

IMAX CORP  
Form DEF 14A  
April 28, 2008

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
SCHEDULE 14A  
PROXY STATEMENT PURSUANT TO SECTION 14(a)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

**IMAX CORPORATION**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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**To our Shareholders:**

April 28, 2008

2007 was truly a watershed year in IMAX's 40-year history. We made significant progress in transitioning from film to a digital platform, introduced a new business model, had the best film year in our history and signed 144 new systems 110 of which were joint ventures on an existing network of approximately 300 open theaters. Despite our strategic achievements, the year was challenging from a financial perspective as we dealt with the effects of moving from film to digital and the impact of financial restatements and other regulatory issues. That said, we believe the business is in the process of emerging from this transitional period, and several recent positive developments leave us very well positioned as we head into the second half of 2008, 2009 and the next exciting phase of our growth.

As we entered fiscal 2007, we knew a transition to digital and the development of a more attractive business model focusing on recurring revenues could dramatically expand our potential in many ways. We are pleased to note that we now believe that the foundation for our new business model is in place, and we closed out the year with our digital development ahead of schedule, at a lower projected cost of goods sold and at an estimated higher gross margin than originally budgeted. We accelerated the delivery date of the first digital systems by about six months, in spite of the technical complexity associated with developing this product. We also expect to come in approximately \$2 million under budget with respect to research & development costs. We are now at the stage of productizing our digital prototype, which has been operating for several months near our corporate headquarters in Ontario, and are on track to have systems in the field and operating by the end of June, with a larger-scale rollout two to three months after that.

We are more convinced than ever of digital's crucial importance to IMAX and our future as a business. First, the transition to digital will help facilitate a more rapid build-out of the IMAX network by removing print costs from the system. Second, because of the print savings, the transition to digital will enable us to exhibit even more Hollywood films on IMAX screens, up to ten or more a year compared to six or seven now, and also enjoy enhanced programming flexibility, including the ability to show live-action events in IMAX. Third, digital lowers installation costs for exhibitors by about \$100,000, which, with more films, will help drive the returns in our sales and joint venture models. Studios will enjoy a higher return on each picture with no print costs, which provides an incentive for studios to release even more of their blockbuster films in IMAX, and to do so year-round. Exhibitors will also benefit from digital, both through lower installation costs and more film product, which should translate into higher revenues and greater per theater profitability. And we have, in fact, already begun to see the impact of digital on exhibitors. After averaging between 25-35 theater signings a year in recent years, we have signed agreements for 173 systems in just the last two quarters, with 170 of them being IMAX® Digital systems. We are thrilled that exhibitors have embraced this product with encouraging enthusiasm and that the IMAX story has moved, in many ways, from one of development to one of execution and implementation.

A good example of this momentum is our announcement in March of a 35-theater lease deal with RACIMEC to install IMAX Digital projection systems in South and Central America and the Caribbean. Announcements of this magnitude reflect a new level of activity for the Company, with significant interest being generated at a level unlike any we have seen before.

The planned launch of digital has also played a crucial role in spurring and supporting our joint venture initiative. Early in 2007 we signed two JVs with Regal Cinemas, who then came back to us and signed a five-JV deal in October and then a 31-system all-digital deal in March of this year. Regal's JVs are performing extremely well to date. In December of 2007, AMC Theatres signed a 100-theater, all-digital joint venture deal with us. This deal was key for us not only in that it is the largest and most expansive in IMAX's history, but also because we believe it is transformational for the Company from a strategic, and ultimately financial, point of view. This deal, along with the expanded Regal deal, is expected to introduce significantly more recurring margin into our business model, double

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the size of the existing IMAX commercial network in North America and almost triple the number of IMAX® theaters in North American multiplexes.

