRSP employer contributions during the notice period.
- (5) All Other Compensation does not include the value of group benefits that continue during the notice period. In the case of Mr. Jacob, All Other Compensation includes insurance costs relating to the notice period. For the remaining NEOs, All Other Compensation is less than \$50,000.

All NEOs due to Change in Control, either by Employer or by Employee for Good Reason (CEO does not require Good Reason for first 12 months)

Name	Period of Notice	Salary & Bonus Notice (\$) <sup>(1)</sup>	Unit-Based Awards (\$) <sup>(2)</sup>	Option-Based Awards (\$) <sup>(3)</sup>	Pension Value (\$) <sup>(5)</sup>	All Other Compensation (\$)
Ellis Jacob	36 months	4,955,484	3,362,939	8,890,046	50,000 + 72,810	232,421
Gord Nelson	24 months	1,147,248	913,276	983,034	36,000	0
Dan McGrath	24 months	1,529,150	1,347,707	1,464,752	42,500	0
Michael Kennedy	18 months	740,019	608,733	661,582	25,710	0
Jeff Kent	15 months	548,695	580,358	624,407	15,250	0

**Notes:**

- (1) All payments are made on a lump sum basis within 10 business days. If the change of control does not result in termination of employment, the salary and bonus notice payments do not apply.
- (2) This chart includes unvested PSUs with performance periods ending after December 31, 2013. All PSUs vest immediately unless they can reasonably continue by the successor company and no termination occurs, in which case the incremental value of Unit-Based Awards would be \$0 under this scenario.
- (3) Includes all unvested Options, which vest immediately.
- (4) In the case of Mr. Jacob, \$50,000 of the Pension Value represents the incremental annual SERP pension payable for his lifetime with 60% continuing to his spouse upon his death. A lump sum commuted value may be selected in lieu of the annual pension. \$72,810 represents three years of GRRSP employer contributions during the notice period. In the event of resignation with six months' notice, there is no incremental annual SERP pension and no further GRRSP contributions. For the remaining NEOs, the Pension Value is equivalent to GRRSP employer contributions during the notice period.
- (5) All Other Compensation does not include the value of group benefits that continue during the notice period. In the case of Mr. Jacob, All Other Compensation includes insurance costs relating to the notice period totalling \$232,121. For the remaining NEOs, All Other Compensation is less than \$50,000.

*Termination With Cause (all NEOs), CEO Resignation with less than six months' notice, all other NEO Resignations*

No compensation will be paid upon termination under these conditions. Any amounts under the Option Plan that vested to an NEO prior to the date of resignation would remain vested in that NEO.

*All NEOs due to Disability*

Name	Period of Notice	Salary & Bonus Notice (\$)	Unit-Based Awards (\$) <sup>(1)</sup>	Option-Based Awards (\$) <sup>(2)</sup>	Pension Value (\$) <sup>(3)</sup>	All Other Compensation (\$) <sup>(4)</sup>
Ellis Jacob	36 months	0	3,362,939	8,890,046	50,000	232,421
Gord Nelson	24 months	0	471,169	983,034	0	0
Dan McGrath	24 months	0	695,320	1,464,752	0	0
Michael Kennedy	18 months	0	314,044	661,582	0	0
Jeff Kent	15 months	0	299,422	624,407	0	0

**Notes**

- (1) This chart includes unvested PSUs with performance periods ending after December 31, 2013. In the case of the CEO, PSUs are fully valued and pay out at the end of the three-year Performance Period, thus creating a performance tail. For all other NEOs, PSUs are prorated for the period of active employment within the Performance Period. PSUs in their second or third of their three-year Performance Period pay out at the end of the Period, thus creating a performance tail.

- (2) The Option Plan provides for unvested Options to be exercised within one year from date of departure due to disability and within three years from date of departure due to retirement. The CEO's Options vest on their regular schedule.
- (3) In the case of Mr. Jacob, this represents the incremental annual SERP pension payable for his lifetime with 60% continuing to his spouse upon his death, and no further GRRSP contributions. A lump sum commuted value may be selected in lieu of the annual pension. No further GRRSP contributions are payable to the remaining NEOs.
- (4) All Other Compensation is the same as set out in item (6) to the first termination table. Continued benefits coverage during the notice period for disability is dependent upon the carrier's plan policies.

### *Compensation Changes*

Other than the updates to the CEO contract renewal dated March 1, 2014 and noted in the relevant sections of this document, as at the date hereof, there are no significant changes to the Corporation's compensation policies and practices planned for the next financial year.

### **Compensation of Directors of the Corporation**

The table on the following page sets out all amounts of compensation provided to the Directors for the year ended December 31, 2013. As Mr. Jacob did not receive compensation for his services as a Director of the Corporation; his total compensation is discussed under "Compensation of Executive Officers".

#### *Director Compensation Table*

Name	Fees Earned (\$) <sup>(1)</sup>	Total Compensation (\$)	% of Total Compensation Taken as DSUs
<b>Jordan Banks</b>	\$52,500	\$52,500	100%
<b>Robert Bruce</b>	\$70,000	\$70,000	100%
<b>Joan Dea</b>	\$70,000	\$70,000	64%
<b>Ian Greenberg</b>	\$70,000	\$70,000	100%
<b>Sarabjit Marwah</b>	\$81,250	\$81,250	100%
<b>Anthony Munk</b>	\$70,000	\$70,000	50%
<b>Edward Sonshine</b>	\$77,500	\$77,500	100%
<b>Robert Steacy</b>	\$90,000	\$90,000	50%
<b>Phyllis Yaffe</b>	\$110,000	\$110,000	50%

#### **Notes:**

- (1) Mr. Steacy, Mr. Sonshine, Ms. Yaffe and Mr. Marwah received additional compensation for their Chair roles as disclosed in the table above and described below.

