

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO WHAT ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN FINANCIAL ADVICE FROM YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 IMMEDIATELY. IF YOU HAVE SOLD OR OTHERWISE TRANSFERRED ALL OF YOUR SHARES IN CINEWORLD GROUP PLC, PLEASE FORWARD THIS DOCUMENT AS SOON AS POSSIBLE TO THE PURCHASER OR TRANSFEREE OR TO THE STOCKBROKER, BANK OR OTHER AGENT THROUGH WHOM THE SALE OR TRANSFER WAS ARRANGED FOR TRANSMISSION TO THE PURCHASER OR TRANSFEREE.

## **Cineworld Group plc Notice of Annual General Meeting**

Notice of the Annual General Meeting of Cineworld Group plc to be held on 12 May 2010 commencing at 11:00am at The Cineworld Cinema, Southside Shopping Centre, Wandsworth High Street, London SW18 4TF is set out in this document.

A form of proxy for use at this meeting accompanies this document. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and returned so as to be received by Capita Registrars Limited, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not later than 48 hours before the time of relevant meeting. Completion and return of a form of proxy will not preclude a shareholder from attending and voting in person at the Annual General Meeting should they choose to do so. Alternatively you can register your proxy vote electronically no later than 48 hours before the time of relevant meeting by using the service provided by Euroclear. Further details are given in the notes to this document.

# Cineworld Group plc

(Registered in England with number 5212407)

Registered Office:  
Power Road Studios  
114 Power Road  
Chiswick  
London  
W4 5PY

Dear Shareholder

## ANNUAL GENERAL MEETING

The Annual General Meeting of the Company (the "AGM") will be held on 12 May 2010 at 11:00am at The Cineworld Cinema, Southside Shopping Centre, Wandsworth High Street, London, SW18 4TF. I do hope you will be able to attend. If you are unable to attend, I would encourage you to exercise your right to vote by completing and returning the enclosed form of proxy. The Notice of Meeting is set out on pages 3 to 4. Details of the items of business to be proposed at the meeting are set out below.

### Approval of the Report and Accounts (Resolution 1)

This resolution deals with the receipt and the adoption of the Report of Directors and the Financial Statements for the period ended 31 December 2009.

### Declaration of a Final Dividend (Resolution 2)

Subject to the declaration of the dividend at the meeting, a final dividend of 6.8p (net) per share will be paid on 7 July 2010 to shareholders on the register at the close of business on 11 June 2010.

### Re-election of Directors (Resolutions 3 to 6)

In accordance with the Company's Articles of Association (the "Articles"), one third of the Board of Directors is retiring by rotation and, being eligible, are offering themselves for re-election. In addition, the Director appointed during the year is also retiring and offering himself for election in accordance with the Articles. Biographical details of the Directors can be found on pages 22 to 23 of the Annual Report. The Board is satisfied that each Director continues to show the necessary commitment and to be an effective member of the Board due to his skills, expertise and business acumen.

### Re-appointment of the Auditors and their Remuneration (Resolutions 7 and 8)

These resolutions deal with the re-appointment of KPMG Audit Plc as auditors until the conclusion of the next AGM and authorises the Directors to set their remuneration.

### Approval of the Directors' Remuneration Report (Resolution 9)

In accordance with the Companies Act 2006, shareholders are being invited to approve the Directors' Remuneration Report for the financial period ended 31 December 2009. The report is set out on pages 34 to 38 of the Annual Report.

### Authority of Directors to allot shares (Resolution 10)

Paragraph a.I of Resolution 10 would give the Directors the authority to allot shares in the Company and grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal value of £472,405. This represents approximately one third of the share capital of the Company in issue at 31 March 2010 (being the last practicable date prior to the publication of this Notice).

In line with guidance issued by the Association of British Insurers ('ABI'), paragraph a.II of Resolution 10 would give the Directors the authority to allot shares in the Company and grant rights to subscribe for or convert any security into shares in the Company in connection with a rights issue up to an aggregate nominal value of £944,810 (as reduced by the nominal amount of any shares issued under paragraph a.I of this resolution). This amount (before any reduction) represents approximately two thirds of the share capital of the Company in issue at 31 March 2010 (being the last practicable date prior to the publication of this Notice).

