



**STATEMENT  
ON THE COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF  
THE WARSAW STOCK EXCHANGE**

**CINEMA CITY INTERNATIONAL N.V.**

**GENERAL RULES**

**I. OBJECTIVE OF THE COMPANY**

The main objective of a company's authorities is to further the company's interests, i.e. to increase the value of the assets entrusted to them by the shareholders, taking into consideration the rights and interests of entities other than the shareholders that are involved in the functioning of the company, especially the company's creditors and employees.

**Yes, the Company intends to comply with this general rule.**

**II. MAJORITY RULE AND PROTECTION OF THE MINORITY**

A joint-stock company is a capital venture, therefore it must respect the principle of capital majority rule and the primacy of majority over minority. A shareholder who contributes more capital also bears a greater economic risk. It is, therefore, justified that his interests be considered in proportion to the capital he contributes. The minority must have a guarantee that their rights will be properly protected within the limits set by the law and commercial integrity. When exercising his rights, a majority shareholder should take into account the interests of the minority.

**Yes, the Company intends to comply with this general rule.**

However, it should be pointed out that the Company is bound by Dutch law and even if Polish and Dutch regulations regarding commercial companies are similar, still the rights and obligations of shareholders, either the majority as well as the minority shareholders, differ from Polish regulations regarding commercial companies.



### III. HONEST INTENTIONS AND NO-ABUSE OF RIGHTS

The exercising of rights and reliance on legal institutions should be based on honest intentions (good faith) and cannot go beyond the purpose and economic reasons for which these institutions are established. No actions should be taken which, by exceeding the limits set, constitute an abuse of the law. The minority should be protected against any abuse of ownership rights by the majority and the interests of the majority should be protected against any abuse by the minority of its rights, thus ensuring the best possible protection of the equitable interests of the shareholders and other market participants.

**Yes, the Company intends to comply with this general rule.**

### IV. COURT CONTROL

The company's authorities and persons chairing the general meeting cannot decide on issues which should be resolved by a court judgment. This does not apply to activities which the company's authorities and persons chairing general meetings are authorized or obliged to undertake by force of law.

**Yes, the Company intends to comply with this general rule.**

However it should be pointed out that the court control and the scope of authorization of the company's body, as well as persons who chair the meetings differ from the Polish joint-stock company.

### V. INDEPENDENT OPINIONS ORDERED BY THE COMPANY

When choosing an entity to provide expert services, particularly an auditor, financial and tax advisors or legal advisors, the company should examine whether there are any circumstances that would limit the entity's independence when performing the tasks entrusted.

**Yes, the Company intends to comply with this general rule.**



	RULE	YES/NO	COMMENTS
<b><u>BEST PRACTICES OF GENERAL MEETINGS</u></b>			
1	A general meeting should take place in a location and at a time that allows the participation of as many shareholders as possible.	<b>YES</b>	<p>The shareholders' meetings take place in Amsterdam, or Rotterdam, or Haarlemmermeer (Schiphol).</p> <p>In order to allow Polish shareholders to have regular meetings in Poland, the Company will hold a pre-meeting in Poland prior to each general shareholders' meeting. During the pre-meeting each shareholder may appoint a proxy indicated by the Company, to attend the general shareholders' meeting, speak at such general meetings on his/her behalf and to exercise votes in accordance with the instructions issued by the shareholders.</p>
2	A request made by parties entitled to do so for a general meeting to be convened and for certain issues to be put on its agenda should be justified. Draft resolutions proposed for adoption by the general meeting and other key documents should be presented to the shareholders together with justification and a supervisory board opinion before the general meeting to allow them time to review and evaluate the same.	<b>YES</b>	<p>A general meeting may be convened by the board of managing directors, the board of supervisory directors, or shareholders and depositary receipt holders together representing at least one-tenth of the issued capital. The agenda shall contain such business as may be placed thereon by the board of managing directors and/or the board of supervisory directors. Furthermore, the agenda shall contain such items as requested in writing by one or more persons entitled to attend the general meeting, representing solely or jointly at least one-hundredth of the issued capital or holding shares of the company which according to the official price list of the regulated stock exchange represent a value of at least fifty million euros, at least sixty days before the date of the meeting. The board of managing directors and the board of supervisory directors may resolve not to place such items proposed by shareholders on the agenda if they are of the</p>



