

# **MINUTES** of the Annual General Meeting of Shareholders of **CINEMA CITY INTERNATIONAL N.V.**, 21 June 2011

Minutes of the proceedings at the annual general meeting of shareholders of Cinema City International N.V., a company with limited liability organized under the laws of the Netherlands, having its statutory seat in Amsterdam and registered address at Weena 210-212, 3012 NJ Rotterdam, (hereinafter referred to as: the "**Company**"), which meeting was held at the Company's office on Tuesday 21 June 2011, commencement 3.00 PM.

In accordance with article 38, paragraph 1, of the articles of association of the Company, upon the request of the Supervisory Board, Mr. Wilbert O.C.M. van Twuijver acted as Chairman of the meeting and Mr. Timotheus C. Koster acted as Secretary for the meeting.

## 1. Opening

The Chairman opened the meeting and recorded that the meeting is held in one of the places referred to in the articles of association of the Company. The meeting was convened with due observance of the provisions of the Articles of Association and Dutch law and other relevant rules and regulations. It was announced in a Warsaw Stock Exchange current report on 10 May 2011 and the Convocation Notice was published on the Company's website and in the Dutch financial news paper 'Het Financieele Dagblad' on 10 May 2011. The Chairman recorded that the meeting is being attended by 21 shareholders who deposited 40,027,589 shares representing 78.18% of the voting rights, equal to 78.18% of the outstanding number of shares in the Company, whereby all shareholders registered for the meeting are represented by virtue of a proxy in writing. As a consequence, valid resolutions by the meeting can be voted, passed and adopted.

For this meeting the Company has published and distributed the Annual Report 2010, dated 14 March 2011 ("Annual Report 2010") and the AGM Shareholder Circular with annexes, dated 10 May 2011 in order to inform the shareholders of the relevant facts and circumstances to be considered by shareholders before exercising their voting rights. All AGM documents are and have been available for inspection by the shareholders at the Company's offices in the Netherlands, at the Company's group office in Warsaw, Poland, as of 31 May 2011. All documents were also available for shareholders and investors via the Company's website as of 10 May 2011. The meeting was held in accordance with the following agenda:

1. Opening of the General Meeting
2. Discussion on the annual report for the financial year 2010, including the managing directors' report and supervisory directors' report
3. Adoption of the annual accounts for the financial year 2010\*
4. Discussion on the policy on additions to the reserves and dividends
5. Appropriation of the net profit for the financial year 2010\*
6. Discharge from liability ("décharge") of the members of the Board of Managing Directors for their management tasks during the financial year 2010\*
7. Discharge from liability ("décharge") of the members of the Board of Supervisory Directors for their supervisory tasks during the financial year 2010\*
8. Discussion of the Corporate Governance policy as set out in the Annual Report for the financial year 2010
9. Appointment of the Company's external auditor for the financial year 2011\*
10. Composition of the Supervisory Board\*:
  - Re-appointment of two members of the Board of Supervisory Directors:
    - a) to re-appoint Mr Arthur F. Pierce as member of the Board of Supervisory Directors
    - b) to re-appoint Mr. Yair Shilhav as member of the Board of Supervisory Directors

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11. Authorization of the Board of Managing Directors under article 6 of the Company's articles of association to issue shares in the Company\*
12. Authorization of the Board of Managing Directors under article 9.3.c of the Company's articles of association to acquire shares in the Company by the Company\*
13. Amendment of the Company's articles of association in accordance with the draft deed of amendment prepared by De Brauw Blackstone Westbroek NV and authorization of any and all members of the managing board of the Company as well as any and all civil-law notaries, associates and paralegals practicing with De Brauw Blackstone Westbroek N.V. to draw up the draft of the required notarial deed of amendment of the articles of association, to apply for the required ministerial declaration of no-objection, as well as to execute the notarial deed of amendment of the articles of association\*
14. Any other business
15. Closing of the General Meeting

The outcome of the voting on each voting item was in accordance with the schedule 1 attached to these minutes, specifying votes for, neutral votes and votes against.