In accordance with the ABI guidance, in the event that the general and additional authorities were used and:

- a) the number of ordinary shares in issue is thereby increased, in aggregate, by more than one-third; and
- b) in the case of any issue being in whole or part by way of a fully pre-emptive rights issue, where the monetary proceeds exceed one-third (or such lesser relevant proportion) of the pre-issue market capitalisation of the Company,

all members of the Board who wish to remain in office will stand for re-election at the Company's next AGM following the decision to make the issue in question.

Except in relation to the Company's employee share schemes, the Directors have no present intention of using this authority. However, the Directors may consider issuing unissued shares if they believe it would be appropriate to do so in respect of business opportunities that may arise consistent with the Company's strategic objectives. The Company does not at 31 March 2010 (being the last practicable date prior to the publication of this Notice) hold any treasury shares.

This authority will expire 15 months from the date of this resolution or, if earlier, at the conclusion of the next AGM.

### Disapplication of pre-emption rights on share allotment (Resolution 11)

Under section 561 of the Companies Act 2006, when new shares are allotted or treasury shares are sold for cash, they must first be offered to existing shareholders pro rata to their holdings. There may be occasions, however, when the Directors will need the flexibility to finance business opportunities by the issue of ordinary shares without a pre-emption offer to existing shareholders. This special resolution empowers the Directors to: (a) allot shares of the Company in connection with a rights issue, scrip dividend or other similar issue; and (b) otherwise allot shares of the Company, or sell treasury shares for cash, up to an aggregate nominal value of £70,860 (representing in accordance with institutional investor guidelines, approximately 5% of the share capital in issue as at 31 March 2010, being the last practicable date prior to the publication of this Notice) as if the pre-emption rights of section 561 did not apply.

Except in relation to the Company's employee share schemes, the Directors have no immediate plans to make use of these authorities. In line with best practice, the Board confirms that it does not intend to issue more than 7.5 per cent. of the issued share capital of the Company on a non pre-emptive basis in any rolling three-year period.

This authority will expire 15 months from the date of this resolution or, if earlier, at the conclusion of the next AGM.

#### **Authority of the Company to purchase its own shares (Resolution 12)**

Resolution 12 is being proposed to renew the Directors' authority to purchase up to 21,244,054 ordinary shares or, if less, 14.99% of the Company's issued share capital in the market immediately following the passing of the resolution. This authority will only be exercised if, having taken account of the likely impact on the financial position of the Company, the Directors are satisfied that any such purchase will be in the best long-term interest of shareholders.

This authority will expire 15 months from the date of this resolution or, if earlier, at the conclusion of the next AGM. The shares repurchased by the Company under the authority would either be cancelled or held as treasury shares (shares held by the Company itself). No dividends may be paid on shares which are held as treasury shares and no voting rights are attached to them. Any issue of treasury shares for the purposes of the Company's employee share schemes will be made within the anti-dilution limits set out by the ABI.

As at 31 March 2010 (being the last practicable date prior to the publication of this Notice) there were options and awards outstanding over approximately 1,630,000 ordinary shares in the capital of the Company, which represent approximately 1.15% of the Company's issued ordinary share capital at that date. If the authority to purchase the Company's ordinary shares were to be exercised in full, these options and awards would represent approximately 1.35% of the Company's issued ordinary share capital (excluding treasury shares).

#### **Amendments to the Articles of Association (Resolution 13)**

It is proposed in this resolution to adopt new Articles of Association (the "New Articles") in order to update the Company's current Articles of Association (the "Current Articles") primarily to take account of the implementation of the Companies Act 2006 and to reflect the implementation of the Shareholders' Rights Directive in the UK in August 2009.

The principal changes introduced in the New Articles are summarised in Appendix 1 to this Notice. Other changes, which are of a minor, technical or clarifying nature or conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills have not been noted in Appendix 1. The New Articles showing all the changes to the Current Articles are available for inspection, as noted on page 6 of this Notice.