			<p>opinion that such request would be detrimental to the serious interest of the company.</p> <p>The board of managing directors and the board of supervisory directors shall inform the general meeting by means of a shareholder circular of all facts and circumstances relevant to the approval, delegation or authorization to be granted if a right of approval is granted to the general meeting</p>
3	A general meeting convened on the shareholders' request should be held on the date given in the request and, if this date cannot be kept, on the nearest date that would allow the general meeting to settle the issues on its agenda.	YES	The Company makes effort to convene general meetings on dates indicated in applications presented by eligible requesting shareholders.
4	A general meeting whose agenda includes certain issues at the request of authorized entities or which has been convened on such a request can only be cancelled with the consent of the requesting parties. In all other instances, a general meeting can be cancelled if its holding is hindered (force majeure) or is obviously groundless. A meeting is called off in the same way as it is convened, limiting negative consequences for the company and its shareholders as far as possible and no later than three weeks before the original meeting date. A change in the date of a general meeting is made in the same way as a cancellation, even if the proposed agenda does not change.	YES	The internal regulations do not provide any regulation for the possibility to cancel the shareholder's meeting. Dutch law does not have respective regulations.
5	Before a shareholder's representative can participate in a general meeting, his right to act on the shareholder's behalf should be duly documented. It should be	YES	The shareholders' representative, including any attorney, shall be admitted to the general meeting on presentation of a document evidencing the right to represent the shareholder, such as the power of attorney. A power of



	presumed that a written document confirming the right to represent a shareholder at a general meeting conforms with the law and does not require any additional confirmations or acknowledgement unless the company's management board or the chairman of the general meeting has doubts about its authenticity or validity prima facie (when drawing up the list of attendance).		attorney shall mean any power of attorney transmitted via standard means of communication and received in written form.
6	The general meeting should have regular by-laws setting out in detail the principles on which meetings are conducted and resolutions adopted. The by-laws should, in particular, contain provisions on elections, including elections to the supervisory board by voting in separate groups. The by-laws should not be subject to frequent change; it is advisable for any changes to enter into force as of the following general meeting.	YES	In the opinion of the Company, the Articles of Association of the Company provides a detailed description of rules of conducting general meetings. Therefore it is not necessary to adopt any additional document discussing these issues. There are detailed provisions on the elections, but the provisions on elections to the supervisory board by voting in separate groups are not included, as Dutch law does not recognize a concept of voting by shareholders in separate groups. Nevertheless, the Company does not exclude that it will decide to adopt such by-laws in the future, if it is advisable in the view of the Company's board of managing directors and the board of supervisory directors and/or in the view of shareholders.
7	The person opening the general meeting should immediately organize the election of the meeting chairman and should refrain from making any substantial or formal decisions.	YES	Under the Company's articles of association, a general meeting of shareholders is chaired by a chairman to be appointed by the supervisory directors. If no chairman for a meeting has been appointed in accordance to the above rule, the meeting shall appoint its chairman itself.
8	The chairman of the general meeting ensures that the meeting is run efficiently and that the rights and interests of all the shareholders are observed. The chairman should, in particular, counteract any abuse of rights by meeting participants and should guarantee that the rights of	YES	The chairman of the general meeting ensures that the meeting is run efficiently and that the rights and interests of all the shareholders are observed. He is responsible, amongst the others, for preparation of the minutes of the general meeting; determination of method of voting, determination whether a resolution is passed, etc.



	minority shareholders are respected. The chairman should not, without good reason, resign from his function or delay signing the meeting minutes.		
9	A general meeting should be attended by the members of both the supervisory board and the management board. The auditor should also be present at an annual general meeting and an extraordinary general meeting if the company's financial matters are to be discussed. The absence of a supervisory or management board member from the general meeting requires an explanation, which should be given at the meeting.	YES	The Company makes all efforts to ensure that both managing and supervisory directors, as well as the representative of auditor is present during general meetings. Moreover, the external auditor may be questioned by the general meeting in relation to his statement on the fairness of the annual accounts. The external auditor shall therefore attend and be entitled to address this meeting.
10	Supervisory and management board members and the company's auditor should, within their powers and to the extent needed to settle issues discussed at the general meeting, provide meeting participants with explanations and information about the company.	YES	Managing and supervisory directors, as well as the representative of the auditor, provide, within their powers and to the extent needed to settle issues discussed at the general meeting, provide meeting participants with explanations and information about the Company.
11	All answers provided by the management board to questions posed by the general meeting should take into account the fact that a public company carries out its reporting obligations in the way stipulated in the Law on the Public Trading in Securities; certain information cannot be provided in any other way.	YES	The Company shall comply with laws of all applicable jurisdictions. The board of managing directors and the board of supervisory directors shall provide the general meeting with all information that it requires, unless this would be contrary to an overriding interest of the company. In the event of such an overriding interest, the board of managing directors and the board of supervisory directors shall give its motivation. Moreover, the board of managing directors and the board of supervisory directors shall inform the general meeting by means of a shareholder circular of all facts and circumstances relevant to the approval, delegation or authorization to be granted if a right of approval is granted to the general meeting.