With respect to other significant accomplishments in fiscal 2007, we signed a four-picture deal with DreamWorks Animation to release the studio's first three 3D films in IMAX 3D, which bolstered our visibility in the industry and, importantly, further validated our digital strategy. These releases will include *Monsters vs. Aliens 3D* in March 2009, *How to Train Your Dragon 3D* in March 2010 and *Shrek Goes Forth 3D* in May 2010. In addition, we will release *Kung Fu Panda* in our 2D format on June 6, 2008. We are delighted to have entered into this new and important studio relationship, and note that last year we also began working for the first time with Paramount Pictures, the studio that distributes DreamWorks Animation's films. Later this year we very much look forward to the release of two highly anticipated films, *The Dark Knight* in July and *Harry Potter and the Half-Blood Prince* in November. Both films will be distributed by our longstanding partner Warner Bros. Pictures.

Regarding film performance, in 2007 we generated \$145 million for Hollywood releases, which is 56% higher than the \$93 million that the IMAX theater network grossed for IMAX DMR® films during 2006. This translated into an 81% gain for IMAX's share of DMR gross box office from 2006 to 2007. On a same store basis, which tracks only those theaters showing DMR films that were open a year ago and therefore strips out the growth of the network, GBO increased 48% to \$1.3 million in revenues per screen. For IMAX this translates into higher film royalties and theater participation, and for studios and exhibitors it translates into higher profits.

Clearly, 2007 was a very busy year for us, and we are extremely gratified to see our key initiatives already beginning to bear fruit. We believe that our focus and progress with respect to film performance, joint ventures, our digital initiative and theater signings leaves IMAX extremely well positioned for the future, with a compelling operating strategy and business model. Although 2007 bore the brunt of these initiatives from a financial perspective, we are confident we will enjoy better results beginning in the fourth quarter of 2008 and a profitable year in 2009.

Our progress in 2007 would not have been possible without the efforts of our employees. We are grateful for their many contributions, as well as for the support of shareholders, exhibitors and the studios who work with us to make the immersive IMAX experience possible. We look forward to reporting to you on our continued progress in 2008 and beyond.

*Richard Gelfond*  
Richard Gelfond  
Co-Chairman and Co-Chief Executive Officer

*Bradley Wechsler*  
Bradley Wechsler  
Co-Chairman and Co-Chief Executive Officer

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IMAX Corporation  
2525 Speakman Drive  
Mississauga, Ontario, Canada, L5K 1B1

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting of Shareholders of **IMAX Corporation** (the Company ) will be held at Stony Brook Manhattan, 2nd Floor, 401 Park Avenue South, New York, New York, U.S.A., 10016 on Wednesday, June 18, 2008 at 10:30 a.m. (the Meeting ), for the purposes of:

- (1) receiving the consolidated financial statements for the fiscal year ended December 31, 2007, together with the auditors' report thereon;
- (2) electing directors;
- (3) appointing auditors and authorizing the directors to fix the auditors' remuneration;
- (4) approving certain amendments to the Company's Stock Option Plan; and
- (5) transacting such other business as may properly be brought before the Meeting or any adjournments thereof.

By Order of the Board,

*G. Mary Ruby*  
G. MARY RUBY  
Executive Vice President, Corporate Services  
and Corporate Secretary

Mississauga, Ontario  
April 28, 2008

**Shareholders who are unable to be present at the Meeting are requested to complete and return the accompanying Proxy in the envelope provided for that purpose. Proxies must be deposited with Computershare Investor Services Inc., c/o Stock and Bond Transfer Dept., 9th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1 or at the Corporate Headquarters of the Company noted above on or before 10:30 a.m. (Eastern Time) on Monday, June 16, 2008.**

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Proxy Circular

and

Proxy Statement

April 28, 2008

IMAX CORPORATION  
2525 Speakman Drive, Mississauga, Ontario, Canada, L5K 1B1  
tel: 905-403-6500 fax: 905-403-6540

[www.imax.com](http://www.imax.com)

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IMAX Corporation  
2525 Speakman Drive  
Mississauga, Ontario, Canada, L5K 1B1

## GENERAL INFORMATION

The Annual and Special Meeting (the Meeting) of Shareholders of IMAX Corporation (the Company) will be held at Stony Brook Manhattan, 2nd Floor, 401 Park Avenue South, New York, New York, U.S.A., 10016, on Wednesday, June 18, 2008 at 10:30 a.m., for the purposes of: (i) receiving the consolidated financial statements for the fiscal year ended December 31, 2007, together with the auditors report thereon; (ii) electing directors; (iii) appointing auditors and authorizing the directors to fix the auditors remuneration; (iv) approving certain amendments to the Company's Stock Option Plan; and (v) transacting such other business as may properly be brought before the Meeting or any adjournments thereof.