#### **Notice of General Meetings (Resolution 14)**

One of the requirements of the Shareholders' Rights Directive is that all general meetings must be held on 21 clear days' notice unless shareholders agree to a shorter notice period. The Current Articles and the New Articles both enable the Company to call general meetings (other than annual general meetings) on 14 clear days' notice with shareholder approval. In order to preserve this ability, Resolution 14 seeks such approval. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.

#### **Approval of Share Option Plan (Resolution 15)**

As detailed in Resolution 15, the Directors are asking shareholders to approve a new Company Share Option Plan (the "CSOP"). The CSOP is divided into two parts and provides for the grant of HM Revenue & Customs approved options and unapproved options. The Board is conscious of the vital contribution to the Company made by its employees and Executive Directors. It has decided that the flexibility of granting tax efficient share options under the CSOP is currently an appropriate way of incentivising employees given the current economic climate and its impact on the financial markets.

The adoption of the CSOP will not increase the number of new issue shares which are available under the various employee share plans operated by the Company. A summary of the CSOP is provided in Appendix 2.

Resolutions 1 to 10 (inclusive) and 15 will be proposed as ordinary resolutions and resolutions 11 to 14 (inclusive) will be proposed as special resolutions. Ordinary resolutions require a simple majority of those present (in person or by proxy) at the AGM in order to be validly passed whereas special resolutions require a 75% majority.

#### **Action to be taken**

You will find enclosed a form of proxy. If you are unable to attend the AGM, please complete and return the form of proxy in accordance with the notes printed on the form as soon as possible and in any event so that it is received no later than 48 hours before the time for which the meeting is to be convened. Completion and return of the form of proxy will not prevent you from attending the meeting and voting in person should you wish.

#### **Recommendation**

The Board believes that the proposed resolutions to be put to the AGM are in the best interests of shareholders and the Company as a whole and, accordingly, recommends that shareholders vote in favour of the resolutions, as the Directors intend to do in respect of their own beneficial shareholdings in the Company.

Yours faithfully,

**Anthony Bloom**  
Chairman  
9 April 2010

# Cineworld Group plc

(Registered in England with number 5212407)

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the third Annual General Meeting of Cineworld Group plc ("the Company") will be held at The Cineworld Cinema, Southside Shopping Centre, Wandsworth High Street, London SW18 4TF on Wednesday, 12 May 2010 at 11:00am for the transaction of the following business. Resolutions 1 to 10 (inclusive) and 15 will be proposed as ordinary resolutions and resolutions 11 to 14 (inclusive) as special resolutions:

1. To receive and adopt the Report of Directors and the audited accounts of the Company for the 53 week period ended 31 December 2009.
2. To declare a final dividend of 6.8p per ordinary 1p share in respect of the 53 week period ended 31 December 2009.
3. To re-elect David Maloney as a Director of the Company.
4. To re-elect Thomas McGrath as a Director of the Company.
5. To re-elect Stephen Wiener as a Director of the Company.
6. To elect Alan Roux as a Director of the Company.
7. To re-appoint KPMG Audit Plc as auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at which financial statements are laid before the Company.
8. To authorise the Directors to set the remuneration of the auditors.
9. To receive and approve the Directors' Remuneration Report for the 53 week period ended 31 December 2009.
10. THAT:
  - a. the Directors be and they are hereby generally and unconditionally authorised under section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights"):
    - I. up to an aggregate nominal amount of £472,405; and
    - II. comprising equity securities (as defined in section 560 of the Companies Act 2006), up to a nominal amount of a further £472,405 (in addition to any shares issued under a.I above) in connection with an offer by way of a rights issue to:
      - i. ordinary shareholders in proportion as nearly as may be practicable to their existing holdings; and
      - ii. people who are holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,
  - b. such authorities to expire (unless previously revoked by the Company) at the conclusion of the next Annual General Meeting of the Company or on 11 August 2011 whichever is the earlier, except that the Company may before such expiry make offers or agreements which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offers or agreements as if the power conferred hereby had not expired; and
  - c. all previous authorities to allot shares or grant Rights, to the extent unused, shall be revoked.
11. THAT:
  - a. subject to the passing of Resolution 10 above, the Directors be and they are hereby empowered under section 570 and section 573 of the Companies Act 2006 to allot equity securities (as defined by section 560 of the Companies Act 2006) for cash pursuant to the authority conferred upon them under Resolution 10 above as if section 561 of the Companies Act 2006 did not apply to any such allotment, provided that this power shall be limited to:
    - I. the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under paragraph a.II of Resolution 10, by way of a rights issue only) to:
      - i. ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