12	Short breaks in the session which do not constitute an adjournment and are ordered by the chairman in justified cases cannot be aimed at hindering the exercising by the shareholders of their rights.	YES	The articles of association do not provide specific provisions on this matter In justified cases the chairman of the general meeting may allow short breaks.
13	Voting on administrative issues may only concern issues related to the running of the meeting. Resolutions which may have an impact on the exercising by the shareholders of their rights cannot be voted on in this way.	YES	Pursuant to the Company's Articles of Association the meeting shall not adopt resolutions on matters other than those that have been placed on the agenda.
14	A resolution not to consider an issue on the agenda may be adopted only if it is supported by sound reasons. Any motion in this respect should be accompanied by a detailed justification. A decision to remove an item from the agenda or not to consider an issue put on the agenda at a shareholder's request requires a general meeting resolution, once all the shareholders present who put the issue on the agenda have given their consent, supported by 75% of the votes present at the meeting.	YES	<p>Pursuant to the Company's Articles of Association the meeting shall not adopt resolutions on matters other than those that have been placed on the agenda. Valid resolutions in respect of matters which were not mentioned on the agenda in the convocation letter or which have not been published in the same manner and with due observance of the period set for convocation, can only be taken by unanimous votes in a meeting where the entire issued capital is represented.</p> <p>Shareholders and/or depositary receipt holders that severally or jointly represent at least one hundredth of the company's issued capital or holding shares of the company which according to the official price list of the regulated stock exchange represent a value of at least fifty million euros (EUR 50,000,000.--), at least sixty days before the date of the meeting and provided that this is not in conflict with any of the company's significant interests. The board of managing directors and the board of supervisory directors may resolve not to place such items proposed by shareholders on the agenda if they are of the opinion that such request would be detrimental to the serious interest of the company. The internal regulations shall not deviate from the articles and do not provide for the possibility not to consider any issue put on the agenda at shareholder's request.</p>



15	Any party objecting to a resolution must be given the opportunity to put forward concise reasons for its objections.	YES	The Company makes all efforts to ensure that any person objecting to a resolution is given the opportunity to put forward concise reasons for its objections.
16	As the Code of Commercial Companies does not provide for court control in the event of a resolution not being adopted by the general meeting, the management board or the meeting chairman should form resolutions in such a way that anyone who does not agree with the merits of a decision being the subject of the resolution has the possibility of challenging the same, provided that he is entitled to do so.	YES	The Company makes all efforts to ensure that wording of draft resolutions to be adopted is clear and doubtless.
17	Written statements made by a participant at a general meeting are recorded in the minutes at the participant's request.	YES	Pursuant to the Articles of Association of the Company minutes shall be taken of the matters discussed at every general meeting by a secretary to be appointed by the chairman. The minutes are adopted by the chairman and the secretary and signed by them to that effect. The chairman, or the person who requested the meeting, may decide that an official notarial report should be drawn up of the matters discussed at the meeting. This report must be co-signed by the chairman
<b><u>BEST PRACTICES OF SUPERVISORY BOARDS</u></b>			
18	The supervisory board submits a concise evaluation of the company's standing to the general meeting every year. The evaluation should be made available to all shareholders early enough to allow them to become acquainted with the contents before the annual general	YES	Pursuant to the Articles of Association of the Company the board of supervisory directors may submit to the general meeting a preliminary advice on the annual accounts. Moreover, the annual report of the Company for every financial year contains a report prepared by the Supervisory Board which provides information on the functioning of the



