

**KINEPOLIS GROUP NV**  
**Public limited company making or having made a public appeal to savings**  
**Eeuwfeestlaan 20**  
**1020 Brussels**  
**Enterprise Number VAT BE 0415.928.179**  
**RLP Brussels**  
**(hereafter the "Company")**

## **INFORMATION MEMORANDUM**

### **on the 2016 Share Option Plan**

The board of directors, assisted by the Nomination and Remuneration Committee, presents the 2016 Share Option Plan (the **Plan**) to the shareholders of the Company. A number of aspects of the Plan, together with an authorization for the Company to redeem shares in the context of the execution of the Plan, will be submitted for approval to the (extra)ordinary general shareholders' meeting of the Company which will be held on 11 May 2016 at 10:00 a.m. (or on 15 June 2016 at 10:00 a.m., as applicable), in accordance with principle 7.13 of the Belgian Corporate Governance Code 2009.

This document sets out the main characteristics of the Plan and serves as additional information to the agenda of the aforementioned (extra)ordinary general shareholders' meeting. The purpose of this document is to provide a general and non-exhaustive overview of the principles and/or general rules which will apply to (possible) Option holders under the Plan, with specific attention for their rights and obligations. Where applicable, this document expressly refers to the aspects of the Plan which will be submitted to the shareholders for approval, being:

- the approval of the 2016 Share Option Plan of the Company in accordance with article 554, paragraph 7 of the Belgian Companies Code (agenda item 13 of the ordinary general shareholders' meeting);
- the approval, in accordance with article 554, paragraph 7 of the Belgian Companies Code, of the grant of options to the Chairman of the board of directors (agenda item 14 of the ordinary general shareholders' meeting);
- the modification of the authorization granted by the extraordinary general shareholders' meeting of 19 October 2012 as well as previous authorizations (agenda item 1 of the extraordinary general shareholders' meeting) with respect to previously redeemed shares; and
- the authorization to redeem shares to cover the options issued in accordance with the 2016 Share Option Plan (agenda item 2 of the extraordinary general shareholders' meeting).

*This document will be made available on the website of the Company (<http://investors.kinopolis.com>) under the item Information Memorandum – 2016 Share Option Plan.*

## 1. Management of the Plan

The Plan will be managed by the Nomination- and Remuneration Committee of the Company. The Plan may be amended, suspended or terminated, in whole or in part, by the board of directors of the Company at any time.

## 2. Participants

In the context of the Plan, the board of directors or the Nomination- and Remuneration Committee of the Company are authorized to grant Options (as defined hereafter) to the following persons (the **Participants** and each a **Participant**):

- the chairman of the board of directors of the Company;
- the Executive Management of the Company;
- eligible members of the management of the Company and of its affiliated subsidiaries.

Individual grants of Options to the chairman and the Executive Management will be decided upon by the Board of Directors, assisted by the Nomination and Remuneration Committee, it being understood that the individual grants to the chairman must be approved by the general shareholders' meeting.

Individual grants of Options to eligible members of the management of the Company and its affiliated subsidiaries will be decided upon by the Nomination and Remuneration Committee upon the proposal of the Executive Management.

The Nomination and Remuneration Committee may subject the conditions for the grant of an Option to a Participant to an option agreement at its own discretion.

*By way of derogation from provision 7.7 of the Belgian Corporate Governance Code 2009, the board of directors, assisted by the Nomination and Remuneration Committee, proposes to grant Options to the chairman of the board of directors of the Company, who, as representative of the reference shareholder, is closely involved in the implementation of the strategy of the Company with a view to long-term value creation, and will submit this grant for approval to the General Shareholders' Meeting in accordance with article 554, paragraph 7 of the Belgian Companies Code (agenda item 14 of the ordinary general shareholders' meeting).*

## 3. Price and purpose of the Options

The Options will be offered free of charge to the Participants, in the framework of the support and realisation of the following business and human resource objectives:

- encouraging and rewarding Participants who contribute to the success and the long-term growth of the Company en its Affiliated Enterprises.
- maintaining and attracting Participants with the required experiences and skills.
- connecting the interests of the Participants with those of the shareholders of the Company, and provide them the possibility to participate in the value creation and growth of the Company, on a long-term basis.

#### 4. Number of Options

The maximum number of Options which may be granted to the Participants under the Plan is limited to 543,304 share options, corresponding to 2% of the share capital of the Company (the Options).

The Options will be in registered form and registered in the register of Option holders kept at the registered seat of the Company.

#### 5. Options on existing shares

Each accepted and validly exercised Option will entitle the Participant to one existing share in the Company, with the same rights (including dividend rights) as the other existing shares of the Company.

*To ensure the implementation of the Plan and to cover the Options, the board of directors of the Company requests the shareholders to:*

- *authorize the board of directors to use, at its discretion, the 132,346 shares which were redeemed by the Company under the previous authorizations granted by an extraordinary general shareholders' meeting of the Company to cover the new Options to be issued in accordance with the Plan (agenda item 1 of the extraordinary general shareholders' meeting); and*
- *authorize the board of directors to acquire a maximum of 410,958 existing shares from the Company during a period of five years (agenda item 2 of the extraordinary general shareholders' meeting).*

#### 6. Term of the Options

The term of the Options granted under the Plan will be limited to eight years as from the date of the approval of the Plan by the general shareholders' meeting.