For service during 2013, Directors each received an annual retainer of \$70,000. In addition, the Chair of the Audit Committee of the Corporation received an additional annual retainer of \$20,000, the Chair of the CNGC Committee received an additional annual retainer of \$15,000 and the Board Chair received an additional annual retainer of \$40,000. The Directors were also reimbursed for out-of-pocket expenses for attending meetings. Mr. Jacob, as a member of management, does not receive any compensation for serving as a Director.

No additional equity compensation was awarded to the Directors in 2013, apart from DSUs that were earned as part of the annual retainer.

Director compensation is reviewed bi-annually and no review was conducted during 2013.

#### *Share Ownership Guidelines for Directors*

Effective January 1, 2011 the Directors are subject to Common Share ownership guidelines of three times the annual retainer of \$70,000, resulting in Common Share ownership levels of \$210,000 per Director (including Directors with



Chair or Committee Chair responsibilities). The calculation of the Common Share ownership of Directors shall include share equivalents of DSUs. Directors had until January 1, 2014 to meet this ownership level. Current ownership levels are reported in the “Election of Directors” section in this circular. To deal with fluctuations in the Common Share price, the ownership value will reference the higher of the then current market value, acquisition value, or \$22.41 per Common Share (the price per Common Share as at January 1, 2011 when the Corporation was converted from an income fund structure).

#### *DSU Plan for Directors*

In January 2011, the Corporation adopted the Board of Directors Deferred Share Unit Plan (the “**Directors’ DSU Plan**”). The vesting conditions (which may include time restrictions, performance conditions or a combination of both), if any, for DSUs granted under the Directors’ DSU Plan are determined by the CNCG Committee and set out in writing to each participant.

Under the Directors’ DSU Plan, the Directors of the Corporation, other than Directors who are also employees of the Corporation, are entitled to elect to receive all or a portion of the annual board and, if applicable, chair retainer payable in the following fiscal year in the form of DSUs rather than as a cash payment. Such election may be delivered no later than the last day of the Corporation’s fiscal year with respect to the annual board retainer for the following fiscal year. For a Director who is elected during a year, such an election shall be made as soon as is practicable following such Director’s election, and in any event no later than the date that such Director becomes eligible to participate in the Directors’ DSU Plan. In addition to such an election, the CNCG Committee, with the approval of the Board, may make additional grants (“**Discretionary Grants**”) of DSUs to the Directors at such times and in such amounts as the CNCG Committee may determine. No additional grants have been made to directors to date under this DSU Plan.

Under the terms of the Directors’ DSU Plan, the DSU participant will be credited on the date that his or her annual retainer would otherwise be paid with a number of DSUs equal to the amount of the annual retainer designated to be received in the form of DSUs divided by the “fair market value” of the Common Shares on such date. The “fair market value” is defined as, if the Common Shares are listed on the TSX, the value of a Common Share determined by reference to the five-day average closing price of a Common Share on the immediately preceding five trading days, or, if the Common Shares are not so listed or traded, the “fair market value” will be the value established by the Board in its sole discretion. In the case of Discretionary Grants, a participant will be credited with the DSUs allotted by such Discretionary Grant on the day so designated by the CNCG Committee.

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

Under the Directors’ DSU Plan, a participant will be entitled to receive, after the effective date the participant ceases to be a Director of the Corporation, and is no longer otherwise employed by the Corporation (the “**Termination Date**”): (i) on the day, designated by the participant in writing to the Board, during the period commencing on the business day immediately following the Termination Date and ending on the 90<sup>th</sup> day following such date, which date shall be no later than the end of the calendar year following the year in which the Termination Date occurs; and (ii) if no notice is given, then on the 90<sup>th</sup> day following the Termination Date, a lump sum cash payment equal to the number of vested DSUs credited to such participant’s DSU account multiplied by the value of a Common Share on the Termination Date, net of any applicable withholdings.

Upon a “change of control”, and at the discretion of the CNCG Committee, all DSUs granted under the Directors’ DSU Plan will immediately vest. Alternatively, to the extent that the change of control would also result in a capital reorganization, arrangement, amalgamation or reclassification of the capital of the Corporation and the CNCG Committee does not accelerate the vesting of DSUs, the CNCG Committee may make adequate provisions to ensure that, upon completion of the proposed change of control, the number of DSUs outstanding under each DSU Plan and/or determination of the “fair market value” shall be appropriately adjusted in such manner as it considers equitable, in its discretion, to prevent substantial dilution or enlargement of the rights granted to holders of the DSUs. For purposes of the Directors’ DSU Plan, a “change of control” is defined as any sale, disposition, assignment, reorganization, amalgamation, merger or other transaction, or series of related transactions, as a result of which an entity or group of entities unrelated to the Corporation or any of its subsidiaries acting jointly or in

concert, or entities associated or affiliated with any such entity or group within the meaning of the *Securities Act* (Ontario), becomes the owner, legal or beneficial, directly or indirectly, of more than 50% of the Common Shares or exercises control or direction over more than 50% of the Common Shares (on a fully diluted basis) and holders of Common Shares prior to such acquisition hold less than 50% of the Common Shares (on a fully diluted basis ) following such acquisition.