- ii. people who are holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of any, territory or any other matter; and

- II. in the case of the authority granted under paragraph a.I of Resolution 10, to the allotment or sale (otherwise than under paragraph a.I of this Resolution 11) of equity securities up to an aggregate nominal amount of £70,860;
  - b. this power shall cease to have effect when the authority given by Resolution 10 is revoked or expires, but the Company may make offers or agreements which would or might require equity securities to be allotted after this authority expires and the Directors may allot equity securities in pursuance of such offers or agreements notwithstanding that the authority has expired; and
  - c. this power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(2)(b) of the Companies Act 2006 as if the words "pursuant to the authority conferred upon them under Resolution 10 above" were omitted from the introductory wording to this resolution.
12. THAT the Company be, and it is hereby, generally and unconditionally authorised for the purpose of sections 693 and 701 of the Companies Act 2006 to make one or more market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of 1p each in the capital of the Company ("ordinary shares") upon such terms and in such manner as the Directors of the Company shall determine, provided always that:
- a. the maximum aggregate number of ordinary shares hereby authorised to be purchased shall be 21,244,054 (or, if less, 14.99% of the ordinary shares in issue immediately following the passing of this resolution);
  - b. the minimum price which may be paid for an ordinary share shall be 1p per share (exclusive of expenses);
  - c. the maximum price (exclusive of expenses) which may be paid for an ordinary share shall be an amount equal to the higher of:
    - I. 105% of the average of the middle market quotations for an ordinary share (calculated by reference to the London Stock Exchange Daily Official List) for the five business days immediately preceding the day on which the ordinary share is purchased; and
    - II. the price stipulated by Article 5(1) of Commission Regulation (EC) No 2273/2003 (the Buy-back and Stabilisation Regulation);
  - d. unless previously renewed, revoked or varied, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or on 11 August 2011 whichever is the earlier, save that the Company may make a contract or contracts to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of ordinary shares pursuant to any such contract or contracts.
13. THAT with effect on and from 12 May 2010:
- a. the Articles of Association of the Company be amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of section 28 of the Companies Act 2006, are to be treated as provisions of the Company's Articles of Association; and
  - b. the amended Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.
14. THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.
15. THAT the Cineworld Group plc Company Share Option Plan (the "CSOP"), the rules of which are produced to the meeting and initialled by the Chairman for the purposes of identification (which are summarised in Appendix 2 to this Notice), is hereby approved and the directors be authorised to:
- a. adopt it and to do all acts and things which they consider necessary or expedient for the purposes of implementing and giving effect to the CSOP including making any amendments required by HM Revenue & Customs in order to obtain approval to Part A of the CSOP under Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003; and
  - b. establish further plans based on the CSOP but modified to take account of local tax, exchange control, securities laws or other laws in overseas territories, provided that any new shares made available under such further plans are treated as counting against the limits on individual or overall participation in the CSOP.