	meeting.		<p>Supervisory Board, its committees and evaluation of the Company's standing. The annual accounts and the annual report shall be deposited at the company's office for inspection by the shareholders and depositary receipt holders and the board of managing directors shall also submit the annual report. Therefore, the company is obliged to ensure that the annual accounts, the annual report, the preliminary advice of the board of supervisory directors, if any, and the additional data to be added pursuant to the Dutch Law are available at its office from the day notice is sent out of the annual meeting. Shareholders and depositary receipt holders may inspect these documents at the company's office and may obtain a complimentary copy thereof.</p> <p>The annual accounts cannot be adopted if the general meeting has not been able to examine the auditor's report, unless under the additional data a lawful ground has been stated for the absence of the auditor's report.</p>
19	A member of the supervisory board should have the relevant education, the appropriate professional and practical experience, be of high moral standing and be able to devote the time required to perform his supervisory board function properly. Supervisory board candidature should be announced and supported by reasons sufficiently detailed to enable an informed choice to be made	<b>YES</b>	Pursuant to the Articles of Association of the Company the following information will be provided of a candidate: his age, his profession, the amount of shares in the capital of the company held by him and his current or past occupations in so far as they are of interest for the fulfillment of a supervisory director's duties. Legal persons of which he is already a supervisory director shall also be mentioned; if these include legal persons belonging to the same group, it is sufficient to name the group. Motivation must be given with regard to the recommendation for the appointment or reappointment.
20	(a) At least half the members of the supervisory board should be independent members, subject to point (d) below. Independent members of the supervisory board should not have relations with the company and its shareholders or employees which could significantly affect the independent member's ability to make impartial decisions.	<b>YES</b>	There is a shareholder in the Company holding block of over 50%, thus Section (d) shall apply to the Company. Pursuant to the Articles of Association of the Company the Company shall have a board of supervisory directors, consisting of at least three (3) and at most six (6) natural persons of which at least two (2) supervisory directors shall be independent. Moreover, the Articles of Association provides the definition of an independent member. According to them a supervisory director shall



<p>(b) Detailed independence criteria should be laid down in the company's statutes<sup>2</sup>.</p> <p>(c) Without the consent of the majority of independent supervisory board members, no resolutions should be adopted on the following issues:</p> <ul style="list-style-type: none"> <li>- performances of any kind by the company and any entities associated with the company in favor of management board members;</li> <li>- consent to the execution by the company or a subsidiary of a key agreement with an entity associated with the company, a member of the supervisory board or management board, or with their associated entities; and</li> <li>- appointment of an auditor to audit the company's financial statements.</li> </ul> <p>(d) In companies where one shareholder holds a block of shares carrying over 50% of all voting rights, the supervisory board should consist of at least two independent members, including an independent chairman of the audit committee, should such a committee be set up.</p>		<p>be deemed independent if the following criteria of dependence do not apply to him. The said criteria of dependence are that the supervisory director concerned or his spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree:</p> <ul style="list-style-type: none"> <li>a. is or has been an employee or member of the management board of the company (including an affiliated company) in the five years prior to the appointment;</li> <li>b. receives personal financial compensation from the company, or a company associated with it, other than the compensation received for the work performed as a supervisory director and in so far as this is not in keeping with the normal course of business;</li> <li>c. has had an important business relationship with the company, or a company associated with it, in the year prior to the appointment. This includes the case where the supervisory director, or the firm of which he is a shareholder, partner, associate or adviser, has acted as adviser to the company (consultant, external advisor, civil law notary and lawyer) and the case where the supervisory director is a management board member or an employee of any bank with which the company has a lasting and significant relationship;</li> <li>d. is a member of the management board of a company in which a member of the managing board of the company which he supervises is a supervisory board member;</li> <li>e. holds at least five percent of the shares in the company (including the shares held by natural persons or legal entities which cooperate with him under an express or tacit, oral or written agreement);</li> <li>f. is a member of the management board or supervisory board – or is a representative in some other way – or employee of a legal entity which holds at least five percent of the shares in the company;</li> </ul>
---	--	---