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

In March 2011, the Directors' DSU Plan was amended to clarify: (i) that no amount will be paid to or in respect of a participant and no DSUs would be granted to a participant, to compensate such participant for a downward fluctuation in the price of Common Shares; and (ii) the provisions relating to payments made upon the occurrence of a change of control.

Elections made under the Directors' DSU plan relating to 2013 compensation are reported in the Director Compensation Table.

### **DIRECTORS' AND OFFICERS' INSURANCE**

The Directors and officers of the Corporation and its subsidiaries are covered under directors' and officers' insurance policies that provide an aggregate limit of liability to the insured Directors and officers of \$50,000,000 plus an additional \$5,000,000 in Side A insurance coverage. For the insurance term year November 2013 through November 2014, the Corporation paid a total premium of \$101,150 or a rate per million of coverage of \$2,023. For the prior insurance term of November 2012 through November 2013, the Corporation carried an aggregate limit of \$40,000,000 for a total premium of \$101,500 or a rate per million coverage of \$2,536.

The by-laws of the Corporation provide for indemnification of its Directors and officers from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties of office, subject to certain usual limitations.

### **INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

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

### **CORPORATE GOVERNANCE**

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

The mandate of the Board is attached as Schedule "C" and is available on the System for Electronic Document Retrieval and Analysis ("**SEDAR**") at [www.sedar.com](http://www.sedar.com).

## Board Composition and Independence

The Board views an individual as independent if he or she has no direct or indirect relationship with Cineplex which could, in the view of the Board, be reasonably expected to interfere with the exercise of that individual's independent judgment. The Board is currently comprised of ten individuals, all of whom other than Mr. Jacob, are independent within the meaning of applicable securities laws. Each of the Directors currently on the Board is being nominated for election at the Meeting to be a Director.

Each of Mr. Banks, Ms. Dea, Mr. Munk, Mr. Steacy and Ms. Yaffe has no relationship with Cineplex that could be said to affect their independence. As to the other Directors, notwithstanding the relationships noted below, the Board has determined that Messrs. Bruce, Greenberg, Marwah and Sonshine are independent for purposes of applicable securities laws as the relationship noted could not reasonably be expected to interfere with the Director's exercise of his independent judgment.

- **Robert Bruce** is an executive officer of Rogers Communications Inc., with whom Cineplex Entertainment LP or a subsidiary has entered into arrangements for the provision of media and telecommunications services from time to time and in the ordinary course of business. Mr. Bruce and the Board each consider the level of media services involved not to be material. The total media services purchased by Rogers Communications Inc. from the Corporation in 2013 amounted to approximately \$1.2 million; the services purchased by the Corporation from Rogers Communications Inc. include only internet and telephone services for the corporate offices as well as for mobile devices.
- **Ian Greenberg** was the senior executive officer of Astral Media Inc. through July 2013; Astral Media Inc. and Cineplex Entertainment LP have entered into arrangements for the provision of media services from time to time and in the ordinary course of business. Mr. Greenberg and the Board each consider the level of media services involved not to be material to their respective companies. Each of Cineplex Entertainment LP and Astral Media Inc. provided media services to the other for approximately \$2.5 million in 2013.
- **Sarabjit S. Marwah** is an executive officer of Scotiabank, which is a lead party to the Corporation's financing syndicate and with whom Cineplex Entertainment LP has partnered in the SCENE loyalty program. Mr. Marwah and the Board have each determined that the relationship between the Corporation and Scotiabank could not reasonably be expected to interfere with Mr. Marwah's exercise of his independent judgment. The banking relationship between the Corporation and Scotiabank is in the ordinary course of business; Mr. Marwah does not personally participate in any negotiations or management of matters relates to either the Corporation banking syndicate or the SCENE loyalty program.
- **Edward Sonshine** is an executive officer of RioCan Real Estate Investment Trust ("**RioCan**"), from which Cineplex Entertainment LP and its subsidiaries lease a number of properties. While the relationship is material to the Corporation, Mr. Sonshine and the Board have determined that the relationship could not reasonably be expected to interfere with Mr. Sonshine's exercise of his independent judgment. During the three months and year ended December 31, 2013, Cineplex Entertainment LP incurred theatre occupancy expenses for theatres under lease commitments with RioCan in the amounts of \$12.0 million and \$48.0 million, respectively (2012 - \$11.4 million and \$46.1 million, respectively).

In the event that a matter relevant to business of any Director is brought before the Board, that Director is expected to exercise his judgment to determine if a conflict exists and will not participate in any discussions relevant to such conflict.

During 2013, the Board held six in-camera sessions at meetings of the Board. At each Board meeting, the non-management Directors held an in-camera session exclusive of members of management for the purpose of facilitating open and candid discussion amongst the members.

The Board elects from its ranks a chair to preside at all meetings of the Board. Ms. Yaffe was appointed as Chair of the board of Trustees of the Fund in November 2009 and continues to act in that capacity as Chair of the Board of the Corporation.

The Corporation acknowledges the value of the contribution of women on the Board. In 2013, the Corporation signed the Catalyst Accord, an initiative to increase the proportion of women directors on corporate boards. Founded in 1962, Catalyst is the leading non-profit organization expanding opportunities for women and businesses. The Corporation has committed to increasing the number of Board seats held by women to 30 per cent by 2017.