The Notice of Annual and Special Meeting, this document and the form of proxy (the Proxy) will be released on or about April 28, 2008 to holders of the Company's common shares (Common Shares) as of the close of business on April 21, 2008, the record date for the Meeting.

## SOLICITATION OF PROXIES BY MANAGEMENT

This proxy circular and proxy statement (the Circular) is furnished in connection with the solicitation by the management of the Company of proxies to be used at the Annual and Special Meeting of Shareholders of the Company to be held on Wednesday, June 18, 2008, at Stony Brook Manhattan, 2nd Floor, 401 Park Avenue South, New York, New York, U.S.A., 10016 at 10:30 a.m., and at any adjournments thereof for the purposes set forth in the accompanying Notice of Annual and Special Meeting. While management intends to solicit most proxies by mail, some proxies may be solicited by telephone or other personal contact by directors, officers or employees of the Company. Directors, officers and employees will not receive any additional compensation for such activity. The Company will, upon request, pay brokers and certain other persons who hold the Company's Common Shares for others their reasonable expenses for sending proxy materials to the beneficial owners of the Company's Common Shares. The cost of solicitation will be borne by the Company.

## INFORMATION ON VOTING

### Record Date for Notice of Annual and Special Meeting and Provisions Relating to Voting

The Board of Directors has fixed April 21, 2008 as the record date for the Meeting. Accordingly, each holder of Common Shares of record on that date is entitled to one vote for each Common Share shown as registered in the shareholder's name on the list of shareholders prepared as of April 21, 2008.

### Appointment and Delivery of Proxies

The persons named in the accompanying Proxy are directors and officers of the Company. **A shareholder has the right to appoint a person, who need not be a shareholder of the Company, other than the persons designated as proxy holders in the accompanying Proxy, to attend and act on behalf of the shareholder at the Meeting.** To exercise this right, a shareholder may either insert such other person's name in the blank space provided in the accompanying Proxy, or complete another appropriate form of proxy.

### Revocability of Proxies

A shareholder who has given a proxy may revoke it by depositing an instrument in writing (including another proxy) executed by the shareholder or his attorney authorized in writing at the registered office of the Company, IMAX Corporation, 2525 Speakman Drive, Mississauga, Ontario, Canada, L5K 1B1, Attention: Corporate Secretary, at any time up to and including 10:30 a.m., Eastern Time, on the second last business day prior to the day of the Meeting or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting or at any adjournment thereof at any time before it is exercised on any particular matter or in any other manner permitted by law, including attending the Meeting in person.

### **Proxy and Voting by Mail or Delivery**

To vote by mail or delivery, your paper Proxy must be completed, signed and returned in accordance with the instructions on the paper Proxy. To be valid, a Proxy must be dated and signed by the shareholder or his attorney authorized in writing. The Proxy, to be acted upon, must be deposited with the Company c/o its transfer agent, Computershare Investor Services Inc., c/o Stock & Bond Transfer Dept., 9th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1 or at the Corporate Headquarters of the Company, by 10:30 a.m. (Eastern Time) on Monday, June 16, 2008 or 10:30 a.m. on the second last business day prior to the date of any adjournment of the Meeting, or with the chairman of the Meeting on the day of the Meeting or any adjournment of the Meeting prior to the commencement of the Meeting or the adjournment, as the case may be.

### **Proxy and Voting by Telephone**

To vote by telephone, call the toll-free number shown on the Proxy form provided. Using a touch-tone telephone to select your voting preferences, follow the instructions of the **Vote voice** and **refer to your holder account number and access number provided on the Proxy** that was delivered to you by mail.