			g. has temporarily managed the company during the previous twelve months where managing directors have been absent or unable to discharge their duties.
21	A supervisory board member should, above all, keep the company's interests in mind.	YES	Pursuant to the Articles of Association of the Company when performing their duties, the supervisory directors shall be guided by the interests of the company and its affiliated business.
22	Supervisory board members should take the relevant action to receive from the management board regular and complete information on any and all significant issues concerning the company's operations and on any risks related to the business and ways of managing such risks.	YES	Pursuant to the Articles of Association of the Company the board of managing directors shall timely provide the board of supervisory directors with any such information as may be necessary for the board of supervisory directors to perform its duties.
23	A supervisory board member should inform the other members of the board of any conflict of interest that arises, and should refrain from participating in discussions and from voting on any resolution on the issue in respect of which the conflict of interest has arisen.	YES	Pursuant to the Articles of Association of the Company a supervisory director shall not take part in any discussion or decision-making that involves a subject or transaction in relation to which he has a conflict of interest with the Company
24	Information on a supervisory board member's personal, actual and organizational connections with a given shareholder, particularly with the majority shareholder, should be made publicly available. The company should have a procedure in place for obtaining such information from supervisory board members and for making it publicly available.	YES	The transparency is extremely important for the Company, thus it demands that each supervisory director provides all necessary details in relation to him or herself with that respect.  Dutch corporate governance code does not have any regulation in this respect. Nevertheless, the Company intends to comply with the Polish Corporate Governance Code in this respect.



25	Supervisory board meetings should be accessible and open to management board members, save for issues which directly concern the management board or its members, especially the removal, liability and remuneration (of management board members).	YES	Pursuant to the Articles of Association of the Company the board of supervisory directors shall have a meeting with the board of managing directors as often as the board of supervisory directors or the board of managing directors deems necessary.
26	A supervisory board member should make it possible for the management board to present publicly and in an appropriate manner information on the transfer or acquisition of shares in the company or in its dominant company or subsidiary and of transactions with such companies, provided that such information is relevant to his financial standing.	YES	The Company applies all relevant laws and regulations with respect disclosure of information on the transfer or acquisition of shares in the Company or in its dominant company or subsidiary and of transactions with such companies, provided that such information is relevant to his financial standing.
27	Supervisory board members' remuneration should be set on the basis of a set of transparent procedures and rules. The remuneration should be fair but should not constitute a significant cost item in the company's business or have a material impact on its financial results. It should also be in reasonable relation to the remuneration of members of the management board. The total amount of all supervisory board members' remuneration, as well as the remuneration of individual members, with a breakdown of its various elements should be disclosed in the annual report together with information on the procedures and rules applied to determine it.	YES	<p>The general meeting determines the remuneration policy and the remuneration of the supervisory directors upon a proposal made by the board of supervisory directors. The remuneration of the supervisory directors shall not depend on the results of the company, and shall not consist of shares or rights to acquire shares. Remuneration shall be paid semi-annually in arrears. Remuneration shall be paid for the entire semi-annual period in which a member commences or terminates service. Supervisory directors shall be reimbursed for all reasonable costs incurred in connection with their serving as supervisory directors.</p> <p>The Company applies all relevant laws and regulations with respect disclosure of information on the supervisory directors' remuneration, especially the notes to the annual accounts in any event contain the information prescribed by law as to the size and structure of the remuneration of individual supervisory directors.</p>
28	The supervisory board should operate in accordance with	YES	Pursuant to the by-laws of the board of supervisory directors, in case the



	<p>its by-laws, which should be publicly available. The by-laws should stipulate that at least two committees should be set up:</p> <ul style="list-style-type: none"> <li>- audit, and</li> <li>- remuneration.</li> </ul> <p>The audit committee should consist of at least two independent members and at least one person possessing the relevant qualifications and experience in accounting and finance. The committee's tasks should be specified in the board by-laws. The committees should present reports on their activities to the supervisory board every year. The company should then make these reports available to its shareholders.</p>		<p>board of supervisory directors consists of more than four members, it shall have at least three standing committees, i.e., an audit committee, a remuneration committee and a selection and appointment committee, to be appointed by the board of supervisory directors from its own members. The committees shall prepare the decision-making by the board of supervisory directors. Moreover, the board of supervisory directors shall receive from each of the committees on an annual basis, or more often if so requested, a report of its deliberations and findings. When installed, the board of supervisory directors shall prepare rules governing the respective committee's practices and principles (responsibilities, composition, meetings, etc.). These rules are to be placed on the company's website. In its report, the board of supervisory directors shall report on how the duties of the committees have been carried out during the relevant year, and will at least state the composition of the committees, the number of committee meetings and the main items discussed therein.</p>
29	<p>The agenda of a supervisory board meeting should not be amended or supplemented during the meeting to which it relates. This requirement does not apply if all the supervisory board members are present and agree to the amendment or supplementation, and if certain actions have to be taken by the supervisory board to protect the company against damage and in the case of a resolution assessing whether there is a conflict of interests between a supervisory board member and the company.</p>	<p><b>YES</b></p>	<p>Pursuant to the by-laws of the board of supervisory directors, meetings of the board of supervisory directors shall be convened by the Company secretary on behalf of the member(s) requesting the meeting. Where this is practically possible, notices convening a meeting and the agenda of items and documents to be considered and discussed therein shall be dispatched 8 working days before the meeting and sent to each supervisory director and the managing directors. A meeting shall be duly convened on shorter than 8 days notice if all members consent.</p>
30	<p>A supervisory board member delegated by a group of shareholders to permanently exercise supervision should submit detailed reports on the performance of his task to the supervisory board.</p>	<p><b>DOES NOT APPLY</b></p>	<p>In accordance with Dutch laws, the Directors are appointed by the general meeting of shareholders.</p> <p>Dutch law does not recognize the concept of the appointment of the supervisory board's member by shareholders' group voting and delegation</p>