2. Discussion on the Annual Report 2010, including the Managing Directors' Report and the Supervisory Directors' Report

The Chairman proposed that the meeting discuss the Annual Report 2010, including the managing directors' report and the supervisory directors' report. The Chairman noted that this is not a voting item, as only the agenda items marked with an asterisk require a shareholders resolution. As here were no questions on this point, the Chairman then proceeded to agenda item 3.

3. Adoption of the annual accounts for the financial year 2010

The Chairman referred to the annual accounts for the financial year 2010 and the auditor's report and after discussion proposed the meeting to adopt and to confirm the annual accounts 2010 by adopting the following resolution:

*to adopt the annual accounts of the Company for the financial year 2010 in accordance with the accounts included in the Annual Report 2010.*

The meeting then voted to adopt the resolution. After voting by the shareholders, the Chairman noted the outcome in accordance with schedule 1 under item 3 and declared that the resolution had been adopted with the requisite majority.

4. Discussion on the policy on additions to the reserves and dividends

The Chairman explained that in accordance with the prevailing policy this agenda item is an annually recurring item. The Chairman then summarized the prevailing policy, explaining that in accordance with Article 32 of the Articles of Association, the Board of Managing Directors, with prior approval of the Supervisory Board, shall determine which portion of the profits – the positive balance of the profit and loss account – shall be reserved. The profit remaining shall be at the disposal of the general meeting. Profit distributions may only be made to the extent the equity exceeds the paid and called up part of the capital increased with the reserves which must be maintained pursuant to the law (paragraph 2 of Article 32 AoA). In addition, dividends shall be paid after adoption of the annual accounts evidencing that payment of dividends is lawful.

Furthermore, the Board of Managing Directors, with prior approval of the Supervisory Board may resolve to pay an interim dividend provided the requirement of the second

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paragraph has been complied with as shown by interim accounts drawn up in accordance with the provision of the law. The general meeting may, subject to due observance of the provision of paragraph 2 of Article 32 and upon a proposal by the managing directors, resolve to make distributions out of a reserve which need not to be maintained by virtue of the law.

Also, the general meeting may, upon a proposal by the managing directors which proposal was approved by the Supervisory Board, resolve to pay dividends, or make distributions out of a reserve which need not to be maintained by virtue of the law, wholly or partially in the form of shares in the capital of the Company.

The Chairman finally noted that this is not a voting item. As there were no questions on this point, the Chairman then proceeded to agenda item 5.

### **5. Appropriation of the net profit for the financial year 2010**

The Chairman referred to the profit appropriation proposal in the Annual Report 2010 and to Article 32 of the Articles of Association that was discussed under Agenda item 4.

The Chairman proposed to the meeting to acknowledge the decision by the Board of Managing Directors as approved by the Board of Supervisory Directors to add the profit of the Company for financial year 2010 in the amount of EUR 30,410,000 to the general reserve (retained earnings) and to resolve to declare a dividend ad nil for the financial year 2010 in accordance with the proposal of the Board of Managing Directors as included in the Annual Report 2010 on page 112, by adopting the following resolution:

*to acknowledge the decision by the Board of Managing Directors to add the profit of the Company for financial year 2010 to the general reserve (retained earnings) and to resolve to declare a dividend ad nil for the financial year 2010 in accordance with the proposal of the Board of Managing Directors included in the Annual Report 2010.*

The meeting then voted to adopt the resolution. After voting by the shareholders, the Chairman noted the outcome in accordance with schedule 1 under item 5 and declared that the resolution had been adopted with the requisite majority.