#### 7. Exercise price

The exercise price of the Options will be determined by the Nomination and Remuneration Committee and must at least be equal to the lowest of:

- the average closing price of the shares to which the Options relate over a period of thirty days preceding the date of the offering of the relevant Options; or
- the last closing price of the shares to which the Options relate, preceding the day of the offering.

#### 8. Exercisability

The Options granted under the Plan will only become exercisable after the vesting of the Options, at the earliest in the fourth year following the date of the grant.

The applicable period and the rhythm of the vesting will be determined by the Nomination and Remuneration Committee at the time of the grant of the Options to the Participants.

The Plan also provides for Good Leaver/Bad Leaver provisions which govern the exercisability and exercise of the granted Options in the event of termination of the employment or the director mandate of a Participant (see Annex 1).

The Plan further provides that the vesting of the Options granted to a Participant will be accelerated if the employment agreement or director mandate of the Participant terminates for other reasons than substantiated reasons (see Annex 1) within a period of twelve months following the date on which a change of control over the Company has taken place, due to which Kinohold Bis, a limited liability company incorporated under the laws of Luxembourg, or her legal successors, become unentitled to nominate a majority of the directors of the Company for appointment in accordance with article 14 of the articles of association of the Company.

The Nomination and Remuneration Committee may decide to accelerate the vesting of Options in individual cases.

## 9. Exercise period and exercise procedure

The Nomination and Remuneration Committee will determine the exercise periods and exercise procedure in which and according to which vested/exercisable Options may be exercised by the Participants within the term of the Options.

The Nomination and Remuneration Committee may provide for a cashless exercise program, to allow Participants to sell all or a part of the shares acquired during the exercise of the Options, simultaneously with the exercise of the Options.

## 10. Transferability

The Options will not be not transferable, except in the event of death of a Participant.

## 11. Miscellaneous

- **Share Options Law:** grants of Options to Belgian Participants will be subject to the conditions of the Law of 26 March 1999 on the Share Options.
- **Anti-dilution provision:** the Plan contains a provision allowing to adapt the exercise price of or the acquisition price connected to the Options in the event of certain changes to the capital structure of the Company (to ensure that such events have economically neutral consequences for the Option holders).
- **Exercise:** the Plan contains specific procedures which must be complied with by the Option holders in order to be able to validly exercise their Options.
- **Sub-plans:** the Plan provides in the possibility to create Sub-plans with modalities taking into account the different tax regimes in different countries.
- **Costs:** the costs with respect to the transfer of the shares resulting from the exercise of the Options will be borne by the Company. Stamp duties, stock market taxes and other similar duties or taxes levied as a result of the exercise of the Options and the transfer of shares will be borne by the Participant.

**ANNEX 1**  
**Good Leaver/Bad Leaver provisions in the event of termination of the director  
mandate or employment of a Participant**

Termination ground	Exercisability of the Options	Impact on the exercise
<b>Termination of the management mandate or the employment agreement without substantiated reasons*</b>	Vested Options	The Participant will be able to exercise the vested Options during the next exercise period following the end of the director mandate or the employment agreement.  If these Options are not exercised during the aforementioned exercise period the Options will expire automatically and will be available for future grants under the Plan.
	Unvested Options	The Options will expire automatically and will be available for future grants under the Plan.
<b>Termination of the director mandate or the employment agreement with substantiated reasons*</b>	Vested and unvested Options	All vested and unvested Options will expire automatically and will be available for future grants under the Plan.
<b>Death or invalidity</b>	Vested Options	The vested Options will be deemed transferred to the Beneficiary of the Participant (in the event of death of the Participant) and will remain exercisable during the remaining term of the Options in accordance with the Plan and the offer.
	Unvested Options	The Options will expire automatically and will be available for future grants under the Plan.
<b>Legal retirement</b>	Vested Options	The vested Options will remain exercisable during the remaining term of the Options in accordance with the Plan and the offer.
	Unvested Options	The Options will expire automatically and will be available for future grants under the Plan.

\*For the application of the Plan "substantiated reasons" means:

- fraud, theft, misappropriation of funds or committing a crime by the Participant or an enterprise affiliated with him/her;
- wilful misconduct (or omission to act) by the Participant or by an enterprise affiliated with him/her which causes material damage to the financial situation or business reputation of the Company or its affiliated enterprises;
- negligence or gross negligence in the exercise of obligations or non-exercise of obligations by the Participant or by an enterprise affiliated with him/her, in accordance with the instructions given to the Participant by the competent body of the Company or its affiliated enterprise;
- infringement of any important commitment to the Company or its affiliated enterprise undertaken by the Participant or an enterprise affiliated with him/her; or
- in the event of "urgent reasons" in accordance with the applicable labour legislation.