			<p>by the group of shareholders to permanent supervision.</p> <p>The Supervisory Board appoints among its members a member to be a delegated Supervisory Board member. The delegated director remains a director of the board of supervisory directors.</p>
31	A supervisory board member should not resign from his function during his term of office if this would make it impossible for the board to function, particularly if it could hinder the timely adoption of an important resolution.	YES	Members of the board of supervisory directors shall resign in accordance with the resignation rota, which has been drawn up in order to avoid, as far as possible, a situation in which many members of the Board of supervisory directors retire at the same time. The rota is adopted on specified period of time is to be published on the Company's website.
<b><u>BEST PRACTICES OF MANAGEMENT BOARDS</u></b>			
32	With the company's interests in mind, the management board sets out the strategy and the main objects of the company's operations and submits them to the supervisory board. The management board is responsible for implementation and performance. The management board sees that the company's management system is transparent and effective and that its business is conducted in accordance with legal regulations and best practice.	YES	<p>Pursuant to the Articles of Association of the Company at least once per year the board of managing directors informs the board of supervisory directors in writing of the outline of the company's general financial, social, economic (including strategic policy, the general and financial risks and the management and control system) and staffing policy.</p> <p>The role of the board of managing directors is to manage the Company, which means, among other things, that it is responsible for achieving the Company's aims, strategy and policy, and results. The board of managing directors is accountable for this to the board of supervisory directors and to the general meeting of shareholders.</p>
33	When making decisions on corporate issues, management board members should act within the limits of justified business risk, i.e. after considering all information, analyses and opinions, which, in the reasonable opinion of the management board, should be taken into account in a given case in view of the company's interest. When	YES	The Company shall in any event employ as instruments of the internal risk management and control systems: (i) risk analyses of the operational and financial objectives of the Company; (ii) a code of conduct which should be published on the Company's website; (iii) guides for the layout of the financial reports and the procedures to be followed in drawing up the reports; and, (iv) a system of monitoring and reporting. The board of



	determining the company's interests, the long-term interests of the company's shareholders, creditors and employees should be kept in mind, as well as those of other entities and persons cooperating with the company, also the interests of the local community.		<p>managing directors shall implement this code of conduct in the Company and in all group companies.</p> <p>The board of managing directors shall state in the annual report that the internal risk management and control systems are adequate and effective and shall substantiate this in a clear manner. Moreover, the board of managing directors shall report in the annual report on the operation of said systems during the year under review and describe any significant changes that have been made and any major improvements that are planned.</p> <p>In performing its role, the board of managing directors shall be guided by the interests of the Company and its affiliated enterprise, taking into consideration the interests of the Company's stakeholders (including the Company's shareholders) and the objective in creating shareholder value in the long run.</p>
34	In transactions with shareholders and other persons whose interests affect those of the company, the management board should act with the utmost care to ensure that the transactions are carried out at arm's length.	YES	As the transparency is crucial for the company, it acts with the utmost care to ensure that the transactions with its shareholders and other persons whose interests affect those of the company are carried out at arm's length.
35	A management board member should always be loyal to the company and avoid actions which could lead to the advancement of his own material interests only. If a management board member receives information about the opportunity to make an investment or another advantageous transaction relating to the company's objects, he should put this information immediately before the management board to be reviewed in terms of the company taking advantage of it. Such information may only be used by a management board member or	YES	<p>All the Company's managing directors shall avoid personal activities and financial interests, which might be adverse to the interests of Company, produce conflicting loyalties or interests, or interfere with effective job performance or which involve the appearance of a conflict of interest.</p> <p>Moreover, managing directors in possession of confidential information that, when disclosed could have an effect on the price of securities or contracts, must absolutely refrain from communicating it to third parties or using it on their own account or for the benefit of others.</p>