**Note that voting by telephone is not available if you wish to appoint a person as a proxy other than the persons named on the Proxy form.** In such a case, your Proxy should be voted by mail, delivery, or Internet.

### **Proxy and Voting by Internet**

To vote your Proxy by Internet, visit the website address as shown on the Proxy form provided. Follow the on-line voting instructions given to you over the Internet and **refer to your holder account number and access number provided on the Proxy** that was delivered to you by mail.

### **Voting by Proxy**

The Common Shares represented by proxy will be voted and withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for, and if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. For the purpose of voting by Proxy, Proxies marked as **Withhold** will be treated as present for the purpose of determining a quorum but will not be counted as having been voted in respect of any matter to which the instruction to **Withhold** is indicated.

By completing and returning a Proxy, you are authorizing the person named in the Proxy to attend the Meeting and vote your Common Shares on each item of business you are entitled to vote on, according to your instructions. **If there are no instructions with respect to your Proxy, your Common Shares will be voted in favour of the election of directors and the appointment of auditors and authorization of the directors to fix the auditors remuneration, and the approval of certain amendments to the Company's Stock Option Plan, in each case, as referred to in this Circular.**

Proxies returned by intermediaries as **non-votes** because the intermediary has not received instructions from the non-registered shareholder with respect to the voting of certain shares or, under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Shares represented by broker **non-votes** will, however, be counted in determining whether there is a quorum.

**Exercise of Discretion by Proxies**

The person appointed as proxy holder has discretionary authority and may vote the Common Shares represented thereby as such person considers best with respect to amendments or variations to matters identified in the Notice of Annual and Special Meeting, and with respect to any other matter which may properly come before the Meeting. As of the date of this Circular, management of the Company is not aware of any such amendment, variation or other matter proposed or likely to come before the Meeting. However, if any such amendment, variation or other matter properly comes before the Meeting, it is the intention of the persons named in the accompanying Proxy to vote on such other business in accordance with their judgement.

## VOTING SHARES

On April 21, 2008, the record date, the Company had 40,524,418 Common Shares issued and outstanding, each carrying the right to one vote at all meetings of the shareholders of the Company.

A quorum for the transaction of business at the Meeting shall be at least two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxy holder for such a shareholder and together holding or representing by Proxy not less than 33 1/3% of the outstanding Common Shares entitled to be voted at the Meeting.

## PRINCIPAL SHAREHOLDERS OF VOTING SHARES

The Company is not aware of any persons who as of April 21, 2008, beneficially owned or exercised control or direction over more than 5% of the Company's Common Shares except:

Name of Beneficial Owner of Common Shares	Amount and Nature of Beneficial Ownership of Common Shares	Percent of Outstanding Common Shares
<b>Richard L. Gelfond</b> Suite 2100, 110 East 59th Street, New York, NY 10022	2,722,900 <sup>(1)</sup>	6.5%
<b>Bradley J. Wechsler</b> Suite 2100, 110 East 59th Street, New York, NY 10022	2,682,800 <sup>(2)</sup>	6.4%
<b>Douglas Group</b> Kevin and Michelle Douglas Douglas Family Trust James E. Douglas, III James & Jean Douglas Irrevocable Descendants Trust 125 E. Sir Francis Drake Blvd., Suite 400, Larkspur, CA 94939	5,900,000 <sup>(3)</sup>	14.6%
<b>Manulife Financial Corporation Group</b> MFC Global Investment Management (U.S.), LLC 200 Bloor Street East, Toronto, Ontario, Canada M4W 1E5	2,587,755 <sup>(4)</sup>	6.4%
<b>First Wilshire Securities Management, Inc.</b> 1224 East Green Street, Suite 200, Pasadena, CA 91106	2,471,520 <sup>(5)</sup>	6.1%

Statements as to securities beneficially owned by the above-mentioned beneficial owners, or as to securities over which they exercise control or direction, are based upon information obtained from such beneficial owners and from records available to the Company.