## Committees

The Board maintains an Audit Committee and a CNGC Committee. The Audit Committee is currently comprised of Messrs. Bruce, Munk, Sonshine and Steacy, all of whom are independent, and Mr. Steacy is chair of the Audit Committee; Mr. Marwah served as a member of the Audit Committee until March 14, 2013. The Terms of Reference for the Audit Committee of the Corporation are attached as a schedule to the Corporation's Annual Information Form dated March 31, 2014, which is available on SEDAR at [www.sedar.com](http://www.sedar.com) and also on the Corporation's corporate website at [www.cineplex.com](http://www.cineplex.com), under "Investor Relations".

The CNGC Committee is currently comprised of four independent Directors (Messrs. Marwah and Greenberg and Mses. Yaffe and Dea), with Mr. Marwah serving as chair of the CNGC Committee. Mr. Sonshine served as a member and chair of the CNGC Committee until March 14, 2013. The Terms of Reference for the CNGC Committee are attached as Schedule "D" to this information circular.

The chair of each of the Audit Committee and the CNGC Committee are each independent, as is the Chair of the Board.

## Attendance

The table on the following page sets forth the number of formal board and committee meetings held, as well as the attendance by each of Directors of the Board, during the year ended December 31, 2013:

Director	Director Meetings Attended (#)	Audit Committee Meetings Attended (#)	CNGC Committee Meetings Attended (#)
Jordan Banks <sup>(1)</sup>	4 of 4	N/A	N/A
Robert Bruce	7 of 7	4 of 4	N/A
Joan Dea	7 of 7	N/A	3 of 3
Ian Greenberg	5 of 7	N/A	3 of 3
Edward Sonshine <sup>(2)</sup>	7 of 7	2 of 2	2 of 2
Robert Steacy	7 of 7	4 of 4	N/A
Ellis Jacob	7 of 7	N/A	N/A
Sarabjit Marwah <sup>(3)</sup>	7 of 7	3 of 3	1 of 1
Anthony Munk	7 of 7	4 of 4	N/A
Phyllis Yaffe	7 of 7	N/A	3 of 3

### Notes:

- (1) Mr. Banks was appointed to the Board in May, 2013.
- (2) Mr. Sonshine was a member of the CNGC Committee through May, 2013 at which time he resigned from that committee and was appointed to the Audit Committee.
- (3) Mr. Marwah was a member of the Audit Committee through May, 2013 at which time he resigned from that committee and was appointed to the CNGC Committee.

The above table does not reference attendance at the May 2013 annual meeting of Shareholders.

## Position Descriptions

The Mandate of the Board includes a description of the Chair's responsibilities and each committee has terms of reference by which its chairperson can be assessed. A copy of the Mandate of the Board is attached as Schedule "C" and available on the Corporation's website at [www.cineplex.com](http://www.cineplex.com). The Board has not developed further written position descriptions for the Chair of the Board or the chairs of the committees of the Board. The CEO's responsibilities are set out in his employment agreement.

## Selection, Orientation and Continuing Education

New board members are selected against set criteria that ensure broad and appropriate levels of expertise will be available to management. The CNGC Committee acknowledges that the Board's membership should represent a diversity of backgrounds, experience and skills. Directors are selected for their integrity and character, sound and independent judgment, breadth of experience, insight and knowledge and business acumen. Directors are expected to bring these personal qualities to their role and apply sound business judgment to help the Board make wise decisions and provide thoughtful and informed counsel to senior management. Working with the CEO and, when necessary, outside resources, the CNGC Committee identifies qualified individuals and conducts interviews and reference checks before formally nominating new board members. The CNGC Committee has determined that each of the existing Directors shall be again nominated to stand for election.

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

SKILLS & EXPERIENCE	Jordan Banks	Robert Bruce	Joan Dea	Ian Greenberg	Sarabjit Marwah	Anthony Munk	Edward Sonshine	Robert Steacy	Phyllis Yaffe
Senior Executive <sup>(1)</sup>	√	√	√	√	√	√	√	√	√
Other Directorships <sup>(2)</sup>	√	√	√	√	√	√	√	√	√
Financial or Risk Management	√	√	√	√	√	√	√	√	√
Media	√	√	√	√				√	√
Technology	√	√			√	√			
Film Exhibition, Production or Distribution				√		√			√
Real Estate		√		√	√		√		
Marketing	√	√	√	√	√	√			√
Retail and Customer	√	√	√	√	√		√	√	√
Strategy and Governance	√	√	√	√	√	√	√	√	√

### Notes:

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

The CNGC Committee is responsible for establishing and administering the orientation and continuing education of Board and committee members to ensure that all Directors fully understand the role of the Board and its committees and the nature and operation of the Corporation's business. Each new Director is provided with an orientation session upon joining the Board, including meetings with senior management and incumbent directors. The CNGC

Committee monitors both external developments and the Board's composition to determine what formal external education would be useful to members. Directors are aware of their responsibility to keep themselves up to date and the CNCG Committee advises all Directors of major developments in corporate governance and important trends and new legal and regulatory requirements. In addition, presentations are made regularly to the Board on different aspects of the Corporation's business as well as updates on best practices in governance matters.

To fulfil its responsibilities, the CNCG Committee is regularly provided with governance updates from external sources to ensure that they are fully briefed on governance requirements and best practices. Towers Watson attends two annual CNCG Committee meetings per year and provides direct education to the members on items relating to corporate governance. All CNCG Committee members were in attendance for those meetings in 2013.

In 2013, the Corporation arranged for all Directors and Cineplex executive management to attend a private full-day session facilitated by a strategy professor from Rotman School of Business, including presentations and working sessions relating to strategy and best practices. Further, the Corporation has enrolled all Directors as members of the Rotman Institute of Corporate Directors so as to receive regular educational mailings on governance matters during 2013.