By order of the Board

**Richard Ray**  
Company Secretary  
9 April 2010

Registered Office: Power Road Studios, 114 Power Road, Chiswick, London, W4 5PY

# Notes

## Note 1

Holders of ordinary shares, or their duly appointed representatives, are entitled to attend and vote at the AGM. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and speak and vote on their behalf at the meeting. A shareholder can appoint the Chairman of the meeting or anyone else to be his/her proxy at the meeting. A proxy need not be a shareholder. More than one proxy can be appointed in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different ordinary share or shares held by that shareholder. To appoint more than one proxy, the proxy form should be photocopied and completed for each proxy holder. The proxy holder's name should be written on the proxy form together with the number of shares in relation to which the proxy is authorised to act. A failure to specify the number of shares each proxy appointment relates to or specifying an aggregate number of shares in excess of those held by the member will result in the proxy appointment being invalid. The box on the proxy form must also be ticked to indicate that the proxy instruction is one of multiple instructions being given. All proxy forms must be signed.

The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in Note 2) will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.

A form of proxy is enclosed with this Notice. To be valid, the form of proxy, together with the power of attorney or other authority under which it is signed (or a notarially certified copy of such power or authority), must be deposited with the Company's Registrars, Capita Registrars Limited, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not less than 48 hours before the time of the meeting or any adjournment thereof. A member present in person or by proxy shall have one vote on a show of hands and on a poll every member present in person or by proxy shall have one vote for every ordinary share of which he/she is the holder.

## Note 2

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by Capita (ID RA10) not later than 48 hours before the time fixed for the AGM. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita is able to retrieve the message by enquiry to CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages and normal system timings and limitations will apply in relation to the input of a CREST Proxy Instruction. It is the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

## Note 3

A person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she is nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.

The statements of the rights of members in relation to the appointment of proxies in Notes 1 and 2 above do not apply to a Nominated Person. The rights described in those Notes can only be exercised by registered members of the Company.

## Note 4

Pursuant to regulation 41(1) of the Uncertificated Securities Regulations 2001, only those shareholders registered in the register of members of the Company as at 6:00 pm on 10 May 2010 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting. If the meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If the meeting is adjourned for a longer period then, to be so entitled, a member must be entered on the Company's register of members at the time which is 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.

## Note 5

As at 31 March 2010, being the latest practicable date prior to the publication of this document, the Company's issued share capital consists of 141,721,509 ordinary shares, carrying one vote each. Therefore the total voting rights in the Company as at 31 March 2010 are 141,721,509.

## Note 6

All shareholders and their proxies attending have the right to ask questions at the meeting. The Company will answer any such questions relating to the business of the meeting, but it may not answer if (a) it would involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is not desirable in the interests of the Company or the good order of the meeting that the question be answered.

**Note 7**

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

**Note 8**

The following documents will be available for inspection at the registered office of the Company during usual business hours on any weekday (except Saturdays and public holidays) until the date of the meeting and at the place of the meeting for a period of 15 minutes prior to and during the meeting:

- a) the letters of appointment of the Non-Executive Directors;
- b) a copy of the new Articles of Association and a redline of the new Articles of Association against the current Articles of Association; and
- c) the rules of the CSOP.

In addition, a copy of the new Articles of Association and a redline of the New Articles of Association against the current Articles of Association will be available for inspection at the offices of Olswang LLP (7th Floor) 90 High Holborn, London, WC1V 6XX.

**Note 9**

Under section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with section 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

**Note 10**

You may not use any electronic address (within the meaning of section 333(4) of the Companies Act 2006) provided in this Notice of Meeting (or in any related documents including the Chairman's letter and proxy form) to communicate with the Company for any purposes other than those expressly stated.

**Note 11**

A copy of this Notice, and any other information required by section 311A of the Companies Act 2006 can be found at [www.cineworldplc.com](http://www.cineworldplc.com).

# Appendix 1

## Explanatory Notes of Principal Changes to the Company's Articles of Association

### 1. Articles which duplicate statutory provisions

Certain provisions in the Current Articles which replicate provisions contained in the Companies Act 2006 are to be removed in the New Articles. Certain other provisions are to be amended to bring them into line with the Companies Act 2006. The main changes made to reflect this approach are detailed below.

### 2. Form of resolution

The Current Articles contain a provision that, where for any purpose an ordinary resolution is required, a special or extraordinary resolution is also effective and that, where an extraordinary resolution is required, a special resolution is also effective. These provisions are being removed as the concept of extraordinary resolutions has not been retained under the Companies Act 2006.