The amount of Common Shares listed includes the number of Common Shares owned at April 21, 2008 and Common Shares as to which each individual had at April 21, 2008, the right to acquire beneficial ownership through the exercise of vested options plus options that vest within 60 days of that date.

The percentage of outstanding Common Shares is based on dividing the number of Common Shares beneficially owned by such person by 40,524,418 Common Shares outstanding as of April 21, 2008, adjusted for shares issuable through the exercise of vested options, held by such person, plus options held by such person that vest within 60 days of that date.

- (1) Included in the amount shown are 1,150,000 Common Shares as to which Mr. Gelfond had the right to acquire beneficial ownership as of April 21, 2008, through the exercise of options. Mr. Gelfond has sole voting and dispositive power with respect to 2,580,800 Common Shares and shared voting and dispositive power with respect to 142,100 Common Shares.
- (2) Included in the amount shown are 1,150,000 Common Shares as to which Mr. Wechsler had the right to acquire beneficial ownership as of April 21, 2008, through the exercise of options. Mr. Wechsler has sole voting and dispositive power with respect to 2,208,300 Common Shares and shared voting and dispositive power with respect to 474,500 Common Shares.
- (3) Based on information contained in a Schedule 13G, dated February 6, 2008, filed jointly by Kevin and Michelle Douglas, Douglas Family Trust, the James & Jean Douglas Irrevocable Descendants Trust and James E. Douglas, III. Kevin Douglas has shared voting power with respect to 4,130,000 shares. (Kevin Douglas and his wife, Michelle Douglas, hold 2,537,000 shares jointly as the beneficiaries and co-trustees of the Kevin & Michelle Douglas Trust. In addition, Kevin Douglas and Michelle Douglas are co-trustees of the James Douglas and Jean Douglas Irrevocable Descendants Trust, which holds 1,593,000 shares.) Kevin Douglas has shared dispositive power with respect to 5,900,000 shares. (Kevin Douglas has dispositive power with respect to 590,000 shares held by James E. Douglas, III and 1,180,000 shares held by the Douglas Family Trust.)

- (4) Based on information contained in a Schedule 13G, dated February 8, 2008, filed by jointly by Manulife Financial Corporation, and MFC Global Investment Management (U.S.), LLC. MFC Global Investment Management (U.S.), LLC, the indirect, wholly owned subsidiary of Manulife Financial Corporation, has sole voting and dispositive power with respect to 2,587,755 Common Shares.
- (5) Based on information contained in a Schedule 13G, dated February 12, 2008, filed by First Wilshire Securities Management, Inc. ( First Wilshire ). First Wilshire has sole voting power with respect to 257,204 Common Shares and sole dispositive power with respect to 2,214,316 Common Shares. First Wilshire holds shared voting/dispositive power with respect to none of the Common Shares.

### SHAREHOLDER PROPOSALS FOR THE COMPANY S 2009 ANNUAL MEETING

If a shareholder wishes to propose any matter for a vote by the Company s shareholders at the Company s 2009 annual meeting, he/she must send his/her proposal to the Company s corporate office at IMAX Corporation, 2525 Speakman Drive, Mississauga, Ontario, Canada, L5K 1B1, Attention: Corporate Secretary. The Company may omit the proposal from next year s proxy circular and proxy statement under applicable Canadian corporate law and U.S. securities laws if it is not received by the Company s Corporate Secretary at the address noted above by December 29, 2008.

### SHAREHOLDER COMMUNICATION

The Company does not have a formal policy regarding shareholders communicating with the Board of Directors, although shareholders may do so in writing to IMAX Corporation, 2525 Speakman Drive, Mississauga, Ontario, Canada, L5K 1B1, Attention: Board of Directors and Secretary to the Board. The Secretary forwards all shareholder communications to the Board of Directors.

### FINANCIAL STATEMENTS AND AUDITORS REPORT

The Board of Directors will submit to the shareholders at the Meeting the consolidated financial statements for the fiscal year ended December 31, 2007, and the auditors report thereon. A copy of these financial statements and the auditors report is included in the Annual Report on Form 10-K, which is being mailed to the Company s shareholders together with this Circular.