Additionally, from time to time, members of the Board may participate in various leadership workshops and programs concerning topics of interest to directors of public companies as well as subjects they determine keep them up to date with current issues relevant to their service as Directors of the Corporation.

#### *Composition of the CNCG Committee of the Corporation*

The CNCG Committee of the Corporation is composed of four Directors, namely Ms. Dea, Mr. Greenberg, Mr. Marwah (chair) and Ms. Yaffe. Mr. Sonshine served as chair of the CNCG Committee until May, 2013. Each member of the CNCG Committee is independent and financially literate within the meaning of applicable securities laws. Their general business experience and full biographies are contained in the "Election of Directors" section of this document.

#### *Relevant Education and Experience of CNCG Committee Members*

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

- **Joan Dea.** As a member of the executive committee of BMO Financial Group, Ms. Dea shared responsibility for executive compensation, leadership development, engagement, succession planning, culture and corporate governance. At Boston Consulting Group, she had lead partner responsibility for several human resources functions including recruiting, development and compensation. Her consulting practice included advice to clients on leadership, team dynamics, succession planning, corporate governance, culture, compensation and development best practices. In addition to her other board responsibilities listed in her primary biography, Ms. Dea is currently a member of the nominating and corporate governance committee as well as the salary and organization committee of Torstar Corporation, is the Chair of the board of directors for Women's Initiative, and previously served as Vice Chair for the National Ballet of Canada and the chair of the Nominating and Governance Committees for Women's Initiative and the National Ballet of Canada. These committee responsibilities, together with her direct business experience and her membership in Women Corporate Directors and the Institute of Corporate Directors, provide Ms. Dea with a broad perspective on all matters relating to compensation, nomination and governance. She also participates in ongoing governance education through the Women Corporate Directors, the Institute of Corporate Directors and the Deloitte director education series.

- **Ian Greenberg.** Having served as President and Chief Executive Officer of Astral Media Inc. from 1996 through 2013, Mr. Greenberg was responsible for overseeing all aspects of compensation, including executive compensation, leadership development, employee engagement, succession planning and internal corporate governance. As a graduate of Harvard Business School's Advanced Management Program and through his involvement in a number of industry and charitable associations, Mr. Greenberg has a deep understanding of the topics and issues that fall under the mandate of the CNCG Committee.
- **Sarabjit S. Marwah.** Mr. Marwah has served in a number of senior financial, operational, strategic and managerial roles at Scotiabank since 1979. He has served on numerous boards throughout his career, including several Scotiabank subsidiaries, George Weston Ltd., Torstar Corporation and C.D. Howe Institute. In those roles as well as industry and charitable organizations, Mr. Marwah has been responsible for overseeing executive compensation matters and succession planning, both roles being integral to service on the Corporation's CNCG Committee. He earned a BA (Hons), an MA in Economics and an MBA in Finance from the University of California, Los Angeles (UCLA).
- **Phyllis Yaffe.** In 2007, Ms. Yaffe retired from the role of Chief Executive Officer of Alliance Atlantis Communications Inc., a position that she held from 2005. In that role Ms. Yaffe was responsible for all aspects of compensation, including executive compensation, leadership development, employee engagement, succession planning and internal corporate governance. Ms. Yaffe is also a member of the nominating and corporate governance committee at Lions Gate Entertainment Corporation, and is a board member and Human Resource Committee member of Blue Ant. These committees have a similar mandate and responsibility as the CNCG Committee at Cineplex and have each provided Ms. Yaffe with a broad perspective on all matters relating to compensation, nomination and governance.

### **Ethical Business Conduct**

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

### **Nomination of Directors**

The CNCG Committee is responsible for recruiting, assessing and proposing individuals qualified to become new independent Directors and submit recommendations to the Board for its consideration and decision, as well as to consider nominees, if any, recommended by either management or the Shareholders for election as Directors. The current Directors support the presentation of the 10 individuals nominated herein to be elected as the members of the Board.

As part of its governance process in recommending potential independent Directors, the practice of the Corporation is for the CNCG Committee to confer with an outside third party consultant to review potential appointees to the Board. From a list of suggestions from that third party, as well as candidates suggested by members of management or the CNCG Committee or other Board members, each member of the CNCG Committee interviews a number of potential candidates. The CNCG Committee also consults with the CEO prior to making its recommendations to the Board. Although only a majority is required for action, in practice, the members of the CNCG Committee have all agreed on any selected candidate to be recommended for nomination to the Board.

### **Compensation**

The Board, acting on the recommendations of the CNCG Committee, reviews the adequacy and form of compensation of the Corporation's senior executives and Directors, as determined based on reviews of the competitive marketplace, to ensure that they are respectively current and reflective of the roles and responsibilities

of each group. Director compensation is reviewed bi-annually to compare Canadian board compensation based on size of organization, type of entity, meeting and attendance requirements, committee representation, and additional Board Chair and committee chair responsibilities. Executive compensation is reviewed as set out in the “Compensation Discussion & Analysis” section.

### **Assessments**

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

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

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

### **Retirement**

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

## **OTHER BUSINESS**

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

## **ADDITIONAL INFORMATION**

Further information relating to the Audit Committee and the Corporation’s external auditors is available in the Corporation’s Annual Information Form dated March 31, 2014 in the section entitled “Audit Committee”. Financial information is provided in: (i) the Corporation’s consolidated financial statements and management’s discussion and analysis for the period ended December 31, 2013; (ii) the interim financial statements of the Corporation subsequent thereto; and (iii) the Corporation’s current Annual Information Form (together with any documents incorporated therein by reference), all of which are available upon written request from the Secretary of the Corporation, 1303 Yonge Street, Toronto, Ontario M4T 2Y9 and are available at Cineplex’s website or on SEDAR at [www.sedar.com](http://www.sedar.com).