	passed on to a third party with the consent of the management board and only if it does not infringe on the company's interests.		
36	A management board member should treat his shares in the company and its dominant companies and subsidiaries as a long-term investment.	YES	In performing its role, the board of managing directors shall be guided by the interests of the Company and its affiliated enterprise, taking into consideration the interests of the Company's stakeholders (including the Company's shareholders) and the objective in creating shareholder value in the long run. Thus, all the managing directors treat their investment in the Company and its dominant companies and subsidiaries as a long-term investment.
37	Management board members should inform the supervisory board whenever a conflict of interests arises, or if there is a risk of a conflict of interests arising in connection with the function performed.	YES	Each managing director must immediately report any potential conflict of interest concerning a managing director to the chairman of the board of supervisory directors and to the other managing directors. A managing director with such (potential) conflict of interest must provide the chairman of the board of supervisory directors and the other managing directors with all information relevant to the conflict, including information relating to persons with whom he/she has a family law relationship ( <i>familie-rechtelijke verhouding</i> ) (i.e. his/her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree).
38	The remuneration of management board members should be set on the basis of transparent procedures and principles, taking into account its incentive nature and ensuring effective and smooth management of the company. The remuneration should correspond to the size of the company's business enterprise, should be in reasonable relation to business results, and be related to the scope of liability in a given function, taking into account the level of remuneration of members of	YES	The Company has a policy regarding the remuneration of the board of managing directors. The remuneration policy is adopted by the general meeting upon the proposal of the board of supervisory directors. The remuneration and the other terms and conditions of employment of each member of the board of managing directors are determined by the board of supervisory directors, with due observance of the remuneration policy.



	management boards in similar companies on a similar market.		
39	The total amount of all management board members' remuneration, as well as the remuneration of individual members, with a breakdown of its various elements should be disclosed in the annual report together with information on the procedures and rules applied to determine it. If the amount of the remuneration of individual members of the management board significantly differs, it is recommended that a relevant explanation be published.	YES	The Company applies all relevant laws and regulations with respect disclosure of information on the managing directors' remuneration, especially the notes to the annual accounts in any event contain the information prescribed by law as to the size and structure of the remuneration of individual managing directors.
40	The management board should lay down in the by-laws principles and procedures for operating and allocating powers. These principles should be clear and generally available.	YES	Pursuant to the Articles of Association of the Company the board of managing directors adopted rules and regulations governing its decision-making process, which rules and regulations were approved by the board of supervisory directors. Despite the fact that neither the Dutch corporate governance code nor the Articles of Association require the management board's by-laws to be published on the Company's website or to be generally available, the Company intends to publish it on its web site.
<b><u>BEST PRACTICES IN RELATIONS WITH THIRD PARTIES AND THIRD PARTY INSTITUTIONS</u></b>			
41	When selecting an auditor, the company should ensure that he will perform the tasks entrusted to him impartially.	YES	The external auditor of the Company, as well as each member managing director and supervisory director, shall immediately report any potential conflict of interest concerning the external auditor to the chairman of the Board of supervisory directors. The external auditor of the Company, as well as each managing director and supervisory director must provide all information relevant to the conflict of interest to the chairman of the Board