### ELECTION OF DIRECTORS

The Company s articles permit the Company to have between one and 15 directors, with the actual number determined by the Board of Directors. The Board of Directors has fixed the number of directors at seven.

At the Meeting, shareholders will be asked to approve the election of directors, by ordinary resolution, which requires that a majority of the votes cast at the Meeting be in favour of the resolution for the election of the nominees. **In the absence of any instruction on the accompanying Proxy, it is the intention of the persons named by management in the Proxy to vote the Common Shares represented by the Proxy in favour of the resolution.**

The Board of Directors is divided into three classes, each of which serves for a three-year term. The Board of Directors is currently composed of Neil S. Braun, Kenneth G. Copland, Richard L. Gelfond, Garth M. Girvan, David W. Leebron, Marc A. Uday, and Bradley J. Wechsler. At the Meeting the term of Class II directors expires. The term of Class I directors expires in 2009. The term of Class III directors expires in 2010.

### Nominees for Election



The individuals noted below are to be nominated for election to the Board of Directors of the Company in Class II.

The following table lists certain information concerning the persons to be nominated for election to the Board of Directors of the Company in Class II and the directors whose terms continue after the Meeting.

<b>Nominees for Election as Class II Directors for the Term Expiring in 2011</b>	<b>Current Position with the Company</b>
<p><b>David W. Leebron</b>, 53, Houston, Texas, U.S.A.                      David W. Leebron has been a director of the Company since September 2003, has been the President of Rice University since July 1, 2004. Prior to July 1, 2004, Mr. Leebron held the position of Dean and Lucy G. Moses Professor of Law at Columbia University School of Law since 1996 and Professor of Law since 1989. Mr. Leebron is a member of the American Bar Association and the Council on Foreign Relations, and on the board of the Greater Houston Partnership. Mr. Leebron serves as Chairman of the Corporate Governance and Nominating Committees of the Company and is a member of the Company's Audit and Compensation Committees.</p>	<p>Director</p>
<p><b>Marc A. Utay</b>, 48, New York, New York, U.S.A.                      Marc A. Utay has been a director of the Company since May 1996, has been the Managing Partner of Clarion Capital Partners, a private equity investment firm, since November 1999. Prior to joining Clarion, Mr. Utay was a Managing Director of Wasserstein Perella &amp; Co. Inc. and a member of Wasserstein Perella's Policy Committee. Mr. Utay was co-head of Wasserstein Perella's Leveraged Finance, Retailing and Media, Telecommunication and Entertainment groups. Until December 2002, Mr. Utay was also a Senior Advisor to Dresdner Kleinwort Wasserstein. Mr. Utay is a director of P&amp;F Industries, Inc. Mr. Utay serves as Chairman of the Option Committee of the Company and is a member of the Company's Corporate Governance Committee.</p>	<p>Director</p>
<b>Expiry of Term of Office</b>	
<p><b>Directors who Continue in Office after the Meeting</b></p>	
<p><b>Neil S. Braun</b>, 55, New York, New York, U.S.A.                      Neil S. Braun has been a director of the Company since June 2003, has been Chairman &amp; Chief Executive Officer of The GreenLife Organization since October 1, 2007. Mr. Braun previously served as President, Distribution &amp; Marketing of Starz Media since it acquired IDT Entertainment in August 2006, President, Feature Films and Television of IDT Entertainment since January 2005 and the President of Vanguard Animation, LLC since 2001. He was the President of Vast Video Inc. prior to this and was President of iCast Corporation a wholly-owned subsidiary of CMGI, Inc. during 1999. From 1994 to 1998, Mr. Braun was President of NBC Television Network. Mr. Braun also sits on the Share our Strength and Westhampton Beach Performing Arts Center boards of directors and is a member of the University of Pennsylvania School of Arts and Sciences Board of Overseers, all non-profit organizations. Mr. Braun is a member of the Company's Audit, Compensation and Nominating Committees.</p>	<p>2009</p>
<p><b>Kenneth G. Copland</b>, 70, Toronto, Ontario, Canada                      Kenneth G. Copland has been a director of the Company since June 1999, is the Chairman of KGC Ltd. Mr. Copland was the Vice-Chairman of BMO Nesbitt Burns Inc. from 1994 to May 2001. Mr. Copland is a director of the Investment Dealers Association of Canada, BMONT Split Corp. and Allbanc Split Corp. II. Mr. Copland serves as the Chairman of the Audit Committee</p>	<p>2009</p>