### 3. Variation of class rights

The Current Articles contain provisions regarding the variation of class rights. The proceedings and specific quorum requirements for a meeting convened to vary class rights are contained in the Companies Act 2006. The relevant provisions have therefore been removed in the New Articles.

### 4. Records to be kept

The provision in the Current Articles requiring the Board to keep accounting records has been removed as this requirement is contained in the Companies Act 2006.

### 5. Remuneration for Non-Executive Directors

Guidelines from the ABI require that a company's articles of association contain a monetary cap on the aggregate fees payable to non-executive directors. The New Articles, therefore, provide that the Company's Non-executive Directors shall not receive, in aggregate, more than £500,000 per annum (excluding amounts paid for special services performed outside the scope of the ordinary duties of a director), which is consistent with current market practice. Shareholders will need to approve any increase in this figure by the passing of an ordinary resolution at a general meeting of the Company.

### 6. The Company's objects

The provisions regulating the operations of the Company are currently set out in the Company's Memorandum and Articles of Association. The Company's Memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Companies Act 2006 significantly reduces the constitutional significance of a Company's Memorandum. The Companies Act 2006 provides that a Memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the Company. Under the Companies Act 2006 the objects clause and all other provisions which are contained in a Company's Memorandum, for existing companies at 1 October 2009, are deemed to be contained in the Company's Articles of Association but the Company can remove these provisions by special resolution.

Further the Companies Act 2006 states that unless a Company's Articles provide otherwise, a Company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its Memorandum which, by virtue of the Companies Act 2006, are treated as forming part of the Company's Articles of Association as of 1 October 2009. Resolution 13(a) confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's Memorandum of Association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of shareholders.

### 7. Authorised share capital and unissued shares

The Companies Act 2006 abolishes the requirement for a Company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Companies Act 2006, save in respect of employee share schemes.

### 8. Redeemable shares

Under the Companies Act 1985, if a company wished to issue redeemable shares, it had to include in its Articles the terms and manner of redemption. The Companies Act 2006 enables directors to determine such matters instead provided they are so authorised by the Articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the directors would need shareholders' authority to issue new shares in the usual way.

### 9. Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital

Under the Companies Act 1985, a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the Companies Act 2006 a company will only require shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the New Articles.

## **10. Use of seals**

Under the Companies Act 1985, a company required authority in its articles to have an official seal for use abroad. Under the Companies Act 2006, such authority will no longer be required. Accordingly, the relevant authorisation has been removed in the New Articles. The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one director in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve.

## **11. Suspension of registration of share transfers**

The Current Articles permit the directors to suspend the registration of transfers. Under the Companies Act 2006 share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

## **12. Voting by proxies and corporate representatives**

Under the Companies Act 2006 proxies are entitled to vote on a show of hands and any one shareholder may appoint multiple proxies or multiple corporate representatives.

The Shareholders' Rights Regulations have amended the Companies Act 2006 so that it now provides that each proxy appointed by a member has one vote on a show of hands unless the proxy is appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution.

The New Articles reflect all of these new provisions. The opportunity has also been taken to generally refresh the provisions in the Current Articles relating to proxies and corporate representatives to bring them up to date.

## **13. Electronic conduct of meetings**

Amendments made to the Companies Act 2006 by the Shareholders' Rights Regulations specifically provide for the holding and conducting of electronic meetings. The New Articles include new provisions for the holding of electronic meetings in line with the relevant provisions.

## **14. Chairman's casting vote**

The New Articles remove the provision giving the Chairman a casting vote in the event of an equality of votes as this is no longer permitted under the Companies Act 2006.

## **15. Notice of general meetings**

The Companies Act 2006 requires that the notice of a meeting must state the general nature of the business to be dealt with at the meeting. Previously the legislation, subject to the Articles, permitted that only special business need be described in the notice. The Current Articles contain provisions reflecting the previous legislation and these have been removed in the New Articles.