### **6. Discharge from liability of the members of the Board of Managing Directors**

The Chairman referred to Paragraph 2 of Article 32 of the Articles of Association and proposed to approve the management of the Company as performed by the Management Board during the financial year 2010 and proposed that all members of the Board of Managing Directors be entirely discharged from liability ("décharge") in the exercise of their management functions for the financial year 2010, by adopting the following resolution:

*to grant discharge from liability ("décharge") to the members of the Board of Managing Directors for their management tasks during the financial year 2010.*

The meeting then voted to adopt the resolution. After voting by the shareholders, the Chairman noted the outcome in accordance with schedule 1 under item 6 and declared that the resolution had been adopted with the requisite majority.

### **7. Discharge from liability of the members of the Board of Supervisory Directors**

The Chairman referred to Paragraph 2 of Article 32 of the Articles of Association and proposed to approve the supervision as performed by the Supervisory Board during the financial year 2010 and proposed that the members of the Board of Supervisory Directors be entirely discharged from liability ("décharge") in the exercise of their supervision functions

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for the financial year 2010, by adopting the following resolution:

*to grant discharge from liability (“décharge”) to the members of the Board of Supervisory Directors for their supervision during the financial year 2010.*

The meeting then voted to adopt the resolution. After voting by the shareholders, the Chairman noted the outcome in accordance with schedule 1 under item 7 and declared that the resolution had been adopted with the requisite majority.

**8. Discussion of the Corporate Governance Policy**

The Chairman referred to the Company’s Corporate Governance policy as described in the Annual Report for the financial year 2010 and pointed out to the meeting that the policy of the Company is to schedule this subject each year for discussion with the shareholders. The Chairman then invited questions and, as there were none, went on to the next agenda item.

**9. Appointment of the Company’s external auditor**

The Chairman pointed out that the shareholders meeting is authorized to appoint the auditor on the basis of article 29.1 of the Articles of Association. Under Dutch law, appointment of an auditor is mandatory for the Company. If the shareholders meeting would fail to appoint an auditor the Board of Managing Directors and the Supervisory Board are obliged and authorized to do so. It is the Company’s policy to schedule the appointment of the auditor each year for the shareholders meeting. The Supervisory Board upon the recommendation of the Audit Committee, having consulted the Board of Managing Directors and having conducted a thorough assessment of the functioning of external auditing within the Company, selected and recommends that KPMG Accountants NV be appointed by the shareholders meeting as the Company’s external auditor for the financial year 2011. The Supervisory Board and the Board of Managing Directors believe that KPMG Accountants NV is sufficiently experienced and duly skilled to act as the Company’s external auditor, has no conflict of interest with the Company that could affect the performance of its functions as the Company’s external auditor and its appointment will ensure the independent auditing of the Company’s annual accounts and review of other financial information.

The Chairman proposed to the meeting to approve the appointment of KPMG Accountants NV as the external auditors of the Company as follows:

*to appoint KPMG Accountants NV as the Company’s external auditor for the financial year 2011.*

The meeting then voted to adopt the resolution. After voting by the shareholders, the Chairman noted the outcome in accordance with schedule 1 under item 9 and declared that the resolution had been adopted with the requisite majority.

**10. a. and b. Composition of the Supervisory Board**

Re-appointment of two members of the Board of Supervisory Directors:

- a. to re-appoint Mr Arthur F. Pierce as member of the Board of Supervisory Directors

The Chairman then tabled agenda item 10a, explaining that Mr. Arthur F. Pierce is currently a supervisory director of the Company and was initially appointed to the Board of Supervisory Directors in 2004 for a term of four years. Mr. Pierce was reappointed at the Annual General Meeting held in 2008 for another four year term. His interim resignation and proposed re-appointment is to implement a staggering expiration of individual terms of supervisory directors in line with the policy of the board as explained in