## **APPROVAL OF DIRECTORS**

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

By Order of the Board of Directors of  
Cineplex Inc.

*“Ellis Jacob”*

President and Chief Executive Officer

**SCHEDULE A  
BY-LAW AMENDMENTS**

**BY-LAW NO. 2  
CINEPLEX INC.**

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of Cineplex Inc. (hereinafter called the “Corporation”) as follows:

1. By-law No. 1 of the by-laws of the Corporation is hereby amended by repealing section 7.11 in its entirety and replacing it with the following:

**“7.11 Quorum**

A quorum for the transaction of business at any meeting of the shareholders shall be at least two persons present at the meeting who are entitled to vote thereat either as shareholders or as proxy holders and holding or representing not less than twenty-five per cent (25%) of the outstanding shares of the Corporation carrying the right to vote at such meeting.”

2. By-law No. 1 of the by-laws of the Corporation is hereby amended by adding thereto, following section 2.3 thereof, the following:

**“2.3.1 Nomination of Directors**

Subject only to the Act and the articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors,

- a. by or at the direction of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting;
- b. by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or
- c. by any person (a **“Nominating Shareholder”**): (i) who, at the close of business on the date of the giving of the notice provided for below in this section 2.3.1 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (ii) who complies with the notice procedures set forth in this section 2.3.1:
  - A. In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the corporate secretary of the Corporation at the principal executive offices of the Corporation in accordance with this section 2.3.1.

- B. To be timely, a Nominating Shareholder's notice to the corporate secretary of the Corporation must be made (a) in the case of an annual meeting of shareholders, not less than thirty (30) nor more than sixty-five (65) days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than fifty (50) days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.
- C. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.
- D. To be in proper written form, a Nominating Shareholder's notice to the corporate secretary of the Corporation must set forth: (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director, (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (iv) the citizenship of the person (v) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the person or any affiliates or associates of, or any person or entity acting jointly or in concert with, the person or the Nominating Shareholder, and (vi) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and (b) as to the Nominating Shareholder giving the notice, (i) their name, business and residential address, direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Corporation, including the number or principal amount and the date(s) on which such securities were acquired, (ii) their interests in, or rights or obligations associated with, an agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Corporation or the Nominating Shareholder's economic exposure to the Corporation, (iii) any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation, (iv) a representation that the Nominating Shareholder is a holder of record of securities of the Corporation, or a beneficial owner, entitled to vote at the meeting, (v) a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder of the Corporation in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Corporation in support of such nomination, and (vi) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below). The Corporation may require any proposed nominee to furnish such other information, including a written consent to act, as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.
- E. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this section 2.3.1; provided, however, that nothing in this section 2.3.1 shall be deemed to preclude discussion by a shareholder (as distinct from the

nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

- F. For purposes of this section 2.3.1, (i) “public announcement” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by or on behalf of the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and (ii) “Applicable Securities Laws” means the applicable Securities Act of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.
  - G. Notwithstanding any other provision of the by-laws of the Corporation, notice given to the corporate secretary of the Corporation pursuant to this section 2.3.1 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the corporate secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the corporate secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
  - H. Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this section 2.3.1.”
3. By-law No. 1, as amended from time to time, of the by-laws of the Corporation and this By-Law No. 2 shall be read together and shall have effect, so far as practicable, as though all the provisions thereof were contained in one by-law of the Corporation. All terms contained in this by-law which are defined in By-law No. 1, as amended from time to time, of the by-laws of the Corporation shall, for all purposes hereof, have the meanings given to such terms in the said By-law, unless expressly stated otherwise or the context otherwise requires.

This by-law shall come into force upon being passed by the Board.

## **SCHEDULE B**

### **SPECIAL RESOLUTION OF THE SHAREHOLDERS OF CINEPLEX INC. APPROVAL OF BY-LAW AMENDMENTS**

“BE IT RESOLVED THAT:

1. By-Law No. 2 of Cineplex Inc. (the “**Corporation**”), amending By-Law No. 1 of the Corporation, as approved by the board of directors of the Corporation on March 12, 2014 in the form attached as Schedule “A” to the information circular of the Corporation dated March 31, 2014, is hereby ratified and confirmed; and
2. Any one director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Corporation may be necessary or desirable to carry out the terms of the foregoing resolutions.”

## SCHEDULE C

### MANDATE OF THE BOARD OF DIRECTORS

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

#### 1. COMPOSITION

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

#### 2. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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

- (i) the adoption of a strategic planning process and approval, on at least an annual basis, of a strategic plan which takes into account, among other things, the opportunities and risks of the Corporation’s business and investments;
- (ii) to the extent feasible, satisfying itself as to the integrity of the CEO and senior officers of the Corporation and that the CEO and other senior officers create a culture of integrity throughout the organization;
- (iii) the identification of the principal risks for the Corporation and ensuring the implementation of appropriate risk management systems;
- (iv) succession planning;
- (v) adopting a disclosure policy which: (i) enables the Corporation to communicate effectively; (ii) addresses how the Corporation interacts with all of its stakeholders, including analysts and the public; (iii) contains measures for the Corporation to avoid selective disclosure; (iv) and is reviewed at such intervals or times as the Board deems appropriate;
- (vi) the integrity of the internal control and management information systems of the Corporation;
- (vii) establishing and maintaining a standing audit committee from members of the Board (the “**Audit Committee**”);
- (viii) reviewing and reassessing the adequacy of the terms of reference of the Audit Committee at such intervals or times as the Board deems appropriate;
- (ix) receiving recommendations of the Audit Committee, and reviewing and approving, the audited, interim and any other publicly announced financial information of the Corporation;
- (x) developing the Corporation’s approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation;
- (xi) implementing a process for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual Directors;
- (xii) implementing a process for examining the size of the Board and undertaking, where appropriate, a program to establish a Board size which facilitates effective decision-making;