Article 137 of the Current Articles allows, in certain circumstances (such as by reason of the suspension or any curtailment of postal services), notice of a meeting to be given by way of a newspaper advertisement. Section 308 of the Companies Act 2006 only allows a notice to be in hard copy, in electronic form or by website and that section is not subject to the articles. This brings into doubt whether a notice may be given by way of a newspaper advertisement. However, under section 310 of the Companies Act 2006, the persons to whom a notice is sent can be subject to the articles. The Current Articles have been amended so that in limited circumstances (such as suspension or any curtailment of postal services) the persons to whom notice must be sent is more limited (therefore seeking to remove the doubt as to the efficacy of this Article). The obligation for the Company to publish the notice by newspaper advertisement remains.

## **16. Adjournments for lack of quorum**

Under the Companies Act 2006 as amended by the Shareholders' Rights Regulations, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The New Articles have been updated to reflect this requirement.

## **17. General powers of the Company not limited**

The New Articles include a provision which clarifies that the general powers of the Company to grant indemnities, purchase and maintain insurance or provide funding to any person in connection with any legal or regulatory proceedings or applications for relief shall not be limited by the specific powers set out in the article that deals with indemnifying officers, funding directors' defence costs and the power to purchase directors' and officers' insurance.

## **18. General**

In places, the opportunity has been taken to bring clearer language into the New Articles, to update definitions and legislative references and in some areas to conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills.

# Appendix 2

## Summary of the Principal Terms of the Cineworld Group plc Company Share Option Plan (the “CSOP”)

### General

The CSOP is divided into two parts, Part A and Part B, and provides for the grant of HM Revenue & Customs approved options (which are granted under Part A) and unapproved options (which are granted under Part B). Approval for Part A will be sought from HM Revenue & Customs. Save to the extent required in order to obtain and retain HM Revenue & Customs approval of Part A, the provisions of Parts A and B are identical in all material respects. The CSOP is administered by the Remuneration Committee of the Company's Board of Directors (the “Remuneration Committee”) and will last for 10 years following adoption.

### Eligibility

Options may be granted to employees and directors (who must be full-time directors for the purposes of options granted under Part A) of the Company or any of its subsidiaries (the “Group”) selected at the absolute discretion of the Remuneration Committee.

### Grant of options

Options are rights to acquire ordinary shares in the Company (“Shares”), and, other than in exceptional circumstances, may normally only be granted within 42 days after the adoption of the CSOP or the announcement of the Company's financial results. Options may not be granted during a close period of the Company.

Options are not pensionable and no payment is required for the grant of an option. Options are personal to the participant and may not be transferred, except on death.

### Option price

The acquisition price payable on the exercise of an option will be the mid-market quotation for a Share on the Official List at the close of business on the dealing day immediately preceding the date of grant, or if the Remuneration Committee so determines, the average of such quotations at the close of business on the three or five dealing days immediately preceding the date of grant.

### Limits

The CSOP is subject to the following limits:

- (i) in any ten year period, the number of Shares which may be issued under the CSOP and under any other executive share plan established by the Company may not exceed 5 per cent. of the issued ordinary share capital of the Company from time to time; and
- (ii) in any ten year period, the number of Shares which may be issued under the CSOP and under any employees' share plan established by the Company may not exceed 10 per cent. of the issued ordinary share capital of the Company from time to time.

The use of Shares issued out of treasury will count towards these limits until such time as institutional investor bodies determine that treasury shares should not count towards such limits.

Any options granted prior to the Company's flotation in May 2007 are excluded from these limits.

### Individual limits

An option may not be granted to an individual under Part A of the CSOP if, or to the extent that, it would cause the total market value of Shares under options granted to that individual under Part A of the CSOP and any other approved share option scheme established by the Company, a group company or any associated company to exceed £30,000 or such other limit as may be imposed by statute. For these purposes the market value of the Shares is determined when options are granted.