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the Annual Report 2010, in order to secure continuity within the Board. Mr. Pierce's re-appointment would be in line with the provisions of the AoA (Article 23.3 and Article 23.4) and the Company's Corporate Governance Policy as approved by the shareholders at the AGM of 2007. Mr Pierce's expertise and experience has contributed and will contribute in the future to the highest standard of supervision over the Company. For the information required by Article 23.5 of the AoA reference is made to the Annual Report 2010 and the biography of Mr. Pierce available on the Company's website. The information required by Article 23.2 of the AoA (profile, size and composition and expertise) is available on the Company's website. It is intended that upon re-appointment of Mr. Pierce the roles and functions of the Supervisory Board members and the Board's committees will remain unchanged. The Board of Managing Directors and the Board of Supervisory Directors recommend that the GM re-appoint Mr. Pierce as member of the Supervisory Board in accordance with the proposal. Re-appointment will entitle Mr. Pierce to the compensation and benefits applicable to members of the Board of Supervisory Directors.

The Chairman then proposed to the meeting to reappoint the nominee as follows:

*To re-appoint Mr. **Arthur F. Pierce** as member of the Supervisory Board effective from the day of the meeting, for a term of four years.*

The meeting then voted to adopt the resolution. After voting by the shareholders, the Chairman noted the outcome in accordance with schedule 1 under item 10a and declared that the resolution had been adopted with the requisite majority.

- b. to re-appoint Mr Arthur F. Pierce as member of the Board of Supervisory Directors

The Chairman then tabled agenda item 10b, explaining that Mr. Yair Shilhav is currently a member of the Board of Supervisory Directors of the Company and was initially appointed to the Board of Supervisory Directors in November 2006 for a term of four years, expiring in November 2010. In this light and to the extent required by law, re-appointment of Mr. Shilhav would be deemed to ratify Mr. Shilhav's actions as member of the Board of Supervisory Directors in the period following expiration of his initial term and the date of re-appointment. Mr. Shilhav's re-appointment would be in line with the provisions of the AoA (Article 23.3 and Article 23.4) and the Company's Corporate Governance Policy as approved by the shareholders at the AGM of 2007. Mr. Shilhav's expertise and experience has contributed and will contribute in the future to the highest standard of supervision over the Company. For the information required by Article 23.5 of the AoA reference is made to the Annual Report 2010 and the biography of Mr. Shilhav available on the Company's website. The information required by Article 23.2 of the AoA (profile, size and composition and expertise) is available on the Company's website. It is intended that upon re-appointment of Mr. Shilhav the roles and functions of the Supervisory Board members and the Board's committees will remain unchanged. The Board of Managing Directors and the Board of Supervisory Directors recommend that the GM re-appoint Mr. Shilhav as member of the Supervisory Board in accordance with the proposal. Re-appointment will entitle Mr. Shilhav to the compensation and benefits applicable to members of the Board of Supervisory Directors.

The Board of Supervisory Directors currently consists of 6 members. The maximum number is currently set at 6 by clause 22.1 of the AoA. This means that an increase of the number of supervisory directors in excess of 6 requires an amendment of the AoA. In order to increase the Company's flexibility, it is proposed to determine a higher maximum of 9 in the AoA and make the determination the specific number at any given time by a simple shareholders resolution within a higher maximum defined by the AoA. This proposal assumes an amendment of the AoA, which is envisaged and proposed under agenda item 13 hereafter. With re-appointment of Messrs. Pierce and Shilhav and the amendment of the AoA under agenda item 13 of the agenda, the shareholders effectively set the number of the Board of Supervisory Directors for the time being at: 6 with no vacancies, subject to revision in due course.

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The Chairman then proposed to the meeting to reappoint the nominee as follows:

*To re-appoint Mr. Yair Shilhav as member of the Supervisory Board effective from the day of the meeting, for a term of four years.*

The meeting then voted to adopt the resolution. After voting by the shareholders, the Chairman noted the outcome in accordance with schedule 1 under item 10b and declared that the resolution had been adopted with the requisite majority.