- (xiii) implementing a process for reviewing the adequacy and form of compensation of Directors and ensuring that compensation realistically reflects the responsibilities and risk involved in being a Director;
- (xiv) meeting regularly with management of the Corporation or any other of the Corporation's investments to receive reports respecting the performance of the Corporation, new and proposed initiatives, the Corporation's business and investments, management concerns and any areas of concern involving the Corporation; and
- (xv) meeting regularly without management of the Corporation present.

### **3. RESPONSIBILITIES OF THE CHAIR**

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

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

### **4. DECISIONS REQUIRING PRIOR APPROVAL OF THE BOARD OF DIRECTORS**

Approval of the Board shall be required for:

- payment of dividends;
- significant acquisitions/dispositions;
- related party transactions;
- the release of any financial information to be publicly disseminated;
- the issuance or repurchase of shares of the Corporation;
- the approval of the terms of reference of committees of the Board; and
- any other matter that would give rise to a material change (defined below) to the Corporation.

The foregoing list is intended to specify particular matters requiring Board approval and is not intended to be an exhaustive list.

### **5. MEASURES FOR RECEIVING SHAREHOLDER FEEDBACK**

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

## 6. EXPECTATIONS OF MANAGEMENT

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

## 7. DEFINITIONS

- 7.1 “**independent Director**” means a Director who has no direct or indirect material relationship with the Corporation or its affiliates.
- 7.2 “**material change**” in the affairs of the Corporation means a change in the business, operations or capital of the Corporation that could reasonably be expected to have a significant effect on the market price or value of the securities of the Corporation. A material change includes a decision to make such a change by the Board or by senior management of the Corporation who believe that Board confirmation is probable and a decision to make such a change by Board or by senior management of the Corporation who believe that such confirmation is probable.
- 7.3 “**material relationship**” means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a Director’s independent judgment. Without limiting the generality of the foregoing, the following persons are considered to have a material relationship with the Corporation:
- (i) a person who is, or has been within the last three years, an employee or executive officer of the Corporation, or any of its predecessor, subsidiary entities or affiliated entities;
  - (ii) a person whose immediate family member is, or has been within the last three years, an executive officer of the Corporation, or any of its predecessor, subsidiary or affiliated entities;
  - (iii) a person who: (i) is a partner<sup>1</sup> of the Corporation’s internal or external auditor; (ii) is employed by the firm that is the Corporation’s internal or external auditor; or (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation’s audit (or that of its predecessor or subsidiary entities) within that time;
  - (iv) a person whose spouse, minor child or stepchild, or child or stepchild who shares a home with the person: (i) is a partner of the firm that is the Corporation’s internal or external auditor; (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice; or (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation’s audit (or that of its predecessor or subsidiary entities) within that time;
  - (v) a person who is, or has been, 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 or its predecessor or subsidiaries’ current executives serves or served at that same time on the entity’s compensation committee;
  - (vi) a person who received, or whose immediate family member who is employed as an executive officer of the Corporation or any of its predecessor or subsidiary entities received, more than \$75,000 in direct compensation from the Corporation or its predecessor or subsidiary entities during any 12 month period within the last three years, other than: (i) as remuneration for acting in

---

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



his or her capacity as member of the Board, a member of the board of trustees or any board committee; or (ii) fixed amounts of compensation under a retirement plan for prior service with the Corporation or any of its predecessor or subsidiary entities if the compensation is not contingent in any way on continued service; and

- (vii) a person who is an affiliated entity of the Corporation or any of its predecessor or subsidiary entities.

**Confirmed March 12, 2014**

**SCHEDULE D**  
**COMPENSATION, NOMINATING AND CORPORATE**  
**GOVERNANCE COMMITTEE - TERMS OF REFERENCE**

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

---

The Compensation, Nominating and Corporate Governance Committee of Cineplex (the “**Committee**”) is a committee formed from the Board charged with: (i) establishing procedures for the identification of the new nominees to the Board; (ii) recommending to the Board new nominees to the Board and the nominees for the next annual meeting of shareholders of Cineplex and nominees for each committee of the Board; (iii) assessing the Board directors of Cineplex (each, a “**Director**”) on an ongoing basis; (iv) assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director; (v) developing and implementing orientation procedures for new directors to the Board; (vi) advising and administering the Corporation’s compensation programs generally; and (vii) developing and monitoring the Corporation’s approach to governance issues.