			<p>of supervisory directors.</p> <p>The external auditor shall in any event have a conflict of interest with the Company, if: (i) the independence of the external auditor with respect to its supervision of financial reporting is compromised by the non-audit activities it provides the Company, including, for example, consulting on tax, marketing, management, strategy, acquisitions or information technology; (ii) the responsible partner in the external auditor's firm has been in charge of the audit activities for the Company during a continuous period of 5 years without rotation; (iii) under applicable law, including the rules of any exchange on which the Company's shares (or depositary receipts thereof) are listed, such conflict of interest exists or is deemed to exist; or, (iv) the board of supervisory directors at its sole discretion has ruled that such conflict of interest exists or is deemed to exist.</p>
42	In order to ensure an impartial opinion, the company should change its auditor once every five years at the least. The change of auditor should also be understood as a change in the individual carrying out the audit. Additionally, over a long period of time the company should not use the services of the same auditing entity.	YES	At least once every four years, an audit committee (and the board of managing directors) shall conduct a thorough assessment of the functioning of the external auditor within the various entities and in the different capacities in which the external auditor acts. The main conclusions of this assessment shall be communicated to the general meeting for the purposes of assessing the nomination for the appointment of the external auditor.
43	The auditor should be selected by the supervisory board on the recommendation of the audit committee, or by the general meeting on the recommendation of the supervisory board containing the audit committee recommendation. If an auditor other than the one recommended by the audit committee is chosen by either the board or the general meeting, detailed reasons should be given. Information on the selection of an auditing entity together with the relevant justification should be	YES	As stipulated in the articles of association the auditor is appointed by the general meeting. If the general meeting fails to do so, the board of supervisory directors is authorized, or if the board of supervisory directors fails to do so, the board of managing directors. The board of supervisory directors shall nominate a candidate for this appointment, for which purpose the board of managing directors and the audit committee, if installed, advise the board of supervisory directors.



	disclosed in the annual report.		
44	The current auditor or the auditor auditing the annual accounts of the company or its subsidiaries in the period under examination cannot act as a special purpose auditor for the same company.	YES	In the Company's opinion the provisions of the Act on Public Offering on special purpose auditor do not apply to foreign companies, such as Cinema City International N.V. Therefore, the company's current auditor will never act as the special purpose auditor.
45	A company should acquire its own shares in such a way that no group of shareholders is privileged.	YES	The company may only acquire its own fully-paid shares or depositary receipts without consideration, or if (amongst the others) the board of managing directors received authorization from the general meeting to obtain such own shares. Such authorization shall be valid for a period of no longer than eighteen months. The general meeting must state in the authorization the number of shares that may be acquired, how the shares may be acquired and the limits within which the price of the shares must be set. No authorization shall be required in case the company acquires shares in its capital, which are officially listed on a regulated stock exchange, for the purpose of transferring such shares to employees of the company or of a group company, under a scheme applicable to such employees.
46	The company's statutes, its basic internal regulations, information and documents related to general meetings, and its financial statements should be made available in the company's registered office and on its website.	YES	Both the Articles of Association and financial statements as well as the management board's by-laws and the supervisory board's by-laws will be available on the Company's website and in the Company's registered office.  The below documents are required to be posted on the Company's website in accordance with the Dutch corporate governance code: <ol style="list-style-type: none"> <li>1. Code of conduct,</li> <li>2. Whistleblower Rules,</li> <li>3. MB Securities rules,</li> </ol>



			<ol style="list-style-type: none"> <li>4. Main elements of the contract of a management board member (and/or other publication),</li> <li>5. Remuneration report of the SB,</li> <li>6. SB Rules,</li> <li>7. SB profile,</li> <li>8. SB Retirement Schedule,</li> <li>9. SB Securities rules,</li> <li>10. Presentations to analysts, presentations to investors and institutional investors,</li> <li>11. Information required to publish or deposit pursuant to the provisions of company law and securities law applicable to it,</li> <li>12. Shareholders circular,</li> <li>13. Report of the general meeting of shareholders (or other publication).</li> </ol>
47	A company should have appropriate media relations procedures and regulations and an information policy ensuring coherent and reliable information about the company. The company should, in compliance with legal regulations and to safeguard its interests, make information on its current operations and business standing available to media representatives and allow them to attend general meetings.	<b>YES</b>	As the transparency is extremely important for the Company, it maintains appropriate media relations. However the Company does not have to allow media representatives at general meetings. Naturally the Company has to comply with all required publications to be made under Dutch and Polish (securities) laws.
48	In its annual report, a company should include a statement to the effect that corporate governance standards are applied. Any departure from these standards should also be publicly explained.	<b>YES</b>	The Company will include a statement in its annual reports to what extent it complies with both the Dutch corporate governance code and the Polish corporate governance code. Moreover, any deviations from the Dutch corporate governance code or the Polish corporate governance code should



			be explained in the annual report (the “comply or explain” rule). Such statement was published for the first time in the annual report for year 2006.
--	--	--	---