**11. Authorization of the Board of Managing Directors under article 6 of the Company's articles of association to issue shares in the Company\***

The Chairman noted that it is the prerogative of the GM to resolve to issue new shares in the Company. Under article 6 of the AoA, the GM may mandate an other corporate body to issue shares. The mandate may be granted for a period of maximum 5 years. The GM has mandated the Board of Managing Directors last year on 15 June 2010, which mandate expires 15 June 2015. It is now proposed to renew such mandate to effectively extend it with one year and to authorize the Board of Managing Directors to issue new shares with the discretion to exclude or restrict the shareholders' pre-emption right. Such authorization will allow the Company to issue new shares in the context of employee incentive plans or for general corporate purposes if the capital structure and/or capital needs of the Company would so require. The proposal is approved by the Board of Supervisory Directors and any decisions by the Board of Managing Directors to issue shares will be subject to such prior approval as well. It is currently not envisaged that the Board of Managing Directors will make use of the authorization to issue shares and restrict pre-emption rights for other purposes than the execution of the Company's employee incentive plan and any plan or intention to do so will be published in accordance with and with due observance of the relevant rules and regulations. It is noted that a resolution to authorize the Board of Managing Directors to exclude or restrict the shareholders' pre-emption rights will require a two third majority of the votes cast in the GM, unless more than 50% of the outstanding shares is present or represented in the GM, in which case a simple majority will suffice.

The Chairman then proposed to the meeting to adopt the following resolution:

*To authorize the Board of Managing Directors under article 6.1 of the Company's articles of association for a period of 5 years to issue shares in the Company with a maximum calculated by deducting the total number of the at the time of the issue outstanding shares from the total number of shares as authorized at the time of the issue by the Authorized share capital of the Company and to authorize the Board of Managing Directors under article 7.5 of the Company's articles of association to exclude or restrict, to the Board's full discretion, the pre-emption right of shareholders under article 7.2 of the articles of association, provided that all relevant resolutions of the Board of Managing Directors regarding issue of shares and exclusion or restriction of pre-emption rights will be subject to prior approval by the Board of Supervisory Directors.*

The meeting then voted to adopt the resolution. After voting by the shareholders, the Chairman noted the outcome in accordance with schedule 1 under item 11 and declared that the resolution had been adopted with the requisite majority.

**12. Authorization of the Board of Managing Directors under article 9.3.c of the Company's articles of association to acquire shares in the Company by the Company**

The Chairman explained that under article 9.3.c of the AoA, it is the prerogative of the GM

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to authorize the Board of Managing Directors to repurchase shares in the Company and to determine the terms of such repurchase as to number of shares, purchase price and other terms. The authorization may be granted for a period of maximum 18 months. Similar authorizations were given by the GM on 7 November 2006 and 25 June 2007 (as part of the approval by the GM of the prevailing employee incentive plan of the Company) and on 15 June 2010. It is now proposed to renew such authorizations and to authorize the Board of Managing Directors to repurchase and/or alienate existing shares in the Company with a such a maximum of shares as allowed by the limitations of articles 9.3 a. and b. and at a price not lower than the nominal value and not exceeding 110% of the WSE listed average share price five days prior to the date of the transaction. Such authorization will effectively extend the authorization in place with one more year and allow the Company to execute the prevailing employee incentive plan and to repurchase and alienate existing shares for general corporate purposes. The proposal is approved by the Board of Supervisory Directors and any decisions by the Board of Managing Directors to repurchase or alienate existing shares will be subject to such prior approval as well. It is currently not envisaged that the Board of Managing Directors will make use of the authorization to repurchase shares for other purposes than the execution of the Company's employee incentive plan and any plan or intention to do so will be published in accordance with and with due observance of the relevant rules and regulations.