In addition, an individual's annual participation in the CSOP (Parts A and B) will be limited such that the value of Shares the subject of options granted under the CSOP in any financial year cannot exceed three times his salary unless the Remuneration Committee considers the circumstances are exceptional and justify the limit to be exceeded. However, the Remuneration Committee intends that any grants made to a participant under the Cineworld Group 2007 Performance Share Plan in any financial year shall count towards this limit.

### Exercise of options

When granting an option, the Remuneration Committee will specify the date from which the option may be exercised. Generally, this will be 3 years from the date of grant. Options may become exercisable if and to the extent that any performance targets, set by the Remuneration Committee at grant, have been satisfied. Any performance targets will be objective.

To the extent that it has not previously been exercised, an option will cease to be exercisable and will lapse 10 years after its date of grant.

### Leaving the Group

An option will normally lapse upon a participant leaving the employment of the Group. However, if a participant leaves the Group by reason of death, injury, ill health, disability, redundancy, retirement (as at or after reaching 55 years under Part A of the CSOP) or any other reason as determined by the Remuneration Committee or if the company or business for which he works ceases to be part of the Group, then unless, the Remuneration Committee in its absolute discretion otherwise determines, his option will become exercisable when he leaves on a reduced basis taking into account only that part of the three year performance period which has elapsed. An option, to the extent it becomes exercisable, may be exercised during the period of six months after which, to the extent unexercised, the option shall lapse automatically.

### **Corporate events**

In the event of a change of control, scheme of arrangement or winding-up of the Company, all options will vest to the extent that any performance targets have, in the opinion of the Remuneration Committee, been satisfied at that time, on a reduced basis taking into account only that part of the three year performance period which has elapsed unless the Remuneration Committee in its absolute discretion otherwise determines.

In the event of a takeover of the Company, options may be exercised within six months of the time when the person making an offer has obtained control of the Company (unless the acquirer is entitled compulsorily to acquire Shares in which case the right to exercise lapses one month from the date on which the acquirer becomes so entitled).

In the event of a scheme of arrangement and/or a winding-up of the Company, options may be exercised for a limited period of time. In respect of an internal reorganisation, the Remuneration Committee may determine that options do not become exercisable.

Alternatively, with the agreement of the acquiring company, the participants may exchange their options for equivalent options to acquire shares in the acquiring company or its parent company.

### **Rights attaching to Shares**

Until options are exercised, participants have no voting or dividend rights in respect of the Shares which are the subject of their options. Shares acquired under the CSOP following the exercise of an option will generally rank equally in all respects with the then existing Shares.

### **Adjustment of options**

If there is a variation in the share capital of the Company, options may be adjusted to reflect that variation (subject to HM Revenue & Customs approval in the case of options granted under Part A of the CSOP).

### **Amendments to the CSOP**

The Remuneration Committee may at any time amend the CSOP in any respect provided that no amendment to the advantage of participants may be made to the provisions relating to:

- (i) who can be a participant;
- (ii) the limits on the number of Shares which can be issued under the CSOP;
- (iii) the basis for determining a participant's entitlement to Shares and the terms on which they can be acquired; and
- (iv) any adjustment in the event of a variation in the Company's share capital,

without the prior approval of the Company's shareholders in general meeting, unless the amendment is minor and made to benefit the administration of the CSOP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment. Any amendment which adversely affects the subsisting rights of the participants cannot be made unless the participants give their consent on the same basis as would be required under the Company's Articles of Association for an amendment of class rights. Any amendment to a key feature of Part A of the CSOP must also be agreed in advance with HM Revenue & Customs.

### **Overseas jurisdictions**

Additional schedules to the rules can be incorporated to operate the CSOP outside the UK. These schedules can vary the rules of the CSOP to take account of any securities, exchange control or taxation laws or regulations. The Shares issued for these purposes will count towards the overall limit of Shares issued under the CSOP.

**The above summary does not form part of the terms of the CSOP and should not be taken as affecting the interpretation of the detailed terms and conditions of such documents. The Board may make such amendment and additions to the CSOP as they consider appropriate up to the forthcoming AGM, provided they do not conflict in any material respect with this summary.**