and is a member of the Company's Compensation and Nominating Committees. Mr. Copland is a Canadian citizen.

**Garth M. Girvan**, 59, Toronto, Ontario, Canada

2009

Garth M. Girvan has been a director of the Company since March 1994, is a partner of McCarthy Tétrault LLP, Canadian counsel to the Company. Mr. Girvan is a director of Entertainment One Ltd. Mr. Girvan serves as the Chairman of the Compensation Committee and is a member of the Company's Corporate Governance and Option Committees. Mr. Girvan is a Canadian citizen.

<b>Directors who Continue in Office after the Meeting</b>	<b>Expiry of Term of Office</b>
<p><b>Richard L. Gelfond</b>, 52, New York, New York, U.S.A.                      Richard Gelfond has been Co-Chairman of the Company since June 1999 and Co-Chief Executive Officer since May 1996. From March 1994 to June 1999, Mr. Gelfond served as Vice Chairman of the Company. Mr. Gelfond serves as Chairman of the Board of Trustees of the Stony Brook Foundation, Inc., affiliated with Stony Brook University, and is on the Board of Directors for Brookhaven Science Associates, the Management Company of Brookhaven National Laboratories. Mr. Gelfond is a member of the Board of Directors of the Atlantic Counsel. He is also Vice Chairman of the New York Historical Society and a Member of the Motion Picture Academy of Arts &amp; Science. Mr. Gelfond served as the Chairman of the Columbia Shuttle Memorial Trust Steering Committee, which was established in co-operation with NASA to support the families of the seven crew members of the STS-107 mission of the Space Shuttle Columbia, which came to a tragic end on February 1, 2003.</p>	2010
<p><b>Bradley J. Wechsler</b>, 56, New York, New York, U.S.A.                      Bradley J. Wechsler has been Co-Chief Executive Officer of the Company with Mr. Gelfond since May 1996. From March 1994 to June 1999, Mr. Wechsler served as Chairman of the Company and has served as Co-Chairman with Mr. Gelfond since June 1999. Mr. Wechsler serves on the boards of the American Museum of the Moving Image, Math for America, the Ethical Culture Fieldston Schools and Apollo Investment Corporation. Mr. Wechsler also serves on the board of the NYU Hospital and Medical Center, where he is a Vice Chairman and member of the Executive Committee. Mr. Wechsler is a Member of the Motion Picture Academy of Arts &amp; Science.</p>	2010

The Board of Directors recommends that you vote in favour of the election of the nominees whose names are set forth above.

**The persons named in the accompanying Proxy intend to vote for the election of the nominees whose names are set forth above. If any of the above nominees is for any reason unable to serve as a director, proxies in favour of management will be voted for another nominee in their discretion unless the shareholder has specified in the Proxy that such shareholder's shares are to be withheld from voting on the election of directors.**

The nominees for election as directors have indicated to the Company that they will serve if elected. Each director elected will hold office until the earlier of the expiry of the term for which he has been elected; until his successor is elected or appointed; or until the date of his resignation or termination.

Shareholders who wish to have the Board of Directors consider the nomination of any person for director at the 2009 meeting of shareholders should communicate with the Company's Corporate Secretary at the Company's corporate office (see description under "Nomination Process" below).

**EXECUTIVE OFFICERS**

The following table sets forth certain information regarding the executive officers of the Company.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Richard L. Gelfond	52	Co-Chairman & Co-Chief Executive Officer and Director