**1. COMPOSITION**

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

**2. REPORTS**

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

**3. DUTIES AND RESPONSIBILITIES**

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

**3.1. Compensation Responsibilities:**

- a) Recommend the design of the overall compensation program for senior executives to the Board and ensure it is appropriate relative to comparable benchmarks and the goals of the Corporation.
- b) Recommend to the Board whether and to whom options to purchase shares of Cineplex shall be offered as compensation and if so, the terms of such options.
- c) Recommend to the Board whether and to whom participation in any long term incentive plan should be made available and, if so, the terms of such participation.
- d) Assess the need for, and, if determined advisable, appoint or terminate, any compensation consultant responsible to assist in the evaluation of the compensation of a Director, the CEO or senior executives. In this regard, the Committee will have sole authority to approve the consultant’s fees and retention terms.
- e) Review and recommend to the Board, from time to time and at least annually, the remuneration to be paid by Cineplex to Directors.

- f) Assess the performance of the CEO against objectives developed by the Board and report such assessment to the Directors.
- g) At least annually, review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and recommend to the Board the CEO's compensation levels based on this evaluation. In determining the long-term incentive component of the CEO's compensation, the Committee shall consider the performance of the Corporation and relative shareholder return, the value of similar incentive awards to CEOs at comparable entities, and the awards given to the CEO in past years.
- h) At least annually, review and make recommendations to the Board with respect to the compensation of all other senior officers and other key executives of Cineplex, including incentive-compensation plans and equity-based plans, on the advice of the CEO. In reviewing and making recommendations to the Board, the Committee shall ensure that a process is in place to maintain a compensation program for the senior executives of the Corporation at a fair and competitive level.
- i) At least annually, review and approve, for each of the CEO, CFO and other senior executives of Cineplex: (a) the annual base salary level; (b) the annual incentive opportunity level; (c) the long-term incentive opportunity level; (d) the terms of any employment agreements, severance arrangements, and change in control arrangements/provisions, in each case as, when and if appropriate; and (e) any special or supplemental benefits.
- j) At least annually, review key human resources policies and programs in place and under development to ensure that programs related to manpower planning, management development, succession planning, career path planning and performance evaluation are effectively integrated with the strategy of the Corporation.
- k) At least annually, review and approve policies on salary administration, recruitment, job evaluation, pay and employment equity, basic incentive and total cash compensation, retirement benefits, and long-term incentives.
- l) Report on executive compensation as required by applicable public disclosure legislation.

### **3.2. Governance Responsibilities:**

- a) Assess the independence and qualifications of the members of the Board and their various committees.
- b) Ensure that programs relating to succession planning and performance evaluation are effectively integrated with the Corporation's strategy.
- c) Review, and make recommendations to the Board regarding the composition of the various committees of the Board.
- d) Monitor, and make recommendations to the Board, regarding the quality of the relationship between management and the Board.
- e) Review and respond to requests by individual Directors to engage outside advisors at the expense of the Corporation.
- f) Review the proposed agenda for and provide recommendations as to additional topics for discussion at meetings of the Board.
- g) Assess the need for, and to co-ordinate a program for, continuing education for members of the Board.
- h) Assess and provide recommendations to the Board on the effectiveness of the Board and their committees and the contribution of each Director.
- i) Annually review and report to the Board on organizational structure and succession planning matters.

- j) Report on governance as required by public disclosure requirements.
- k) Review and ensure compliance of the Corporation with its internal governance guidelines.
- l) Review from time to time the governance practices of the Corporation, its board and committees of the board to determine compliance with rules and policies of regulatory authorities governing the Corporation.
- m) At least annually, review the adequacy of the corporate governance guidelines of the Corporation and recommend any proposed changes to the Board.
- n) Determine and monitor the Corporation's categorical standards for Director independence.
- o) At least annually, audit the practices of the Board (including separate meetings of non-management Directors) to ensure compliance with the governance guidelines of the Corporation.
- p) At least annually, review the powers, mandates and performance, and the membership of the various committees of the Board and, if appropriate, make recommendations to the Board.
- q) Undertake such other initiatives as are needed to help the Board deliver exemplary governance.

### **3.3. Nominating Responsibilities:**

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

## **4. STRUCTURE**

- a) No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by a resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum provided that if the number of members of the Committee is an even number one half of the number of members plus one shall constitute a quorum and provided further that a majority of the members present shall be unrelated Directors.
- b) No member of the Committee may participate in discussions or decisions related to his or her own compensation (other than in discussions with respect to Director remuneration generally). Where for any reason a member of the Committee is disqualified from voting on or participating in a decision, any other unrelated and disinterested Director not already a member of the Committee may be designated by the Directors to act as an alternate.
- c) Subject to the provisions of the Corporation's bylaws, any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a Director. Subject to the foregoing, each member of the Committee shall hold such office until the next annual meeting of shareholders after his or her election as a member of the Committee.
- d) The Committee shall appoint one of its members to act as chair of the Committee (the "**Chair**"). The Chair will appoint a secretary who will keep minutes of all meetings (the "**Secretary**"). The Secretary does not have to be a member of the Committee or a Director and can be changed by simple notice from the Chair.

- e) The Committee will meet as many times as is necessary to carry out its responsibilities but in no event will the Committee meet less than once a year. Meetings will be at the call of the Chair. Notwithstanding the foregoing, any member of the Committee may call a meeting of the Committee, not to be held upon less than 48 hours' notice.
- f) The time at which and the place where the meetings of the Committee shall be held, the calling of meetings and the procedure in all respects of such meeting shall be determined by the Committee.
- g) The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

**5. PROCESS**

The Committee will:

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

It is understood that in order to properly carry out its responsibilities, the Committee may retain outside consultants if appropriate.

**6. INDEPENDENT ADVICE**

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

**7. ANNUAL EVALUATION**

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

**Confirmed March 12, 2014**

6316574