The Chairman then proposed to the meeting to adopt the following resolution:

*To authorize the Board of Managing Directors under article 9.3.c of the Company's articles of association for a period of 18 months to repurchase shares in the Company as well as to authorize the Board of Managing Directors to alienate existing shares in the Company, irrespective of whether such shares were repurchased or sold by the Company before or after the date of this resolution, in the context of an employee incentive plan or for other general corporate purposes, provided that the limitations of article 9 of the articles of association duly observed as to the maximum number of shares and within a price range of the nominal value of the shares and 110% of the average share price as listed for the shares on the Warsaw Stock Exchange in the five days prior to the transaction*

The meeting then voted to adopt the resolution. After voting by the shareholders, the Chairman noted the outcome in accordance with schedule 1 under item 12 and declared that the resolution had been adopted with the requisite majority.

13. Amendment of the Company's articles of association in accordance with the draft deed of amendment prepared by De Brauw Blackstone Westbroek NV and authorization of any and all members of the managing board of the Company as well as any and all civil-law notaries, associates and paralegals practicing with De Brauw Blackstone Westbroek N.V. to draw up the draft of the required notarial deed of amendment of the articles of association, to apply for the required ministerial declaration of no-objection, as well as to execute the notarial deed of amendment of the articles of association

The Chairman then tabled agenda item 13, explaining that under article 43 of the AoA amendment of the articles of association can only be resolved by the GM at the proposal by the Board of Managing Directors, approved by the Board of Supervisory Directors. Such proposal was made by the first board and approved by the last board on 5 May 2011 in accordance with the draft deed prepared by De Brauw Blackstone Westbroek NV dated 20 April 2011 in accordance with annex 1 to the shareholders circular. In short, the amendment is proposed to update the AoA in accordance with certain developments in Dutch and EU corporate law. For the verbatim text of the proposed changes and a detailed explanation thereto the Chairman made reference to annex 1 to the circular.

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The Chairman then proposed to the meeting to adopt the following resolution:

*To amend the articles of association of the Company in accordance with the draft deed of amendment dated 9 May 2011 prepared by De Brauw Blackstone Westbroek NV and to authorize any and all members of the managing board of the Company as well as any and all civil-law notaries, associates and paralegals practicing with De Brauw Blackstone Westbroek N.V. to draw up the draft of the required notarial deed of amendment of the articles of association, to apply for the required ministerial declaration of no-objection, as well as to execute the notarial deed of amendment of the articles of association.*

The meeting then voted to adopt the resolution. After voting by the shareholders, the Chairman noted the outcome in accordance with schedule 1 under item 13 and declared that the resolution had been adopted with the requisite majority.

**14. Any other business**

None

**15. Closing**

With no other business to be transacted, the Chairman closed the meeting at 4:15 pm.

(signed)

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W.O.C.M. van Twuijver  
Chairman

(signed)

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T.C. Koster  
Secretary

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*Schedule 1 Voting Summary*



<b>Agenda item</b>	<b>number of shares</b>			<b>total</b>
	<b>for</b>	<b>against</b>	<b>neutral</b>	
3. Adoption of the annual accounts 2010	40.027.589	0	0	40.027.589
5. Appropriation of the net profit for 2010	40.027.589	0	0	40.027.589
6. Discharge of the members of the Board of Managing Directors for 2010	40.027.589	0	0	40.027.589
7. Discharge of the members of the SB for 2010	40.027.589	0	0	40.027.589
9. Appointment of the external auditor for 2011	31.867.589	0	8.160.000	40.027.589
10 a. Composition of the SB, Reappointment of Mr. A.F. Pierce	29.920.636	0	10.106.953	40.027.589
10.b Composition of the SB, Reappointment of Mr. Y. Shilhav	29.920.636	0	10.106.953	40.027.589
11. Authorization to issue shares	28.116.936	11.740.653	170.000	40.027.589
12. Authorization to acquire shares	31.776.936	8.250.653	0	40.027.589
13. Amendment of the Articles of Association	36.287.589	80.000	3.660.000	40.027.589